HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

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HOUSE OF COMMONS

Wednesday, March 23, 1994

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*English*]

BIODIVERSITY

Hon. Charles Caccia (Davenport): Mr. Speaker, biodiversity means a richness of life as it surrounds us in nature. We must preserve biodiversity because it is nature's protection against catastrophes. The loss of biodiversity has serious implications for life on earth.

We have been told that since the beginning of the century 75 per cent of crop diversity has been lost. This leaves us vulnerable. For example uniformity in corn crops could have resulted in disaster when a severe blight threatened corn crops in the 1970s. By maintaining biodiversity we also help sustain ourselves.

As a responsible society we in Canada must preserve our still rich biodiversity. From our forests and fields to our wetlands, lakeshores, parks and lawns our biodiversity is our most precious asset.

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[*Translation*]

AVERAGE INCOME OF FRANCOPHONES

Mr. Réjean Lefebvre (Champlain): Mr. Speaker, this morning's *Globe and Mail* reported on a Statistics Canada study which found that the median income of francophone Canadians was more than 10 per cent lower in 1992 than that of anglophones. The gap has more than doubled since 1977 and it is growing wider every year.

Considering that the aim of the Official Languages Act passed by the Liberal Party was to give francophones their rightful place in the Canadian economy, the only conclusion that can be drawn is that the legislation has been a failure.

The study also found that Quebec francophones had made up some ground during the same period. The income gap between anglophone and francophone families in Quebec has narrowed from 8.2 per cent to 1.9 per cent.

The income gap can be closed, Mr. Speaker, but one has to conclude that federal policies are not a contributing factor.

* * *

[*English*]

CREDIT RATING

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, yesterday after the announcement of the downgrading of Canada's rating for foreign currency debt, the Minister of Finance stated it only affected a small portion of our total debt so it was no big deal.

Now the Bank of Canada has increased its key lending rate which undoubtedly will result in increased borrowing costs for Canadian consumers and businesses. It is also having an impact on the cost of government borrowing.

The budget did not address the deficit or debt. Now all Canadians are starting to pay for this short–sightedness.

When will the government realize it is on a course to financial disaster and revise the budget to deal with the problems it has created? Could it be that the government believes that all problems faced by Canadians are no big deal?

* * *

THE ECONOMY

Ms. Bonnie Brown (Oakville—Milton): Mr. Speaker, last week I listened to an hon. member of the opposition speak with sadness about the unfavourable conditions in his riding. There was a lack of hope in his voice. Let me assure the House that all the news is not bad and the economic recovery is beginning.

In Oakville—Milton more than 1,500 jobs have arrived since election day. Ford has increased its workforce by 1,100 and Lear Seating has hired 455 persons. Polywheels has expanded into a larger facility, thus expressing confidence in its future. Derlan Aerospace has secured the contract to retrofit the Lynx helicopters made in Britain, thus ensuring the employment of 300 workers in Milton.

This good news is being highlighted by the media and is reinforcing the climate of confidence which underpins new investment and economic growth.

My hope is that we will all begin to feel this confidence, rekindle our optimism and together rebuild the national economy.

* * *

REVEREND BRIAN WEATHERDON

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, Reverend Brian Weatherdon, the respected, hard working and loyal associate minister of St. Andrew's Church, has recently been called to a new ministry in Hamilton.

During the five years Brian has ministered in Ottawa he has played a key leadership role in advancing important issues such as the fight against child poverty and the organization of nutrition programs for families in need. He was also very instrumental in helping me to establish National Child Day.

His enthusiasm and his dedication to his congregation and the Ottawa community have been exceptional.

Brian will leave behind countless accomplishments, memories and friends. I along with many others am sad to see Brian leave. He can be very proud of the meaningful contributions he has made to this community.

On Easter Sunday, Brian will take up his new duties as the minister at MacNab Street Presbyterian Church in downtown Hamilton.

I would like to inform the members from the Hamilton area that a very remarkable and generous man will soon be in their neighbourhood.

* * *

SPRING

Ms. Hedy Fry (Vancouver Centre): Mr. Speaker, Sunday was the first day of spring in Canada, or at least it was in my city of Vancouver.

Today I have attempted to bring the sweet air of our west coast spring to Ottawa. In the lobbies outside this House are 295 daffodils for 295 members of Parliament. It is my wish that these daffodils like spring itself awaken the creative passions of members of the House of Commons.

• (1405)

The challenge before us of making Canada work better requires the swiftness of a sudden spring shower, the resolution of a blossom, and the certitude of a thaw.

May these daffodils, generously donated by a Vancouver radio station as well as by a fine corporate community partner, serve as a pleasant reminder that with spring comes hope, renewal and growth.

[*Translation*]

THE INFORMATION HIGHWAY

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, the information highway is unquestionably the technological issue of the day. Once completed, the information highway will bring together telephone, cable and computer technology with a view to providing a wide range of interactive services to consumers.

The information highway will alter consumer, work and education habits and impact on the private lives of Canadians and Quebecers.

Therefore, the Minister of Industry must commit publicly to holding public, open, transparent and accessible hearings on this subject, not consultations behind closed doors, as the committee is expected to hold.

As Ottawa prepares to put in place the administrative machinery to manage the information highway, protecting the privacy of Canadians and Quebecers must be one of the federal government's main concerns.

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[*English*]

FORUM FOR YOUNG CANADIANS

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, I rise in the House today to give tribute to the Forum for Young Canadians.

As hon. members know, participants in the Forum for Young Canadians are in Ottawa this week to learn more about the process of government at the federal level. I know all members will join me in praising the organizers, the sponsors and the many volunteers who have made this forum a reality.

I wish to give special tribute to each of the participants, our future leaders, and in particular to a young constituent of mine, Jennifer Robinson of Prince George, B.C.

Welcome to Ottawa and best wishes for a most successful session.

* * *

MANUFACTURING INDUSTRY

Mr. Gar Knutson (Elgin—Norfolk): Mr. Speaker, I rise to speak briefly on a question of urgency in my riding of Elgin—Norfolk: the need for Canada to have an updated industrial strategy.

To many in my riding words like "change" and "competition" are synonymous with plant closings and higher unemployment. Almost one job in four in my riding is in the highly vulnerable manufacturing sector. Over one–third of the industrial park in the city of St. Thomas is empty. It should be clear to

this House that manufacturing jobs in Elgin—Norfolk are in deep decline.

Elgin—Norfolk relies heavily for employment on the auto parts industry in which technology is key. Canadian workers need only the new tool of technology to add to their high productivity and education, two areas in which we hold an excellent advantage.

I urge the government to look at technology as a way of ensuring the people of Elgin—Norfolk and all of Canada a better tomorrow.

* * *

ORDER OF ELKS CURLING PLAYDOWNS

Mr. Bernie Collins (Souris—Moose Mountain): Mr. Speaker, I would like to acknowledge the Benevolent and Protective Order of Elks in Estevan, Saskatchewan. It is holding the Canadian Elks 1994 national curling playdowns in Estevan from March 22 to March 27, 1994.

The Benevolent and Protective Order of Elks is widely known and appreciated across Canada.

On behalf of the Government of Canada I would like to offer my best wishes to all the participants and volunteers involved in this prestigious event.

* * *

FARM BUSINESS MANAGEMENT COMMITTEE

Mr. Harold Culbert (Carleton—Charlotte): Mr. Speaker, quality food production is of great importance to every area and to every citizen of Canada. Canadians are fortunate that the farm and agricultural community ensures a continual supply of quality foods.

Over the past few days the Canadian Farm Business Management Committee has been meeting in Ottawa. I believe some committee members are visiting the House today.

During the sessions I had the opportunity to sample food products. They were from displays consisting of food products of the particular native province. I must admit they were most impressive and very tasty.

• (1410)

Let us reaffirm in this House today our support for the Canadian farmer and for the Canadian food producer, their importance to our economy and their importance to every citizen in Canada.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

Mrs. Maud Debien (Laval East): Mr. Speaker, I want to express my concern about the future of the CBC's news services. The Chairman of the Canadian Radio–Television and Telecommunications Commission, Mr. Keith Spicer, asked the Canadian Broadcasting Corporation to broadcast news bulletins on both networks using simultaneous translation. Such a service will cost more than $15 million a year.

This new demand is being made in a context of cutbacks. Obviously, Mr. Spicer and the CRTC want to sacrifice the quality of the CBC's news on the altar of national unity.

Need I remind the commissioners of the CRTC and the Liberal government that there is still no all–news service in French? Need I recall that the CBC's French service can no longer afford to pay its correspondents abroad?

Mr. Speaker, we members of the Bloc Quebecois are opposed to any political interference in the internal affairs of the Canadian Broadcasting Corporation.

* * *

[*English*]

THE ECONOMY

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, a recent edition of *Taxpayer* magazine reported on the Canadian Manufacturers Association study of Canada's debt.

The president of the CMA, Mr. Stephen Van Houten, said that given the track record of previous governments the debt could soar to $965 billion by the year 2001. He observed that governments have a bad habit of seriously overestimating economic growth and tax revenues. The government has a narrow window of opportunity to deal with this impending debt crisis.

Mr. Van Houten also noted the dramatic growth in the underground economy shows that Canadians are fighting back against tax increases. The only viable option for the government is to cut spending.

The CMA notes that the money markets are reacting negatively to yet another high deficit. Many Canadians are concerned about our financial future.

It is time to take a serious look at our financial problems. It is time for this government to stop leading Canada further into the red. It is time to cut spending.

* * *

THE LATE ROBERT EMERSON EVERETT

Mr. Andy Mitchell (Parry Sound—Muskoka): Mr. Speaker, I rise today to pay tribute to Robert Emerson Everett of Bracebridge who passed away recently. Bob Everett was one of the greatest ambassadors to come out of my riding of Parry Sound—Muskoka.

Mr. Everett began painting at nine years of age. Even though he never had formal art training he became one of Muskoka's finest artists in oil and pastel. A past president of the Ontario Institute of Painters, Mr. Everett was a full member of the Pastel

Society of Canada and an elected associate member of the Pastel Society of America.

Not only did Mr. Everett serve the Muskoka area as a successful pharmacist, he served this country in World War II as a Royal Canadian Air Force flight navigator. He was shot down in a Hampton bomber.

Bob Everett was a true gentleman in every sense of the word. He was respected and loved by his friends and family.

I extend condolences to his wife Nora and four children, Eugene, David, Jason and Peter. Muskoka and the rest of Canada share their loss.

* * *

MEXICO

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, as the House will know the Prime Minister is in Mexico City today. I recently returned from Mexico City having accompanied a CAW delegation there.

One of the recommendations we made to the ambassador on our departure was that when the Prime Minister was in Mexico he should meet with human rights activists. He should not just satisfy himself with attending the trade fair and meeting with business people, as important as that may be.

I hope when the Prime Minister returns he will be able to report to this House that he has met with human rights activists. The situation in Chiapas is still very delicate. The demands of the Zapatistas have not yet been met, demands which are shared by a great many of the Mexican people.

I hope the Prime Minister will show enough interest in the welfare of the Mexican people and not just Canadian trade opportunities and meet with human rights activists while he is in Mexico City.

* * *

PRESENCE IN GALLERY

The Speaker: My colleagues, before we go to oral questions I want to point out one of our parliamentary colleagues in the gallery, Mr. Michael C. Liapis, member of Parliament from Greece.

Some hon. members: Hear, hear.

ORAL QUESTION PERIOD

• (1415)

[*Translation*]

GOVERNMENT'S CREDIT RATING

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. During the election campaign, the Liberal Party shouted from the rooftops that its economic program was based on creating jobs, on reducing the deficit by cutting government spending, and on a monetary policy balancing job creation with the fight against inflation.

The government failed at every level. Its first budget got a negative reception from the financial community as illustrated by the lowering of its credit rating announced the day before yesterday.

Does the Minister of Finance admit that this lower credit rating is due to a negative response from a financial community disappointed by the timid and inadequate budget measures to reduce departmental operating expenditures?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, I cannot believe that the Leader of the Opposition who criticizes us at every turn because we have cut military bases, reformed unemployment insurance, and trimmed government machinery, who spent three months criticizing our cuts, suddenly rises to tell us we did not cut enough.

So I ask you this: Where do you want us to cut? Tell us exactly in what areas!

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, there are many areas and the minister knows it. Let us think about the family trusts he is protecting in a rather special fashion.

I am convinced that the reason the financial community lowered Canada's credit rating is not because we cut too much, but because we did not cut deep enough, contrary to the commitments that were made.

I would ask the minister to comment on the government's timid spending reduction efforts combined with its obsession with fighting inflation, which is almost non–existent, causing a rise in interest rates, and I ask him specifically whether it is right that the upward pressure on interest rates should compromise the already slim chances of economic recovery and job creation, with the well–known negative effects on businesses and the unemployed.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Yes, I am looking at you, Mr. Speaker. It is much better than looking elsewhere.

First of all, interest rates even today are much lower than they were three months, six months or a year ago. Second, as you know full well, the increase in interest rates is due to international reasons that have nothing to do with the situation here in Canada.

As far as budget cuts are concerned, we gave the Leader of the Opposition and his colleagues the opportunity to make suggestions in a pre–budget debate; they did not take that opportunity, so what are they telling us now?

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, the financial community does not go in for the florid speeches and noises we sometimes hear in this House, which take the place of monetary and fiscal policies. They spoke very toughly and very eloquently this week by lowering Canada's credit rating. There are also the unemployed and others.

I ask the Minister of Finance whether he is willing to review his inefficient and unfair approach which consists in attacking the unemployed by cutting their benefits to force them to look for non–existent jobs instead of going after the actual causes of unemployment.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, regarding our fight against unemployment, our job–creation plan was endorsed by the G–7 countries, by France, Germany and the United States.

When we look at the results for the month of February, 66,000 new jobs were created, including 15,000 in Quebec. And when we look at what we did by lowering unemployment insurance premiums, everything we did for small and medium–sized businesses, the high–tech networks, when we look at the action plan to create jobs, it must be said that this government is doing the right thing.

* * *

• (1420)

JOB CREATION

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, page 16 of the red book reads, and I quote:

> The Conservatives' single–minded fight against inflation resulted in a deep recession, three years without growth, declining incomes, skyrocketing unemployment—

Some hon. members: Hear, hear.

Mr. Loubier: And it goes on. But the Minister of Finance told us yesterday that he is doing the exact same thing as the Conservatives. He strongly reaffirmed the Bank of Canada's goal to fight inflation. What an about–face in four short months! One can wonder what to expect for the next four years, Mr. Speaker.

My question is for the Minister of Finance—and you will not get off lightly! After—

The Speaker: Order! I did not hear the question. Could the hon. member please repeat it?

Mr. Loubier: I will start over, Mr. Speaker. I thought you were rising to indicate that my preamble was too long. That is why I sat down.

Let me put my question again to the minister. After tabling a Conservative–style budget, does the Minister of Finance not realize that he is reneging on his election commitment by pursuing the same obsessive fight against inflation and refusing to make lowering unemployment the priority of the Bank of Canada?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): First of all, Mr. Speaker, I must say we were better off before the hon. member put his question. I want to congratulate him on the way he read the quote.

As far as the question is concerned, is the hon. member going back on what his own leader said? Is he telling us that maybe we should not preserve what has been achieved in the fight against inflation, at the price of so much effort, as we know? Is the hon. member actually saying that we should not have low interest rates in this country? Should we not take advantage of these lower rates to stimulate employment in Canada? Is he denying all he has learned as an economics student? Not likely. Maybe. He says he denies it. What is he denying, the denial or having studied economics?

The Speaker: Let us not forget that we have several questions to hear today, from both sides. So, let us hear from this side now. I recognize the hon. member for Saint–Hyacinthe—Bagot.

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, I have a supplementary question. It is strange all the same to see the Minister of Finance throw his short–term job creation creed out the window, just days after the G–7 Summit. So, I will ask him again.

Does the minister not agree that, by pursuing this obsessive inflation reduction policy, which his own party fingered as the main cause of the latest recession, he is knowingly stifling any hope of economic recovery and employment development in Quebec as well as in Canada?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, there is no doubt in our minds that job creation is our number one priority. That is why we were so happy to see that 66,000 new jobs had been created in Canada in February, as I just mentioned, 15,000 of which are in Quebec.

Let us assess the situation: consumer confidence has grown 13 per cent during the fourth quarter; retail sales increased by 1.2 per cent in January, following a 1.1 per cent increase in December; and car sales have increased significantly. Our economy is growing, and that is because of the confidence Canadians have in us.

* * *

[*English*]

INTEREST RATES

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

The minister's budget projects a bank rate of 4.5 per cent, a long term bond rate of 6.4 per cent and interest costs of $41 billion this year. It also predicts a 1 per cent rise in interest rates will add about $1.7 billion to the deficit.

Today the Bank of Canada rate is already half a per cent higher than projected and rising interest rates are mainly due to higher interest rates in the United States over which the government has no control.

Will the minister today acknowledge that his estimates for next year's budget deficit are simply too low? Just acknowledge it so that the House can get on with addressing the real problem that represents.

• (1425)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, the member's statement in terms of the short term interest rates is a little out of date as of the present time, although the numbers he cited were good as of about ten o'clock this morning.

The member is nonetheless right in one area and that is on the long term rates. The long term rates are higher than those which we projected.

When one looks at the degree of conservatism which we built into all of the forecasts, that is to say in terms of growth, inflation and interest rates, we are very confident that the projections we have made in our budget will be attained.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, it is the degree of conservatism that we are particularly worried about.

Just last week the minister's parliamentary secretary answered a question on rising interest rates by saying: "The outlines in the budget were done very conservatively. These types of considerations, that is higher interest rates, were taken into account".

Does the finance department actually have in place a contingency plan for dealing with the impact of higher interest rates on the budget as the minister's parliamentary secretary has implied?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, we remain very confident in the objectives and our ability to attain the objectives that have been set out in the budget.

As I mentioned, the deficit projections that we made, the question of revenues and expenditures, are based on a series of projections. While the member is obviously right in terms of long term interest rates, the fact is that we are nonetheless easily within the safe side on the vast majority of our projections.

I would like to say one other thing. The member made reference to my use of the word conservatism and the use of the same word by my parliamentary secretary. I share that difficulty. I wish I could find another word, Mr. Speaker.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I have a further supplementary question.

There must have been somebody in the finance department who had anticipated interest rates higher than those projected in the budget and what to do about it. I ask the minister if the government will be forthright and publish its real interest rate projections and its real interest cost projections as distinct from those contained in the red ink book.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, the interest rate projections are simply part of a series of projections within the budget. We remain confident that we are going to attain the objectives of the budget.

We are going to have the opportunity to sit down some time after Easter with members of the Reform Party, as has been described in discussions with Mr. Speaker and myself. We are quite prepared to go through all of the various scenarios and discuss a multitude of contingencies.

Let me say one thing to the member. We are confident that we are not going to need a contingency plan because we are going to hit our targets.

* * *

[*Translation*]

HYUNDAI PLANT IN BROMONT

Mr. Gaston Péloquin (Brome—Missisquoi): Mr. Speaker, my question is for the Minister responsible for the Federal Office of Regional Development in Quebec.

Yesterday, the big three American automakers clearly indicated that they had no intention of taking over the Hyundai plant in Bromont. In answer to a question from the media, the Minister of Finance said that if the big three persist in ignoring the Bromont facility, the government might decide to look up companies from other sectors.

Is the minister confirming that the big three American automakers do not intend to participate in the recovery of the Bromont plant, and can he specify which type of businesses he was referring to yesterday?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, it is certainly a relief to see that they have stopped directing questions to the Minister of Finance.

• (1430)

As you know, the Quebec minister of Industry himself, Mr. Tremblay, said yesterday that he was still hoping to negotiate with the automakers and that he intended to contact them. In fact, I think he had already done so. Therefore, we should wait for the outcome of the discussions between Mr. Tremblay and those companies.

Mr. Gaston Péloquin (Brome—Missisquoi): Mr. Speaker, does the minister agree that the closure of the car assembly plant in Bromont will put Quebec at an even greater disadvantage, compared to Ontario, regarding subcontracting in the auto industry, and that a real strategy must be implemented to correct this situation?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, I already said that I was very disappointed by Hyundai's decision. I am very familiar with the situation—in fact, I live in the hon. member's constituency—and I know the region very well. I fully agree to co–operate with the Quebec government and the municipality of Bromont to truly find a solution to this situation.

The red book, to which the hon. member just referred, includes a plan to fight unemployment, which certainly applies to the Eastern Townships. I hope to report soon on the discussions with the Quebec government on job creation.

* * *

[*English*]

THE BUDGET

Mr. John Williams (St. Albert): Mr. Speaker, my question is also for the Minister of Finance.

The minister has stated repeatedly that his budget is a two–part strategy and that severe cuts are coming next year. At the same time the Prime Minister maintains that all proposed cuts are already on the table.

There are no spending cuts in the budget for next year which could be described as severe, and on this basis can the Minister of Finance tell Canadians if severe cuts are coming, and if so why is the Prime Minister not aware of them?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, what the Prime Minister said is exactly what I said in the House when the budget was presented, that the cuts and the actions taken in the February 22 budget in and of themselves will lead to a reduction of the deficit, bringing it to the point of 3 per cent of GDP in three years.

At the same time in the budget, and the Prime Minister repeated it, there were a series of measures regarding the re–examination of the way that government operates. Some are led by the Minister responsible for Public Service Renewal, a number of others are led by the Minister of Human Resources Development, and a series of other ministers, including the Minister of Transport, is going to continue to lead our efforts to clean up the nation's finances.

That is what the Prime Minister said, that is what I said, and that is our position.

Mr. John Williams (St. Albert): Mr. Speaker, the financial markets recognize that there must be severe cuts in spending if Canada is to avoid a severe financial crisis. Rising interest rates indicate that they expect the government to renege on their second round of cuts.

The credibility of the Minister of Finance is at stake, and his audience extends well beyond the House. Will the minister assure us that the deep spending cuts are coming and will be imposed?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, we said very clearly that the February 22 budget was the first stage of a two–stage process.

We had been in power for slightly over 100 days when we brought in our first budget and what we were doing was reviewing all government operations. That review is under way and its results will be manifest not only in the next budget but in announcements that will be made by ministers over the course of the next year and in periods following.

• (1435)

We were elected on two bases, one to create jobs and one to clean up the nation's finances. There is no doubt in my mind that at the end of our mandate, the Canadian people will find that we have been faithful to our word.

* * *

[*Translation*]

SOCIAL PROGRAMS

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Minister of Human Resources Development.

After the parliamentary committee responsible for consulting Canadians on social programs had to hand in its report on Monday so that it could be tabled in this House on Friday, and after the parallel consultations held yesterday, Tuesday, in Montreal were denounced by most of the invited groups, today the Minister of Human Resources Development announced, with the Premier of New Brunswick, an income security program for people between 50 and 65 who live in that province.

Does the minister not agree that the first phase of consultations on social programs was a sham?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, contrary to being a sham, the program we announced was multi–faceted in its approach. It attempted to reach out to Canadians in a wide variety of fora. We certainly look forward to the report of the committee.

As the hon. member has said many times, we also have to try other ways and means of tapping into the opinions of Canadians. As a result, my department and various provinces across the country sponsored fora at which a large number of Canadians could come and express their views, be heard, have a dialogue and get into a serious debate.

I find it incredible that a democratically elected member of the House would object to Canadians having an honest debate about their future.

[*Translation*]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, for Canadians to have an honest debate on what is coming, the minister should put it on the table.

Does he not admit that he intends to use this new so–called regular income program as a first step to introduce a guaranteed minimum income program throughout Canada and then to force the hand of reluctant provinces?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the hon. member may speculate all she wants but the fact is that we are being very serious and sincere about soliciting the views of a large number of Canadians.

One of the aspects we take very seriously is working with the provincial governments where we can develop a series of pilot projects, new models, and new techniques we can test out during this period of re–examination to determine what works well. In this day and age where there is such complexity in the job market, in the social service network, we should be trying out a variety of methods and a variety of models to see what works best.

As the hon. member knows, I am quite prepared to share all the information with members, to bring it together in an action plan we hope will be brought forward to the Canadian public within approximately six or eight weeks so we can then have the second stage of debate.

I find it incredible and really not very understandable why the hon. member would object to the government's reaching out to all parts of Canada, to all Canadians, to find out what works best.

HEALTH

Mr. Grant Hill (Macleod): Mr. Speaker, my question is for the health minister.

On Monday we heard that Dr. Doug Kennedy was going to Toronto to get us some information on blood samples from the Red Cross. A progress report, please.

Hon. Diane Marleau (Minister of Health): Mr. Speaker, Dr. Kennedy did go to Toronto. They are in the process of examining the samples.

I believe the Red Cross has put out a report and we concur with that report at this time.

Mr. Grant Hill (Macleod): Mr. Speaker, I really wanted a progress report that would give us some idea of what the report was.

Hon. Diane Marleau (Minister of Health): Mr. Speaker, right now the Red Cross is in the process of examining how it can test all the samples. That is about as much as I can report at this time.

I will be very happy to give members a more complete report as soon as I have one.

* * *

• (1440)

[*Translation*]

PUBLISHING INDUSTRY

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, yesterday the Minister of Canadian Heritage, who was clearly nervous, again contradicted himself in comments on the controversial Ginn Publishing transaction. He stated that since the election, no offers had been made by Canadian publishers, and also, that his decision had not been influenced by the possibility of a lawsuit.

My question is directed to the Minister of Canadian Heritage. How can the minister justify his latest about–face on the Ginn Publishing transaction, because after having said that he authorized this transaction because of the risk of being sued, yesterday, he said candidly to the reporter for the *Toronto Star*, and I read the article, that his decision was in no way affected by the risk of a lawsuit?

Some hon. members: Hear, hear.

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I am not sure whether the applause is in anticipation of my answer. I never changed my mind, and I never changed my position. The comments I allegedly made outside the House referred to the period which followed the transaction, not to the period prior to the transaction. Anyone who has followed this debate will understand what I mean.

Some hon. members: Hear, hear.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, I followed this debate, but I have trouble following the minister.

How can the minister keep saying that since the election, no Canadian publishers showed any interest in purchasing Ginn, when in January, the president of Canada Publishing, Mr. Ronald Besse, advised the CDIC for at least the fourth time since 1989 that he intended to acquire Ginn Publishing. How can the minister justify his statement? When is the minister telling the truth? In the House or in the lobby, to the *Toronto Star*?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I realize the hon. member has trouble following me, because since I became responsible for Amateur Sport, I have learned how to do some pretty fancy footwork.

I do not appreciate words being put into my mouth. What I said is that, to my knowledge, no firm and specific offers had been made for Ginn. That is what I said.

* * *

[*English*]

SUMMER EMPLOYMENT PROGRAM

Mr. Rey D. Pagtakhan (Winnipeg North): Mr. Speaker, my question is for the Minister of Human Resources Development.

High school and post–secondary students in Winnipeg North, as I am sure in all ridings, are worried about job prospects this summer, which is fast approaching.

How will the minister ensure that the forthcoming summer employment program will meet the young people's increased demands for jobs? How will the government create the linkage between this program and its upcoming initiatives from the youth services corps and training internship to better serve the needs of young Canadians?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I thank the hon. member for his question. I also thank other members of this caucus for their representations over the last months about the need to enhance our student employment program.

I am very pleased to announce that the government has decided to increase summer employment by 20 per cent at a cost of over $20 million. That increased amount will be especially directed toward linkages between summer employment and the employer that will continue to be the mentor of those students throughout the entire year.

We think this is a very innovative approach and will provide additional help to the many deserving students who want to go back to school and get good training for their future.

• (1445)

KEMANO PROJECT

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

On March 11 I questioned the minister with regard to intervener funding for participation in the Kemano completion hearings and the equality of access for concerned groups to that funding.

Unfortunately the minister did not respond to my inquiry concerning equal access but chose instead to remind the House of how there was not a bottomless pit of money and that the federal government was going to act responsibly in respect to federal spending.

If this is the case, will the minister confirm if his government has hired Farris and company, one of the most expensive law firms in Canada, to represent the government at the BCUC hearings instead of using Department of Justice lawyers who most assuredly are more familiar with the issue and most assuredly less expensive than Farris and company?

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I thank the hon. member for asking my first question in the House.

As the hon. member knows, in the Kemano completion project the government is committed to making sure that we have an open process, a transparent process. As he also knows, thousands of pages of documents have been given out to make sure that all information is available in the BCUC hearings.

In terms of intervener funding, as was indicated by the minister earlier we will look at groups that can apply to the department. We will be open and ensure that we will consider intervener groups. Some budget is available but they would have to make an application. We would look at it and we would consider intervener funding for some groups.

Some hon. members: Oh, oh.

The Speaker: Order, please. I am sure all hon. members would like to partake in different activities in the House, but I would ask all hon. members to cease and desist from putting up any kind of paper which would in any way distract us from our very serious business.

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, I have to say that I am far happier with the hon. member's response with regard to intervener funding than the minister's. The Minister of Fisheries and Oceans clearly said in a memo that only native groups would be considered for intervener funding.

Today the parliamentary secretary says that—

The Speaker: Will the hon. member please put his question.

Mr. Harris: On behalf of all concerned members of my riding, is the parliamentary secretary now telling us, the House and all other concerned people that the government will consider intervener funding for non–native groups?

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, as I indicated, the Minister of Fisheries and Oceans indicated earlier in response to a similar question that there was funding available for intervener groups. We will look at any group that wants to make application and make sure that we stay within the budget.

There are also funds available through the Department of Indian Affairs and Northern Development. They can make application there as well.

What I am saying today is that we will review groups that want to come forward and make application for the existing budget for intervener funding.

* * *

[*Translation*]

OFFICIAL LANGUAGES

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, the Commissioner of Official Languages has intervened personally at the Department of National Defence to ensure that francophones who have lost their job have access in their language to career renewal and reclassification courses at National Defence Headquarters in Ottawa. As it happens, the person in charge of this service for the past six years is a unilingual anglophone.

• (1450)

My question is for the Minister of National Defence. How can the minister, an unswerving defender of francophone rights in our Armed Forces, tolerate this kind of situation? What action does he plan to take to ensure that francophones, who account for roughly 30 per cent of staff at headquarters, have access to the same services as anglophones?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I thank the hon. member for his question. We have implemented many of the recommendations of the Department of National Defence. The former minister established a ministerial committee. We also have a general Canadian Forces–wide committee. We have carried out many recommendations and we still have a great deal of work to do.

[*English*]

It is a good point at which to state to the House that in view of the questions that came about in recent weeks regarding military colleges we have been reviewing the whole question of bilingualism in the armed forces.

In a few weeks, when we come back after our Easter recess, I might be in a position to make a statement to the House. It will deal with how we propose to make the military college in Kingston acceptably bilingual for members opposite. It is a bilingual institution and we are going to enhance that bilingualism.

We will also generally deal with some of the concerns raised by the Commissioner of Official Languages and others who have criticized the department in the past.

[*Translation*]

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, in spite of the answer he has just given me, does the minister not recognize that this new case illustrates once again the problems francophones have working in their own language within DND, even here in the bilingual city of Ottawa? Given this state of affairs, how can the minister expect us to believe that he will transform the military college in Kingston into a bilingual institution?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I can assure the House and the hon. member that it is possible to work in French at headquarters in Ottawa. As minister, I work in French, as do all of my senior officials.

[*English*]

It is an ongoing problem we have in Canadian society that we feel very strongly about. We are committed to bilingual national institutions. We are committed to bilingualism within the operation of government throughout the headquarters of national defence. We have made great strides. That is not to say that we cannot make even greater strides in the weeks ahead.

I invite the hon. member opposite and his colleagues to help us make the Canadian Armed Forces much more bilingual and acceptable to Canadians who speak both official languages.

* * *

ELECTORAL BOUNDARIES

Mr. Stephen Harper (Calgary West): Mr. Speaker, the House has been considering the matter of suspending the process of redrawing electoral boundaries in Canada before the public can have public hearings on the matter and after we have spent $5 million. Apparently also, we hear rumours, the government is intending to impose closure after only one day of debate.

My question is for the Minister of Justice. Will the minister inform the House whether the government sought an opinion on the constitutionality of this law before it was tabled in the House? If it did, will it table that opinion? If it did not, will it explain why not?

The Speaker: I believe this matter is before the House for debate. However, the question itself is of a broad enough nature that if the hon. minister would care to I will permit him to answer.

[*Translation*]

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I think that the hon. member's question refers to a proposal that would save Canadian taxpayers millions of dollars. It seems quite unrealistic at this time to redraw the electoral map which now has too many ridings, according to the hon. member's own party, which says that there are already too many MPs.

• (1455)

This proposal would further increase the number of members. I therefore urge the hon. member to assume his responsibilities for saving taxpayers money and to postpone this plan until later.

[*English*]

Mr. Stephen Harper (Calgary West): Mr. Speaker, we have offered to meet with the government any time to negotiate a reduction in the number of members in the House, and the government has refused to do that.

My question is on the constitutionality of this act. During the last suspension of the process, Bill C–67 in the last Parliament, considered legal opinion, indicated to a parliamentary committee at the time that there was an implied time limit for carrying out readjustment under section 51 of the Constitution Act. Delaying it past the next census was a violation of the Constitution and had an impact upon other sections such as section 42(1)(a) of the Constitution Act.

The Speaker: Order. The question itself perhaps would find a better response on the Order Paper. It is a very detailed question. I would ask the hon. member to consider putting this type of question on the Order Paper.

* * *

FISHERIES

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Fisheries and Oceans.

Fishermen in my riding are concerned that their livelihood is being threatened by a few large Canadian vessels fishing bluefin tuna off Bermuda's coast. As the parliamentary secretary knows, Bermuda is new to the bluefin tuna fishery and is not a member of ICCAT, the international body overseeing the conservation of this fragile resource.

This Canadian fishing activity in Bermuda's waters could threaten the ability of other tuna fishermen in the Gulf of St. Lawrence to fish their own quota later this year.

Would the parliamentary secretary please explain to the House and to my constituents what actions the government is taking to stop this inappropriate fishing activity?

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I would like to inform the House the five vessels in question have been formally advised that their activities are not sanctioned by this government and that their existing licences to fish inside the Canadian zone are in jeopardy.

They have also been informed that Canadian tuna and swordfish industry representatives have been advised that the catches of bluefin tuna and swordfish by these Canadian flag vessels will be counted against Canadian quotas.

We are doing everything possible to control these vessels and hope to put an end to it.

* * *

[*Translation*]

TAINTED BLOOD INQUIRY

Mrs. Pauline Picard (Drummond): Mr. Speaker, my question is for the Minister of Health.

In January, Mr. Justice Krever, who is in charge of the tainted–blood inquiry, said that he did not have sufficient funds and resources to carry out his mandate. Questioned by the Official Opposition, the Minister of Health said that a request for additional funds had been presented and was being considered by Treasury Board.

Can the Minister tell us if Treasury Board has finally made a decision on this request for additional funds?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, we are still reviewing the request today. We will make an announcement once we have made a final decision.

* * *

[*English*]

GRAIN TRANSPORTATION

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, my question is for the Minister of Transport.

Canada's grain exports are being hit hard by reduced rail movement. According to Howard Restall of XCan Grain, ships are waiting from two to three weeks for prairie canola, forcing XCan to pay as much as $10,000 per day in demurrage. Ships are also leaving empty after collecting demurrage of up to $350,000 without any canola.

When will the minister demand that railways honour their commitment to expediently move farmers' grain when markets demand it, instead of constantly lobbying government to allow them to reduce services?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, the hon. member raises a question that is causing grave concerns in the industry for shippers, consumers and clients. We are trying to encourage a solution that will be arrived at through consultation among the various players. It is a very complicated matter, as the hon. member would know.

• (1500)

I am informed that the rail companies are trying to come up with some solutions because of the changes in weather and some cars that they would not have been able to use through the winter. Efforts are being made to find cars in the United States for lease. We are actively pursuing this. I recognize the urgency of it and we will do the very best we can.

* * *

POINTS OF ORDER

QUESTION PERIOD

Mr. Alfonso Gagliano (Saint–Léonard): Mr. Speaker, I rise on a point of order. I want to bring to the attention of the House something which happened today in Question Period.

Since the opening of the 35th Parliament, I think all members of this House and especially the whips have always tried to keep decorum so that we can have good debate.

I understand that in the heat of debate sometimes members can heckle or speak a little bit louder. However, today I was very disturbed by what occurred, especially when it involved a political party that before, during and after the election lectured us about how we should behave here. Posters were displayed, not only by an individual member but by more than a row of their seats. I think it was deliberately organized. It is a shame that for the past three months we have been trying to have decorum and today regretfully we broke that practice.

Some hon. members: Hear, hear.

The Speaker: As a matter of fact, since the 35th Parliament began all hon. members, I believe, have done their utmost to have decorum in the House.

As I mentioned in the course of Question Period, we did ask all hon. colleagues to cease and desist from any such displays. I am sure the words of the hon. whip will be taken to heart by all of us because I think it is coming along well and I would encourage hon. members to please keep a sense of decorum in the House.

SUPPLEMENTARY QUESTIONS

Mr. Stephen Harper (Calgary West): Mr. Speaker, on a point of order. I would ask you to examine the blues from Question Period. You ruled my supplementary question out of order before I had a chance to put it. My question was: "Would the government simply consider looking into these matters with its constitutional lawyer—"

The Speaker: I will make this commitment to the hon. member. I will review the blues and if indeed there was an error on my part I will get back to the House and I will try to correct it.

I try to listen as much as I can to the gist of the question before members get to it. Therefore, if I do err I would beg the indulgence of the House. I would also ask that if some questions could be better put on the Order Paper so as to get a more complete answer, then perhaps that is where hon. members should attempt to put that type of question. However, I will make that commitment and I will have a look at the blues.

My colleagues, we are going to have tributes.

* * *

ERIK JOHN SPICER

Mr. Ted McWhinney (Vancouver Quadra): Mr. Speaker, by announced consent and in my capacity as co–chair of the joint committee on the Library of Parliament, I move the following motion, seconded by the hon. member for Saint–Hubert:

> That in recognition for his long and distinguished service as the Chief Executive Officer of the Library of Parliament, Erik John Spicer, Esquire, is hereby appointed as Honorary Officer of the House of Commons as Parliamentary Librarian Emeritus.

Some hon. members: Hear, hear.

• (1505)

The Speaker: As a formality I put this question. Is there unanimous consent?

Some hon. members: Agreed.

(Motion agreed to.)

The Speaker: I was going to formally introduce our Librarian Emeritus and now that members have already acclaimed him, I would call on some hon. members to share with us a few of their ideas.

[*Translation*]

Mrs. Pierrette Venne (Saint–Hubert): Mr. Speaker, I was pleased to have been asked by my party, the Bloc Quebecois, to rise in this House today to congratulate Mr. Erik John Spicer on his appointment as Parliamentary Librarian Emeritus.

I was first elected to this House on November 21, 1988. As a newcomer and government member at the time, I wanted to know all there was to know. I am naturally curious, of course. I wanted all the information on all items on the agenda, particularly on a subject that has always concerned me: firearms. I wanted to know what legislation and regulations there were in European countries on that subject. I wanted to know under what authority the Americans kept saying that they had an almost

natural right to own firearms. All my questions were answered by the Library of Parliament.

Also, when we sat on committees, and it is still the case today, we could always count on the library, especially for legislative summaries on the various subjects. The Library of Parliament research branch is always ready and willing to provide information to assist us in our quest for truth.

It has also developed briefings for members and departmental assistants so that we and our staff know where to look and who to contact to obtain all the information required for the smooth functioning of our offices.

Furthermore, if you miss one of these briefings, you can always ask the Library of Parliament for the audio tapes. Again, you will get the same excellent service.

All this to say that we greatly appreciate the services developed for us, members of Parliament, as well as for our assistants, to enable us to carry out our duties adequately. Many thanks to Mr. Spicer.

[*English*]

The Speaker: We will hear from the hon. member for Beaver River. Inadvertently I cut off my colleague for Vancouver Quadra, whom I will recognize after the member for Beaver River.

Miss Deborah Grey (Beaver River): Mr. Speaker, I rise on behalf of my party today as well and offer congratulations to Mr. Spicer for a long and remarkable career in this place, certainly longer than many have been able to celebrate.

I have known Erik Spicer for five years in my capacity as the member of Parliament for Beaver River. Of course, in my unique position in the last Parliament I must say it was wonderful to have somebody to call on who knew what they were doing in Parliament. The services that were offered to me sitting as an independent member were just terrific.

To know that there was an incredible number of well qualified people in the Library offering their services and help to me was marvellous. As a qualified English teacher who had spent 10 years in the teaching profession to see a library like this at my disposal was marvellous. I want to thank Mr. Spicer so much for being helpful to me and to my staff.

What I will always remember about Mr. Spicer as I look at him now in the gallery is his marvellous smile. He is somebody who has always been cheerful. I do not think there has been a time I have come across him, whether it has been in the elevator, the Library, anywhere in the hallways or in the cafeteria, when he has not been cheerful and very pleasant to work with. Certainly that is much appreciated as well.

• (1510)

In this new Parliament of course the Library was just as astounded as the table and everybody else to see so many new members elected to this Parliament. I am sure that was a huge surprise but also an incredible amount of work.

From the floor of the House of Commons today I would like to say thank you on behalf of all the members here, especially new members, for the orientation sessions that were offered regarding the Library and all the services that have been given.

What a marvellous place to work in, the parliamentary library. I will never forget my first steps through that doorway and just literally having my breath taken away when I looked at that place. What a marvellous place to have worked for several decades now. I know that he will miss it a great deal.

Mr. Spicer is leaving probably one of the most beautiful offices on Parliament Hill, but he is going to see all kinds of beautiful places.

Mr. Speaker, as you and I and the Spicers know, they love to travel. This will be a good jumping off spot for them, going from a beautiful office on Parliament Hill, the finest that Canada has to offer, to many other places.

I would like to pay tribute to Erik and his wife Helen, both of whom are librarians. I was amused when I read in a recent issue of the *Hill Times*: "That a major occupation for them while moving from a large home into a smaller condo has been the packing of their books for the move". That is no small wonder. With two librarians one can imagine the number of books in their private library. I dare say that has been a huge challenge to both of them.

I would like to pay tribute also to their daughter Erika who grew up in a home with I am sure an incredible love and respect for books. I am sure that she passes that on to her three daughters today. They are going from a beautiful place to many visits all around the world. I know they will be stopping in Vancouver regularly to visit their daughter and granddaughters.

One final memory that I have which will remain special with me forever is being on the elevator a couple of weeks ago. There was a group of senior citizens who obviously had been for dinner in the parliamentary restaurant. I just happened to be on the elevator riding down from my fifth floor office and I had a little visit with one of the women there. She said to me: "A group of friends and I have come from the lodge today and we had lunch in the parliamentary restaurant". I said: "Well, that is really nice. Is there a special occasion or what?" She said: "No, not particularly. We were just getting together. Erik Spicer is my son". It was just a treat for her to be able to come and celebrate that. She just beamed when she talked about her son Erik. That was so special because they were out for lunch on Parliament Hill and having a marvellous time at it. I will always remember the gleam in her eye and the smile that she shared with me when

she said: "Erik Spicer is my son". She was proud of him and I would say she has ever reason to be proud of Erik.

Good luck and congratulations to both of them as they retire. They are held in high esteem in this place. God bless them both.

Mr. Ted McWhinney (Vancouver Quadra): Mr. Speaker, I echo the remarks of the hon. member for Saint–Hubert and the hon. member for Beaver River in the gracious tribute they have paid to our parliamentary Librarian Emeritus. Erik Spicer served for 33 years at the rank of deputy minister. That must be a record of achievement for Ottawa. He has presided over the transition of the Library from the classic library formation to the electronic age, at the same time conserving the immense richness of the past of the accumulated collections.

A librarian sometimes does not have the time to read his books he is so busy. However, this is a gentleman who has read books, a cultivated, witty, articulate gentleman. He has recognized, as Solon did, that wise law making rests upon wise study of the past of the accumulated wisdom in books. One cannot separate a library from the business of making laws. They go together.

It is in this sense that the Library of Parliament represents a treasure house. It is the jewel in the crown in a real sense in this large parliamentary edifice over which you preside, Mr. Speaker.

• (1515)

What Erik Spicer has done, the co–operation he has given, the great impartiality, the openness with which he has presided over the researchers—and never forget we have a magnificent research staff freely available to all parties, to people of all opinions within the House—has brought this together, concentrated in his own very unique personality. We shall all miss him.

We wish him, his wife and his family a pleasant and I am sure an intellectually active retirement. Thank you very much for accepting the treasure of Parliament when you were appointed Librarian, for conserving it, for adding to it, for augmenting it and making it one of the great institutions of the Commonwealth, of the world which has inherited its parliamentary traditions ultimately from the Greeks and Romans and the Britons and the French and all the new cultures that our country represents.

Thank you, sir, and a pleasant and honourable retirement which you have so richly earned.

Mr. Nelson Riis (Kamloops): Mr. Speaker, I too am pleased to join with my colleagues to wish our distinguished Librarian well.

I could not help but think when the member for Beaver River indicated that the first time she walked into the Library and looked up she was awestruck, I thought she was going to say it was because of Erik Spicer. I think that is how we all felt when we first met Erik Spicer. He probably was the ultimate symbol of devoted public service.

I remember over the years having all sorts of library needs or research needs that not only were always met and met in a timely way, but always beyond even my wildest expectations and wildest hopes. The leadership that he provided for so many years was nothing short of awesome and outstanding.

Not only was Erik Spicer a distinguished Librarian for many years, but more than that, as my hon. friend from Beaver River intimated, he was a friend to everyone. Whenever you would encounter Erik Spicer you knew that you were with a friend, always there to ask a friendly word about how life was going and how your trials and tribulations were unfolding as a member of Parliament.

He is a genuine individual, a gentleman in every sense of the term, an outstanding and dedicated Librarian, a professional known around the world for his ability and leadership in establishing for Canada and for us here in Parliament what must be one of the best libraries and research facilities available to parliamentarians anywhere.

We will miss him, but we will be seeing Erik Spicer around, knowing the kind of gentleman he is. On behalf of my colleagues in the New Democratic Party and all of the independents we wish not only him but his wife Helen and daughter well. We hope to be seeing him for a long time in the future.

The Speaker: As your Speaker it is very rare that I speak in the House, but I do take this opportunity as a parliamentarian, as one of you, to express our great vote of thanks to you, Mr. Spicer.

You have brought distinction to your profession. Witness the title of Librarian Emeritus. There can be no higher honour paid.

You leave us here with a wealth of books and in a sense a wealth of knowledge in this edifice. But more than that you have prepared countless parliamentarians by making information accessible to them, on which they can make rational and good decisions and good laws for all Canadians. You have done a great service to us here in the House and your service has extended to your country even beyond this House.

Sir, you are well worthy of all of the accolades that you have heard on this day.

• (1520)

As Speaker, I wish you the very best of health. I hope that you and Helen will enjoy all of your many years to come, as much as

you have helped us to enjoy those years that we served here as parliamentarians. I do thank you, sir.

Some hon. members: Hear, hear.

* * *

PRIVILEGE

The Speaker: I have a point of privilege from the member for Markham—Whitchurch—Stouffville. Before I hear the point of privilege I want to thank the hon. member for holding off on the point of privilege until these tributes were paid. I asked that he do this through my Clerk.

I am going to hear the point of privilege. I would simply indicate to the hon. member that I as the Speaker have heard the point of privilege that was brought up earlier. I was prepared earlier to make a ruling on the information that was before me then, but (a) I was asked by the hon. member to withhold the decision, and (b) the hon. member withdrew that point of privilege.

If this is the same point of privilege that the hon. member is bringing up, I would ask him to please at the beginning identify for me precisely which point has been infringed, and second, I would ask him to bring new information if there is such, or if it is the same point of privilege that the hon. member brought up before. If the hon. member would do that it would help the Chair considerably.

MEMBER FOR MARKHAM—WHITCHURCH—STOUFFVILLE

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville): Mr. Speaker, this point of privilege relates to the question I raised on February 15 and it is very brief.

I rise here today on the question of privilege after consulting with counsel and having discussed the issues of blackmail and the unfounded allegations made against me. I wish to re–submit my original question of privilege of February 15 so that all these issues may be investigated accordingly in the appropriate committee.

I trust your decision will be favourable, Mr. Speaker.

Concerning all the information that has come up, after discussing it with counsel I was informed that the details were not so pressing as I had believed they were. Therefore the issue remains almost the same as I had raised earlier. The discussion which I had with counsel did not produce any new material at all.

The Speaker: So that your Speaker is absolutely clear, the hon. member wishes me to make a ruling on the information which has been put before me at an earlier time.

If this is what the hon. member is asking me, then I will gladly do that. I will review all of the notes. I will review *Hansard*. I will review all of the information which has been put before me and I will be making a ruling to this House at the earliest possible time.

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION ACT, 1994

BILL C–18—NOTICE OF MOTION FOR TIME ALLOCATION

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, no agreement could be reached under Standing Order 78(1) or 78(2), regarding the proceedings at the second reading stage of Bill C–18, an act to suspend the operation of the Electoral Boundaries Readjustment Act.

[*English*]

Under the provisions of Standing Order 78(3), I give notice of my intention to propose at the next sitting a motion to allot a specific number of days or hours for the consideration and disposal of proceedings of the said stage.

ROUTINE PROCEEDINGS

• (1525)

[*English*]

ORDER IN COUNCIL APPOINTMENTS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government pursuant to the provisions of Standing Order 110(1).

These appointments are deemed referred to the appropriate standing committees, a list of which is attached to the documents.

* * *

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table, in both official languages, and pursuant to Standing Order 36(8), the government's response to five petitions.

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COMMITTEES OF THE HOUSE

NATURAL RESOURCES

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Natural Resources.

The committee has considered Bill C–6, an act to amend the Canada Oil and Gas Operations Act, the Canada Petroleum Resources Act and the National Energy Board Act and to make

consequential amendments to other acts and has agreed to report it without amendment.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE ACT

Mr. René Laurin (Joliette) moved for leave to introduce Bill C–230, an act to amend the Unemployment Insurance Act (training and self–employment).

He said: Mr. Speaker, the main purpose of the bill I wish to table today is to allow recipients of unemployment insurance benefits to start a course of training that will help them create their own employment and thus put an end to their dependency on unemployment insurance, or to enable people who are now receiving unemployment insurance benefits to start their own business, while continuing to receive unemployment insurance benefits for the period to which they are entitled.

Mr. Speaker, I table this bill in the hope that it will receive the support of members on both sides of the House. Thank you.

(Motions deemed adopted and bill read the first time and ordered to be printed.)

* * *

[*English*]

CANADA–HUNGARY INCOME TAX CONVENTION ACT, 1994

Hon. David Anderson (for the Minister of Finance) moved that Bill S–2, an act to implement a convention between Canada and the Republic of Hungary, an agreement between Canada and the Federal Republic of Nigeria, an agreement between Canada and the Republic of Zimbabwe, a convention between Canada and the Argentine Republic and a protocol between Canada and the Kingdom of the Netherlands for the avoidance of double taxation and the prevention of fiscal evasion with respect to income taxes and to make related amendments to other acts, be read the first time.

(Motion agreed to and bill read the first time.)

* * *

PETITIONS

OFFICIAL LANGUAGES

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition that has been certified correct as to form and content by the Clerk of Petitions.

On behalf of constituents of Okanagan—Similkameen—Merritt, the petitioners are requesting the enactment of legislation providing for a referendum of the people to accept or reject two official languages for Canada.

● (1530)

TOBACCO TAX

Mr. Peter Adams (Peterborough): Mr. Speaker, I rise to present eight petitions. There is still a great concern in Peterborough riding about the lowering of the tobacco tax. I would like to summarize these petitions.

The first one which has 25 signatures stresses the increase in teen smoking which will be caused by the change. The second which also has 25 signatures suggests there will be more preventable deaths as a result of this measure than there were deaths in World War I and World War II combined. The third petition also with 25 signatures contains a reminder that the problem was Canadian tobacco which was being imported back into the country.

The next petition also has 25 signatures and suggests that the change could create two million more tobacco addicts in Canada. The next petition points out that between one–third and one–half of all smokers eventually die from tobacco use. The next petition which has 75 signatures stresses the effective marking of all tobacco products.

The second last petition with 25 signatures supports the idea of high export taxes rather than the lowering of the sales tax. The last one which has 34 signatures points out that in Peterborough riding alone 200 people die every year from tobacco use. It also points out that the incidence of lung cancer in women has tripled in the last 20 years.

I present these petitions which I have signed.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I suggest that the notices of motions for the production of papers be allowed to stand.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1994–95

The House resumed from March 18 consideration of the motion that Bill C–14, an act to provide borrowing authority for the fiscal year beginning April 1, 1994, be read the the third time and passed.

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, although I have spoken many times in the House during members' statements and question period, I am pleased to rise in the House for the first time without a severe time constraint in response to the debate on Bill C–14.

I would first like to offer my congratulations to you on your appointment as Deputy Speaker of the House. I also congratulate all members of the House on their successful campaigns, especially those members who have been re–elected. During a time when the public is growing more wary of politicians being returned to Parliament that is a feat worth noting. It should be an interesting and productive Parliament.

My thanks to the constituents of Kootenay West—Revelstoke for the confidence they have shown in me to be their representative here in Parliament.

I will not take the usual time to wax eloquent about the beauty of my riding. Those who are from there know how incredible it is. Those who are from other places are mistaken in believing that theirs equal it.

It is not the intention of the Reform Party to criticize the government just for the sake of opposition as was often the style of opposition parties in the past. We will be the first to acknowledge good legislation when it occurs. Likewise when we do not agree with the government position we will try to offer constructive alternatives.

We want this Parliament to work for all Canadians, not just whoever makes the best speech from time to time. We stand prepared to work with the government and co–operate on any legislation that is in the best interests of the citizens of Canada.

Bill C–14 is somewhat of an enigma. I recognize on one hand that the government must have funds to operate during the ensuing period of awaiting the arrival of some of the tax dollars Canadian taxpayers have been sentenced to pay. On the other hand I am in a position in which I cannot in good conscience vote to support providing the government with its first instalment of an unacceptable level of spending. What is the alternative?

• (1535)

The alternative is to have come out with a budget based on spending reductions leading to a balanced budget and ultimately tax reductions. Had this been done Canadian taxpayers, myself among them, may not have felt the same level of hostility about the lack of restraint by the government. I would have been able to support this bill to temporarily borrow funds for reduced levels of spending.

Whenever someone goes to the bank or another financial institution to borrow money, the first thing the lender does is to look at the ability of the borrower to repay the loan. The Canadian government goes to a lot of lenders these days. I can assure members that these lenders look very closely at Canada's ability to repay the loans and they do not like what they see.

When these lenders look at Canada, do they see a borrower who needs to borrow to fulfil a short term shortage?—not likely. Canada has been in debt since the first world war. Do they see a borrower that is paying off its loan? Again the exact opposite is true. Not only are we not paying off our loan, we cannot even pay any of the interest on it.

In 1993 we were going into debt at the alarming rate of $56,000 a minute. Now one year later and four months into the new Liberal government we are going into debt at the rate of $84,000 a minute. It would be bad enough if the rate at which our debt was increasing had not improved, but in reality we are heading into a national debt hole we may not be able to get out of, at the accelerated rate of 50 per cent faster than one year ago. This is hardly something to inspire the confidence of the international lending place.

Do these lenders see a borrower that is expanding its business so as to be more profitable at some point in the future? There is no question that in the new budget the government intends to increase its revenues. Does this really relate to the equivalent of a business increasing its profits?—hardly. A more fitting analogy would be a situation where a business proposed to charge higher prices for its goods or services with absolutely no indication that anyone would or could pay this inflated price.

The government's utopian projections are based on so many variables that even a fanatical optimist would be shaken.

The next thing a lender looks at is the credibility of the main players in the company. They want to see if those major players are likely to lead the company to success and solvency or to greater debt and bankruptcy.

If the lenders look at the main players in the government, who do they see? They would see the Minister of Finance, the main financial officer of the government who went on a great tour of Canada to find out what Canadians wanted them to do. An overwhelming number of those consulted and not consulted said we should cut the spending and we should not raise taxes.

What did Canada's chief financial officer do? He increased government spending by $3.3 billion. He relied on increased revenues, taxes, to make up the difference in the spending hike, the exact opposite of what Canadians asked for. If he was not going to listen to what Canadians said, why then did he go through the sham and the expense of these hollow hearings?

Who were these Canadians who spoke out against increased spending and taxes? They were everyday Canadians who turned out at meetings across this country. They were small business owners and major corporations. They were organizations like the Vancouver Board of Trade, the British Columbia Chamber of Commerce, the Fraser Institute and the Canadian Taxpayers Federation. They were publications like *Maclean's*, the Vancouver *Sun*, the Toronto *Globe and Mail* and the *Financial Post*. They were economists and financial experts from across this country.

Even a member from the government side of the House was compelled to rise in defence of his own constituents. He pointed out to the Minister of Finance that if he had somehow heard Canadians state that they welcomed tax increases as he claimed they did, he did not hear it in the member's riding.

If the lenders looked at the CEO of the government, the Prime Minister, what would they see in terms of assurance, of the will and the expertise to bring the country out of its financial crisis? They would see a former Minister of Finance in whose hands the debt of this nation rose by 60 per cent during the two fiscal years he held that position.

During the week following the release of the 1994–95 budget figures the Prime Minister went on a national tour to sell this spending package. During an interview in Calgary in which it was very obvious the package was not selling well, the Prime Minister retorted that this was not a Tory budget nor a Reform budget nor an NDP budget; it was a Liberal budget. Of this there can be no doubt. It has always been the philosophy of the Liberal Party to tax and spend and in this it certainly has been true to its own philosophy. The question is can it work? The answer is a resounding no. The problem now is how do we get this point across to the main players of the government.

• (1540)

Let us suppose for a moment that these two people were mere mortals like the rest of us. Let us suppose they had a house with a mortgage, a car loan, children going to college who needed financial help. Let us suppose they had a paycheque with an ever decreasing disposable income and an economic future that held very little security. Can either of them honestly suggest that if they were in that situation they would support an increase in the very taxes that drained the lifeblood from them, their families and their future? I think not.

Would the Minister of Finance operate a company with the huge debt and interest payments this country has? Would he maintain inefficiency and duplication in that company by paying out more than required for various services and by expanding the company in areas that would lead to more debt without any increase in revenues or relief of the overall problem of the debt? Not very likely.

Why then is he offering this as a solution to the identical problems of this country? Why is he going to the Canadian taxpayers by way of their elected representatives and asking for the authority to begin this great spending plan by borrowing money for round one?

An explanation of the cause of this country's debt is not some great mystery like how they get the caramilk inside the chocolate bar. It is very simple for anyone who takes the trouble to look at the problem.

Canadians are looking at two problems: unemployment and debt. To solve these problems we have to decide if one causes the other and if so, which one to remove to solve the other.

If the government were to incur enough new debt to put every person in this country to work would that solve the debt problem? Of course it would not. If the country were able to get rid of its debt which is eating up our tax dollars and screaming ever louder for more would employment return? To answer that let us look at the unemployment problem and how it got so bad.

As this country's debt became larger and larger so did its appetite for tax dollars. When taxes go up, individual Canadians have less disposable income to spend on Canadian goods and services. At the same time when the taxes of Canadian companies go up, it is reflected in the price of their products. This makes it even harder for Canadians to purchase those products and also makes it difficult for these companies to compete with their international trading partners.

As a result, these companies have to shut down non–profitable sections of their operations and streamline the remaining operations. This results in the laying off of a great number of Canadian workers.

The solution then is to reduce the government's appetite for these tax dollars by reducing spending, balancing the budget and then working toward the reduction of taxes in this country. Simply put, this will provide individual Canadians with more disposable income with which to purchase Canadian goods and services. It will reduce the cost of these same Canadian goods and services and will make Canadian companies more competitive with their international trading partners.

It stands to reason if Canadian companies are able to market more products profitably they will expand and hire Canadians instead of closing down and laying Canadians off. Is this a

simplistic solution? Of course it is, but it is the only one that will work.

Maybe part of the problem is that everyone wants to find some complex, earth shattering solution which puts their own personal stamp on the recovery. The real solution does not belong to any one party or person. It is a matter of facing reality and reversing the disastrous actions of the past. Maybe then Canadians would not be so reluctant to approve temporary borrowing authority.

What we should do is take an honest look at how we got into our current financial mess. In the past the vote of Canadians has been for sale and the politicians of the past have bought that vote.

They bought it with overly generous social spending; not overly generous for those in need but overly generous for those not in need. They bought it with subsidies to business; not all business, only specially selected businesses that were in a position to aid the politicians or parties providing the grants. They bought it with subsidies to crown corporations in answer to special interest groups. They bought it with grants to those same special interest groups instead of requiring them to get their funding from those they claimed to represent. They bought it from rich or politically well connected individuals with promises of plum patronage appointments. Then they made good on those appointments.

Why would anyone act in a manner that is so detrimental to the needs of all Canadians?

• (1545)

In the politics of the past, with exceptions, there have been two rules. The first is to get elected and the second is to stay elected. Nothing else mattered. Now we have to pay the price. We have run up a debt of over half a trillion dollars and we are increasing that debt by $1 million every 12 minutes.

If government members want to restore public confidence in them and get the country on its feet, they must alter the budget by reducing the government's spending and balancing the budget within the term of the 35th Parliament of Canada.

The country will balance its budget and start paying off its huge debt in the foreseeable future. That is not in question. What is in question is the manner in which it will be done. We can choose to start now selecting the methods and speed with which we implement the program of financial responsibility, or we can wait as New Zealand did and have someone else make those decisions for us. Some might scoff at the idea of comparing ourselves with New Zealand and they would be right. The truth of the matter is that we are now much worse off financially than New Zealand was when it was forced to deal with its financial crisis.

Could the government have made a significant reduction in spending in its first budget in 10 years? I bet it could and I suspect more than one of its members would like to follow that course of action.

The areas in which the government could have reduced spending in its budget are numerous. I will list but a few examples of what could have been accomplished. Budget cuts in government operations will save $470 million. A reduction of 15 per cent of non–salaried overhead is achievable and would save $1.25 billion and the elimination of low priority government functions would save hundreds of millions more.

The budget reduced business subsidies by $120 million. Business subsidies are selective and available only to the chosen few. It would be far better off to eliminate all subsidies totalling up to $5 billion and work toward general tax deductions instead. If this had been done, the elimination of the capital gains exemption and tax increases on medium sized Canadian businesses would not have been necessary and job creation would have been stimulated, not discouraged. Instead of spending money to study funding of special interest groups, it could cut that funding, saving half a billion dollars a year.

Reductions of supplements for senior citizens who have a higher than average income is not an unreasonable concept, but the government should have looked at family income rather than at individual income. An income of $26,000 a year is not particularly high, but if a couple has $52,000 a year income a reduction of non–contributory income or credits is not unreasonable. In that area refocusing of the old age pension on people with family income below $54,000 a year would save $3.5 billion. A 25 per cent reduction in the subsidy of crown corporations would save $1.25 billion a year.

The government knows well that we have many other spending reduction proposals. I am sure it has many in mind. The few I have listed would have resulted in a reduction of this year's deficit by $10.5 billion. If the government complemented that by eliminating the spending increases in the budget, we would have had a deficit this year of approximately $26 billion. Had the government followed this course of action, I believe it would have won the approval of an overwhelming majority of taxpayers and I would have been able to support Bill C–14.

It is not too late. If the government is now ready to accept the $153 billion spending cap proposed by the Reform Party in the throne speech debate, I would be pleased to support the government's bill to borrow money for necessary spending.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I congratulate the member on his maiden speech. I enjoyed it. I

thought he had a lot to say. I also enjoyed the fact that he put the details to his theories so that we could tell exactly what kind of budgetary savings were possible with his suggestions.

A while ago there was a comment in the editorial section of the *Globe and Mail*. It went something along the lines that sustained profligate borrowing by several generations of politicians is committing not only this generation but future generations of Canadians to a lower standard of living.

• (1550)

In the last few days we have seen some real interest rate fluctuations and so on. People are theorising that there has been not only a run on the Canadian dollar but a huge jump in interest rates because the government has been unable to control its profligate spending.

Could the member for Kootenay East give his opinion on the relationship between the growing size of our deficit and debt and the future of interest rates as he see them?

Mr. Gouk: Mr. Speaker, I thank the hon. member for his question.

Certainly every time our debt seems to get a bit higher and a bit worse it makes international lenders look a little more sceptically at the ability of Canada to pay off these loans. We have seen our interest rating drop. I am sure we will see other measures taken by international lenders.

I mentioned New Zealand in my speech. What happened in New Zealand was not something that it got a lot of warning about. It came to the point where lenders lost confidence in the ability of New Zealand to make its payments and in a one–month time period it was virtually cut off all foreign loans. That could happen to Canada. I am sure we have a much stronger economy than New Zealand had even though we also have more debt. I am sure people are waiting to see if we can do something in Parliament.

Occasionally we hear encouraging words, unfortunately not followed by encouraging deeds, on the government side of the House. We are hoping that government members will come to their senses and deal with our tremendous debt and deficit. The lenders are waiting to see if they will come around to that. If they do not, I am sure we will see a further drop in our credit rating and higher interest rates.

[*Translation*]

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, I am both surprised and disappointed to see that the Liberal Party did not have the courtesy to respond with questions and comments and failed to appreciate the speech by the hon. member of the Reform Party.

Although I do not have the figures to which he referred, I was interested in what he said about calculating income tax on family income as opposed to individual income.

I would appreciate more information on the subject, and I would ask the hon. member to expand on a topic that should be of interest to the members of the party in power.

[*English*]

Mr. Gouk: Mr. Speaker, I would be happy to elaborate on that. I do not have the details of it in front of me, as the hon. member mentioned. However, the concept simply is that we have to start looking beyond the salary of the individual person.

I mentioned the idea of the government setting a threshold in the reduction of old age credits at $26,000 which, as I said, is not a very high income for an individual. However, if we start combining incomes and the family income is higher that is when we should start looking. Obviously the expenses for two or more living as a family unit are not the same as those of individuals trying to provide their own housing, food and so on.

Realistically we have to look at this in a way that we can reduce some government expenditures but at the same time not place a hardship on seniors. The idea of the old age pension to which I referred was something that was brought in to aid people who had a problem in sustaining a reasonable standard of living in their old age. Now we are giving it out to millionaires.

The government answers on one hand by saying: "We tax it back". That is terrific. First we give away money to people who do not need it. We create a bureaucracy to give it to them and then we create another bureaucracy to get it back from them. The worst of it is that we let them keep some. The bottom line is that we cannot help the people who really need it if we keep on giving money to those who do not. That is the reason we have to address the concept of family income. It is a fair way of addressing that problem.

• (1555)

[*Translation*]

The Deputy Speaker: Again, the hon. member for Portneuf, this time on debate.

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, there are subjects we discuss with enthusiasm. There are bills that elicit much positive feeling and that are really worthwhile.

Unfortunately, I am somewhat less than enthusiastic about speaking to the matter before the House today. This afternoon, the debate is on the motion of the Minister of Finance for third reading and passage of Bill C–14. And what is Bill C–14 about? Is it something we can applaud? Is this a bill that will give us reason to rejoice and look forward to a happy and prosperous future for all Canadians and Quebecers?

This bill is an act to provide borrowing authority for the fiscal year beginning on April 1, 1994. The operative word is borrowing, and borrowing means deficit and deficit means debt. We are

now talking about getting into debt. The subject is the debts of this country and its citizens. Are these small debts? Are these debts we can pay back quickly? Were these debts incurred for capital spending on infrastructures and services that will be useful to this generation and future generations as well? Not exactly.

What we are talking about is the cost of financing a deficit of $40 billion. That is a lot of money, and not many people can appreciate what this amount represents. Put in simple terms, let us say this boils down to $100 million per day. If we consider the bridge for Prince Edward Island, which raised quite a few questions because people felt that $900 million was too much, this bridge would be paid for in nine days, which means that we could afford forty of these bridges, and I mean forty per year.

I suppose that could be called "looking on the bright side", but seriously, we should try and understand why we have to finance a debt of this magnitude. As the previous speaker pointed out, we are not paying the interest on our debt. We borrowed this money more than a decade ago. We borrowed, and since then, we have not paid back the capital and we have not paid back the interest incurred. We have not paid the cost of servicing the debt. Consequently, day after day, month after month, and year after year, the interest we have not paid off is being added to the debt. In fact, and most people who know something about compound interest will realize this immediately, we have a debt that is growing as a result of compound interest.

Are we unable to pay because we do not pay enough taxes or because we spend too much? I suggest we look at the figures and try to draw certain conclusions later on.

• (1600)

To begin with, the citizens of Quebec and Canada pay out roughly $120 billion each year in various kinds of taxes. This is a substantial amount of money and all of us can understand what it represents, since it either comes out of our wages or we pay it in the form of a goods and services tax.

What does the government do with these $120 billion? Well, it spends it on various programs which result in services to the public or in more or less durable goods. All of which means that we spend what we pay out.

The $40 billion deficit did not come about because we purchased services or goods without being able to pay for them. Basically, the $40 billion represents the interest on the debt which we are unable to pay.

And the debt is getting bigger and bigger. It now stands at $500 billion! It may even be higher than that since, as the member before me mentioned, it is growing at the rate of $85,000 per minute. In the few minutes that I have been speaking, the debt has increased by an amount which would allow several people to live quite comfortably for some time.

Imagine, $500 billion! Few people can appreciate what this amount represents. As you know, I am a teacher by profession and a good instructor tries to find ways to illustrate the subject matter he is teaching. Therefore, I have tried to come up with an example which would give Quebecers and Canadians an idea of what $500 billion represents.

So, here goes. The TransCanada Highway is a ribbon of asphalt about 7,000 kilometres long stretching from the Atlantic to the Pacific. Let us assume that the TransCanada Highway has four lanes: two heading from east to west, and two heading from west to East. This is a great deal of pavement, four lanes in all. Now, let me see if I have a coin in my pocket. It is unlikely though because it must have been eaten up by taxes. What if we were to pave this highway with one dollar coins, pave it from shoulder to shoulder, all four lanes, with loonies. Would we be able to get from Nova Scotia to New Brunswick or maybe even Quebec? How about Ontario, Saskatchewan or Manitoba? What about Alberta? Would we make it through the Rockies? Would we get to British Columbia? We are talking about 7,000 kilometres of four–lane highway, and loonies are, after all, a relatively small coin and we only have 500 billion of them.

I will give the House a few moments to think about this and then I will give you the answer. Not only would we be able to pave the highway from the Atlantic to the Pacific, we could go all the way back to the Atlantic and travel an additional 700 kilometres in the opposite direction. That is what $500 billion represents. Where are we going to get the money to reimburse a debt of this magnitude?

• (1605)

That is obviously a major problem. I have heard on the radio, seen on television, read in papers—claims to that effect were even made in this House—that Quebec's sovereignty poses a serious threat to Canada. I will say this. The real threat to Canada, let us not forget it, is this absolutely enormous debt, this crushing debt, which is going to ruin us all if we do not make the right moves.

Quebec's accession to sovereignty, I might add, would probably be a good time to change the current rules of the game and provide a golden opportunity to all parties to review these rules and finally deal with the public finance problem. Our public finances have obviously not been managed properly for decades and, as a result, an extremely heavy burden will be passed on to future generations.

They will have a heavy burden to bear. We already do. What is the per capita share of this burden? How much does each and every one of us owe on the public debt? Some say $16,000,

others $16,500. It all depends of course on the time of day, seeing that the debt grows by the minute.

For the sake of argument, let us say for the time being that each and every one of us, all 30 million of us in Quebec and across Canada, owes $16,384.22, but this figure grows as we speak.

We also know that, given the current interest rates, the debt doubles every six or seven years. So, unless we act now, unless we start paying off the interest on the debt if not the capital, six or seven years from now, the public debt will have doubled and each of us will owe anywhere from $32,000 to $33,000 on it.

If an individual goes to his or her bank or credit union and says to the manager: "Look, I have debts, about $16,000 worth of debts, and I would like to consolidate all that", the bank manager will frown, of course, but he or she will more than likely answer: "Let us sit down together and see what we could do about your lifestyle. Let us try and work something out".

But six or seven years from now, if you go to your bank manager with a debt of approximately $32,000, I have a feeling that his or her immediate reaction will be: "File for bankruptcy". Sometimes I wonder if we should not file for bankruptcy and just start over under a new name. I can see certain members have understood what I am getting at.

• (1610)

During the holiday season I volunteered to work with the Red Nose organization in my riding. English–Canadian communities probably have similar organizations where, during the holiday season, volunteers offer rides to people who have had a little too much to drink. These people make it home safely without having to drive their cars. It has become an institution in Quebec and in many other countries. The Red Nose organization allows people aware of the dangers associated with drinking and driving to act responsibly.

That being said, I offered to drive people asking for a ride home, and one of my constituents said during the ride, "Why not simply raise taxes to pay off the deficit so that we can get rid of it quickly?" I asked her by how much she thought her taxes would go up and she said, "By a small amount of money". When she understood that we were talking of $16,000 for the interest alone, she realized we had a real problem on our hands.

We are indeed in a dilemma. You see, if we increase income or consumption taxes, everyone will have less available income and, as a result, less money to spend on goods and services.

Mr. Speaker, you are indicating to me that I have only three minutes left so I will be quick. If we raise taxes, consumers will have less money in their pockets to buy things with; if they consume less, businesses will eventually sell less; if businesses sell less, they will lay off workers. And we will just have increased the deficit. However, if we cut spending, again people will be laid off. These people will stop contributing to tax revenues, and again we are in trouble.

We must redirect federal expenditures wisely, cut where it will hurt the least, and ensure that displaced workers can find new jobs. We have our work cut out for us; it will not happen as if by magic.

In conclusion, I must quote the Minister of Finance not because I like his comments, but because they scare me. The Minister of Finance said, "We clearly showed, in the first phase of our budget, that we would bring the deficit down to 3 per cent of GDP within three years. It will be the first time—he used the future—in 15 or 20 years that this goal has been achieved". I hope so, but he should have said—it would have been more accurate in my opinion—"it would be the first time". He could also have stated that it was not, unfortunately, the first time such promises were made to Canadian and Quebec voters. Although I sincerely hope that this budget will fulfil the promises made to us, I am afraid that it is just another illusion.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I would like to thank the hon. member for Portneuf for his speech.

[*English*]

That is as much as I can get out at this time, but it is going to come.

I would like to thank the member for his remarks. I am glad to see that he is concerned as many of us are with the size of not only the deficit but the size of the debt. The debt we all realize is driving this deficit problem that many of us at least on this side of the House seem to be quite concerned about.

• (1615)

I am also very pleased that he used the example of a national highway from sea to sea as an example of the size of the national debt. It is perhaps a symbolic gesture on his part of that continuity from ocean to ocean. I am glad he was willing to use that.

I know the previous speaker gave some detailed examples of what he thought should happen in order to address the size of the debt and the deficit, specifically the year to year deficit. Other than some duplication of services which I know can be streamlined, with the size of the debt surely the hon. member has some specific ideas for saving significant amounts of dollars in order to bring this deficit more in line.

[*Translation*]

Mr. de Savoye: Mr. Speaker, during the election campaign, the Bloc Quebecois proposed a specific plan for reducing government spending and attacking the deficit.

One of these measures was an infrastructure program, something much bigger that what the Liberal Party offered us. Let me point out here, and perhaps other members will want to react to this, that the federal government is advancing $2 billion for the infrastructure program, but the federal government is now spending $20 billion on unemployment insurance.

Look at the dichotomy. On the one hand, we have $2 billion to put people to work and, on the other, we have $20 billion for them not to work. I would have expected a much more solid proposal from the Liberal government for redirecting unemployment insurance funds to more productive things that are more promising for the future of all these unemployed people.

At the present time, unfortunately, unemployment insurance is a way to help people survive until welfare becomes their only option. Unfortunately, there is no work once these weeks of unemployment insurance inexorably run out.

The Bloc Quebecois's program also sought to redirect a greater share of federal spending to Quebec. You should realize that Quebec pays a total of $28 billion, more or less, in tax every year and receives the same amount of $28 billion from the federal government. The problem is that a large part of this $28 billion is unemployment insurance and what is called welfare. If this money were spent on job creation, and what I am saying applies not only to Quebec but to all of Canada, people who work would pay taxes.

An interesting statistic to which few people refer is the $120 billion paid by people who work and consume. In Canada, about one in four employable persons does not work, which means that if they could work, they would pay $40 billion more in taxes and that is exactly what we need to wipe out the deficit.

Mr. Speaker, what are we waiting for to act?

[*English*]

Mr. Julian Reed (Halton—Peel): Mr. Speaker, I listened with great interest to the words of the hon. member of Her Majesty's Loyal Opposition. He quite rightly points out the very difficult financial situation which exists in Canada.

• (1620)

We have all been through the stages leading up to where we are today. A brief history is that it started many years ago when Keynesian economics were applied to the economic situation of the day creating a national debt. The subsequent government that took over, if it was going to apply that same philosophy, during the years of increased economic activity in this country, should have been taking that money back and paying off the national debt. But it did not. Therefore what was a debt of $160 billion 10 years ago escalated another $340 billion over the two terms of office of the previous government.

The challenge has been how to turn the ship around without capsizing it in the process and put us on a new tack. Our Minister of Finance did an admirable job in focusing on the vision in the red book, which we all used during the last election campaign, and in applying it in the first phase of a double budget. My friends in the Reform Party have insisted we have to make more cuts. The government has introduced a multitude of measures.

I fail to understand how the hon. member believes that separation, or as he words it, the sovereignty of Quebec, would help with this financial problem.

[*Translation*]

Mr. de Savoye: Mr. Speaker, I noticed that the hon. member seemed to want to go on for a while, and I thought I would have a little time to respond. I appreciate how he put his question.

[*English*]

I understand the sovereignty of Quebec is very important for everyone from coast to coast and believe me, more so for Quebecers.

Something must be said in this House. The Quebec government over the years and for well over a decade has managed its public finances a lot better than what has been done in Ottawa.

Furthermore I am a taxpayer and have been a taxpayer for a long, long time. I have paid my share I am sure, as all the other people in this country are doing.

We send money to Ottawa on the assumption that it will be used to pay the interest on the debt and to reduce the deficit. I was told that. Everyone has been told that year after year after year for well over a decade by all the governments that have preceded this one. We are told that right now by this government.

I send my money to Ottawa on the assumption that it will be used well. When I see it is not, I wonder why I should not give my money directly to the government that has proven in the past to be more able to take care of my finances. By that I mean Quebec. That is why I think Quebec would better administer the servicing of our debt than Ottawa has proven able to do in the past.

• (1625)

[*Translation*]

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, today we are asked to give extensive borrowing authority to a government that has already shown in its first budget that it is not only fiscally incompetent but also fiscally incontinent.

On February 22, while the Minister of Finance was singing into our ears, I could not help but see the ghosts of Michael Wilson and Don Mazankowski coming back to haunt us. We heard all the old platitudes. For example—

[*English*]

—restoring fiscal responsibility, a responsible social security system and a framework for economic renewal. There was even a mandatory pledge to get a handle on things next year and really take action the year after that.

The minister bravely proclaimed it is time for the government to get its fiscal House in order while confessing that the government plans net spending increases of $3 billion in the next fiscal year.

After nine years of Tory smoke and mirrors, inflated revenue estimates and broken promises, Canadians were entitled to expect something new, something better. All they got was the same old hokum that hardly anyone takes seriously any more.

This government which plans to persist with the Tory practice of killing the economy with high taxes is nevertheless predicting that the economy is going to miraculously rebound, thus inflating its projected revenue.

Personal income tax which unexpectedly fell by $6 billion this year is supposed to rebound by $7 billion next year. The anticipated increase of $1 billion from higher UIC premiums will probably come true. Why should GST revenues increase by $1 billion when anyone who has a few dollars is scared to death to spend them on consumer goods?

Rather than face reality and cut spending now, the government wants to party on. It wants to borrow another $34 billion to pay the tab. It has already been quite a party, twenty years of glorious excess.

Now our children and our grandchildren are going to be stuck with both the bill and the hangover. The $500 billion that this government already owes is going to be around for generations. Because of it those future generations are going to have a lower standard of living than we have had. There is no way out.

In the name of decency and common sense, how can we justify borrowing another $34 billion to make their burden heavier? More to the point, how can we talk about adding another $100 billion to this load on their backs for the next three years?

Remember that $100 billion is based on the rosy estimates of this government. If events of the last 20 years are any indication, it will probably be closer to $150 billion if the foreign money lenders do not come and take our credit card away before that happens.

Thanks to the magic of compound interest the debt we have already accumulated is eating us alive. Debt service costs this fiscal year will equal the cost of old age pensions and UIC combined. Every second the federal government pays more than $1,200 in interest. A typical Canadian family of four pays $460 in taxes every month just to cover the interest on the federal debt, a third of which is foreign debt.

• (1630)

For 20 years the Grits and the Tories have told us soothingly that mounting government debts are not really a problem because they are internal, that we owe it to ourselves and since the interest payments remain within the domestic economy they constitute only a recirculation of funds, an economic perpetual motion machine.

Even if one accepts this Disneyland approach to economics, the basic premise is no longer true. We are paying so much interest to foreigners that even though we have had a trade surplus every year for decades, our current account balance has been negative since 1985. This year our current account shortfall will be $25 billion and our foreign exchange reserves are shrinking.

If provincial foreign debts are added to those accumulated in this place, and that is reasonable since most countries do not have states or provinces borrowing money on world markets, Canadian public foreign debt is greater than that of Mexico and on a per capita basis it is greater than that of Brazil.

The government can wail "But there is nothing we can do. If we cut spending it is going to hurt". Sure it will but the pain can only be delayed, it cannot be avoided. Every time a year goes by and another $40 billion is added to the burden, the intensity of the potential pain becomes greater.

What is more desirable, to cut voluntarily while we still can or wait for the inevitable fiscal meltdown to burn us up like New Zealand and Sweden? How long does the government think that our economy can survive if the foreign bankers cut us off? How long before we would have to go hat in hand to the IMF like a third world country?

The government says it cannot cut spending because of its great compassion for the poor and the disadvantaged. I submit that the trick is to target social spending to those who need it. We can no longer afford to subsidize high income individuals and we can no longer afford to subsidize corporate Canada. If the government does not start to practise a little basic economic management, that compound interest machine is going to continue to accelerate.

One–third of every tax dollar collected by the government is already being used to service existing debt. What happens in the not too distant future when that becomes 40 cents out of the dollar, 45 cents or even 50 cents? Where will the money come from to pay for social programs or even to provide basic government services?

If the whole rotten structure comes tumbling down there will be no medicare, no pensions, no UIC, no welfare, nothing. Those who will suffer the most will be the weakest members of society: the sick, the old and the very young. That will be the govern-

ment's legacy to the people of Canada if it does not begin to take the problem seriously.

The government has proven through its non–budget that it cannot be trusted with a credit card. That card should be locked away in a safe place before the foreign bankers come and take it away from us.

[*Translation*]

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, true, I talk a lot about the deficit but, you see, a few years ago I thought it was my money at stake, but I realized some time ago that it is my children's and perhaps even my grandchildren's money.

• (1635)

[*English*]

The hon. member mentioned many things, one of which I want to correct, if he would kindly allow me to do so. He said that one–third of the tax collected by the government is used to service the debt. Unfortunately, it is a lot worse than that. Zero per cent is used to service the debt. One hundred per cent is used for programs. We do not pay the debt and the interest just adds on. How unfortunate.

However, I have a question for the hon. member if he does not mind. I will read something that was printed in *La Presse* in Montreal. I will read it in French. I am sure he will be able to follow it through the translation.

[*Translation*]

"The changes to the unemployment insurance program announced in the last federal budget make unemployed Canadians bear the brunt of over half of all new Liberal cuts", as if cuts could be liberal, "and will cost the provinces $1 billion, including $280 million in Quebec alone".

[*English*]

This is the question I would like the hon. member to address. It seems that the federal government has succeeded in keeping the deficit just below the $40 billion mark by shovelling part of the problem into the backyard of every one of the provinces. How does the member react to that?

Mr. Morrison: Mr. Speaker, I will address the first comment of the hon. member for Portneuf.

Where does the money come from to pay the interest on the debt? I guess this is an exercise in semantics. You can take it out of their right pocket or you can take it out of their left pocket. The fact remains it collects $120 billion in taxes and $40 billion goes to pay interest on the debt.

Yes, I agree with the hon. member. We are borrowing money to pay interest on the debt because we are not quite breaking even. We are borrowing more than the interest cost. Where this will end, the hon. member knows well.

I want to compliment the hon. member for Portneuf on his original speech. I did not get a chance to stand up because everyone wanted to ask him questions. I applauded him. I thought he had perhaps become a Reformer when I listened to his economic analysis.

Mr. Canuel: Le Bloc réformiste.

Mr. Morrison: Yes, le Bloc réformiste, bien sûr.

The only part of his address that bothered me and sort of spoiled the effect was when he persisted from time to time in referring to two different countries, Quebec and Canada. If he would accept the premise that we are all one country, I would really like to see him move many seats this way and display his considerable talents on behalf of the nation because he really knows his economics.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, as the House may or may not be aware, the hon. member for Swift Current is involved in the agricultural community.

I wonder if the member could enlighten me and other members of the House of the effect on the agriculture industry of this chronic overspending and our inability to live within our means. Is it making our agricultural products less competitive in the world market?

Mr. Morrison: Mr. Speaker, the answer is yes, it is having a very marked bad effect on our competitiveness in the agricultural markets.

One of the main reasons that farm input costs are so high is the tax component they contain. It does not matter whether one is buying a tractor or a litre of diesel fuel or repairs for something on one's farm, the tax component if one tracks it backwards through every stage of production in many cases, I would suspect in most cases, amounts to some 50 per cent of the cost when the farmer goes to buy it from his agent.

• (1640)

If we were not being taxed to death in order to maintain this excessive debt load, then the prices of farm inputs would automatically go down and we would be more competitive on the world stage.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I would like to congratulate the member from Swift Current again for his presentation on the borrowing authority bill and to get away a little bit from the side issues. I guess they are all important, but to me it is a side issue, whether it affects agriculture per se or affects one region of the country more than another.

I would like to focus on the borrowing aspect of this bill, the authority that it is giving the Government of Canada to borrow

tens of billions of dollars at unknown interest rates, apparently ever on the increase, and the effect that is going to have on the government's budgetary predictions.

I wonder if the member from Swift Current would comment on yesterday's announcement of the three–quarter per cent jump in the Canadian prime and the effect he feels this will have on the government's budgetary predictions.

Mr. Morrison: Mr. Speaker, we asked the Minister of Finance this morning to address that very question. We did not get an answer. My own interpretation is that it will probably cost about an extra $1.5 billion a year if this current increase continues.

What I am more afraid of is that this is the shape of things to come and that we are going to have another spurt of interest rate increases. As our bond ratings are downgraded and as foreign investors begin to look more and more unkindly on us, we could very easily see 8 per cent interest rates by the end of this year. Then watch the deficit roll.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, it is a pleasure to speak again on this bill. I spoke at second reading. I raised some concerns at that time, concerns that have been expressed to me not only in post budget days but during the lead–up and the entire campaign period last fall, even during the time I was nominated before I entered into the campaign mode.

This whole issue of deficit financing, the national debt, having to borrow and the fact that we are placing not only this nation and ourselves into a tremendous debt hole but are asking our children to try to dig us back out is an issue for which many of us in the Reform Party have become standard bearers.

One of the major concerns that brought the Reform Party into being was the fact that the fiscal mismanagement of successive federal governments has placed us in an untenable position for which we will be paying for generations.

When I first sought the nomination for Fraser Valley East the size of the deficit was forecast as perhaps going as high as $30 billion. This was a couple of years ago. At the time I have to admit it was the last straw that catapulted me into the federal election arena. Just the thought that I was going to saddle the nation with a deficit of $30 billion was more than I could stand. I am not sure whether there was a national uproar, but in my area it was such a concern that many of us joined the Reform Party and said that we would try to do something to turn the tide so that our children would not be adversely affected.

Thirty billion dollars is looking better every day. We are approaching a $45 billion deficit. By the government's own admission the best that it can hope for this year is in excess of $40 billion. Every day that the interest rate fluctuates or the dollar drops or the Minister of Finance has some musings, it changes the rates and the figures once again.

• (1645)

It was a real concern at $30 billion. Now that it is $40 billion or $45 billion, depending on who one wants to believe, it is even more of a concern. I would suggest it has gone from a concern to a pending and possibly imminent disaster.

Since it is bad and is getting worse we should describe, as the member did previously I think a little bit, the size of the debt and what it will mean to Canadians in the years to come. The debt is in excess of $500 billion, depending on the figures that were bandied about here a little bit earlier. Whether it is $16,000 per person or whatever, that only shows part of the picture. The other half of the picture, of course, is the added debt from the provinces, because there is only one taxpayer. Canadians are going to have to finance somehow by increased taxes, increased deficit, and more and more of these types of bills, borrowing authority acts, in all legislatures and Parliaments and that will continue to add to this burden for successive generations.

The deficit, which is a year to year accumulation of the shortfall in the revenues from expenditures, is going to be at least $40 billion this year. That alone is going to add increased burdens on all the people who can least afford it. I seldom see people worth $10 million or $20 million running for cover when these figures are bandied about. What bothers me and concerns me the most is that the people who are least able to shoulder this type of load, those on fixed incomes, the people who are relying on a government pension that they have faithfully paid into and expect to reap some benefit from, the people who are needing some temporary help from a temporary loss of employment through a UI program, no matter how it is revised, will have to pay the price and pay increased taxes and will in the long run experience decreased services.

I have a lot of concerns about that. These concerns have not gone away since I have come to Parliament. Over the last couple of months the concerns I think have been exacerbated by the signals being sent from the government side of the House.

It seems there is no concept of fiscal restraint. The budget papers states: "We will no longer nibble around the edges and just fuss with the minor details of the budget. This budget contains real cutbacks". That is what the government would have us believe. When I turn the page I see that the total expenditures of the federal government have increased from $160 billion to $163 billion.

How is that a cutback? It is not a cutback. It is increased spending. Our borrowing has increased, our taxes inevitably will go up, and our service inevitably will go down. That is a

problem. It is a concern to all of us. It certainly should be even more of a concern to the government side.

If that is the problem, and I believe the problem is what I have described, we are going to pass this problem on to successive generations. What can we possibly do to control the deficit? What can we do to bring under control the year to year deficit so that this borrowing authority that we are debating today will no longer be necessary?

We are not without examples of what can be done even within the Canadian jurisdiction, leaving New Zealand out of it for a moment. I know that is often bandied about. Within the Canadian jurisdiction there have been some examples of what can be done to control excessive spending by governments.

We have an example from Alberta in which the provincial government has grabbed the bull by the horns, if I may use a western expression, and has said that enough is enough, we can no longer afford to continue to spend and tax and spend, and expect to maintain services and a business environment that will assure prosperity in the future.

The premier of Alberta did the unthinkable in Canadian politics. He decided to get tough with some spending, and indeed he did get tough. Some people have done analyses on this and have suggested that if the federal government were to exercise as many spending cuts as the Alberta government proportionately, then it would have to slice $19 billion from its spending just to match the precedent set by Premier Klein in his budget. I am not saying Premier Klein's budget is perfect, but I use that as an example to show that it is possible to realize the severity of the problem. It is possible to reduce one's spending in real terms. It is possible to offer a light at the end of the tunnel for those Canadians concerned about the size of deficits, debts and the borrowing that is associated with it.

• (1650)

Of all things, and I never thought I would say this, there is even an example in my own province of British Columbia. I hate to think that the federal government cannot match an NDP budget, but the B.C. budget brought down yesterday announces tax cuts of $112 million. It will reduce its deficit this year to $189 million which is a tremendous step in the right direction for a government not known for its fiscal responsibility. It is offering certain tangible benefits to businesses and some of that famous light at the end of that famous tunnel.

For example, the Vancouver international airport, which is competing as all of B.C. must for Pacific rim business, is a big winner. The jet fuel taxes are being rolled back one cent to four cents a litre. Air cargo gets another boost. Last year's budget removed fuel taxes from cargo carriers altogether. There are ways to help businesses, consumers and people who are concerned about taxes, deficits and everything that just seems to snowball together. We can specifically reduce spending and by reducing that spending we can offer tax breaks to businesses, consumers and people on fixed incomes.

For instance, in the B.C. budget there were the mining tax breaks estimated to be worth $18 million. This is unprecedented in B.C. recent budgetary history. The people are concerned about increased taxes, increased borrowing and the never ending spiral of hopelessness that involves. Now that the government has seen the light, if I can use that expression again, it has actually reduced taxes in specific areas to help businesses help themselves. These businesses are not going to receive a grant, a handout, regional development aid or anything else. These businesses are going to receive tax breaks which is all that businesses require.

How many times have we heard small and medium sized businesses say that all they ask of government is to get out of their way and get off their backs so they can get on doing the job that they do best which is create jobs for Canadians?

As I said, I did not know that I would ever compliment the B.C. government on its ability to bring in a budget, but I am not going to be totally complimentary to it either. The B.C. budget also brought in some total budgetary spending increases of 3.5 per cent.

What would have happened in B.C. if instead of bringing in increased budgetary spending it had brought in a zero increase in budgetary spending? All of the similar cuts that I talked about earlier could have gone on. The cuts in overall taxation levels could have gone on. The reduction in the taxation for jet fuel and so on and so forth could have gone on. What if, instead of increasing the spending in other areas by 3.5 per cent, the B.C. government had brought in a zero increase budget? Instead of predicting a balanced budget by 1997 it could have brought in a balanced budget within its term, within the next year or two. That would have been a tremendous feather in its cap and may have turned the tide in the popularity contest which it seems to be losing at the current time.

Those are precedents that are within the Canadian round. If the federal government had brought in a zero increase budget and had just held flat at $160 billion, which is incredible as it is, but even if it had brought in that much without an extra $3 billion or $4 billion in spending, then this government I think would have been perceived by the Canadian people as being serious about addressing what may be a crisis problem of deficits, debt and borrowing.

• (1655)

My riding extends from Boston Bar, which is pre–riding boundary adjustment time, in the north which is basically a one industry town, a lumber town that derives almost its entire economic activity from the forestry industry. It extends down through Hope which starts to diversify a little. There is some mining and basically a lot more forestry activity and a lot of tourism. It extends down through the Chilliwack area where I live and where we diversify into agriculture and again lumbering and forestry continue to be important. There is a Canadian

forces base there. My riding extends right into the Abbotsford area which has almost another flavour unto itself. It has a lot of urban commuters who drive in to Vancouver and work in the big city and it has a lot of retirement people as well.

It does not matter where I go in my riding, whether I am talking to a lumberjack or a logger up in Boston Bar with his red strap suspenders and the whole ball of wax, if I talk to him about the size of the deficit and having to live within your means, that logger knows exactly what I am talking about. He will poke his finger into my chest and tell me to tell this government to quit spending money it does not have just like he has to manage things in his own household.

If I extend down into Hope and into Chilliwack where I live and talk to a dairy farmer there who is worried about GATT and NAFTA and all sorts of things, he will tell me again as he sticks his finger into my chest: "You tell that government to quit spending money it does not have. Quit borrowing money to spend on things we do not even need. Quit obligating my children to pay your debts. Tell that government to quit spending money".

If I go into Abbotsford where people live on a fixed income they will come up to me at a public meeting and tell me the same story. It does not matter what you do or where you live, the people know you have to live within your means.

As soon as you get an allowance of two bucks a week when you are 10 years old, you know you have to live within your means. This government has not learned this lesson yet. This is why this government's borrowing authority act is asking for an unprecedented amount of money to keep government going. It has not learned the lessons it should have learned by watching, if I may be so bold, the PC government of the last eight, nine or ten years.

If the government continues to spend this sort of money in the dollar amounts it is proposing, the electorate will turf it out at the next election with such a vengeance that we may again find a party decimated to the ranks with one or two people left. It has to listen to the Canadian people. The Canadian people want restraint. They want budgetary sanity brought back into government and they expect this government to do its part by restricting spending, bringing in a budget that does not include increased spending measures. Do it now. Do it not only for the people sitting here today but, more important, do it for the people of Canada who are demanding it.

I ask the government to reconsider this bill. Do not pass it. Do not ask for this amount of money. Bring in a budget that we can support, something with a cap on spending, and do it now.

[*Translation*]

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, I have a comment and a question for the hon. member, who raised points which I wondered about several months ago already, and for which I found an answer. I am going to suggest that answer to the hon. member and, in the process, get his point of view.

The hon. member says that the government must live according to its means. He adds that, for years now, in fact two decades, we progressively got more and more into debt.

I noticed that too, and I wondered not only about the facts but also their cause. It is not enough to say that we notice something. We have to ask ourselves: How did we end up in this situation and why do we still find ourselves in it?

• (1700)

So, I asked myself this very simple question: Why is it that Mr. Trudeau—I think I can name him without violating the rules—started getting us into debt? Is it because he did not realize that it was not a very smart idea to incur debts? Or is it because he was incompetent or acted in bad faith? Certainly not! I am convinced that, at the time, Mr. Trudeau acted in good faith and followed what he believed to be excellent advice encouraging him to do what he did.

Several years later, Mr. Mulroney promised to correct the situation and he failed. Did Mr. Mulroney act in bad faith? I do not think so. I believe that Mr. Mulroney really wanted to reduce the national debt.

Did he receive bad advice? I think that, here in Ottawa, we have extremely competent civil servants who work very hard to make things happen. So, my question is: What happened?

[*English*]

Mr. Strahl: Mr. Speaker, I thank the hon. member for Portneuf for his question. He raised a couple of interesting points. I am not exactly sure what Mr. Trudeau was thinking when he started us down this path. Perhaps it is just a Liberal frame of mind. I am not sure but time will tell.

I realize I am stretching it, but Mr. Trudeau and Mr. Mulroney have a similar problem or similar disease that afflicts new governments. It is called missed opportunities. When a new government takes the reins in Parliament it has a window of opportunity, which lasts a few months while the honeymoon period is on and while government members are glowing from ear to ear and from coast to coast, to make significant changes in the way that Parliament and Canada are run.

Both Mr. Trudeau and Mr. Mulroney had a similar disease in that they missed opportunities. I am not sure exactly what the perception of Mr. Mulroney was in Quebec where he won a huge number of seats, but we voted for him in the west in 1984 because we thought we were electing a fiscally responsible voice that would ensure our concerns were upheld in Parliament.

During his first budget Mr. Mulroney missed a tremendous opportunity. People wanted a fiscally responsible budget brought down, but because of some vocal people who were naysayers he folded the tents and went scurrying with his tail between his legs.

If I could come now to the 35th Parliament, I fear from looking at the budget that we have a similar phenomenon. We have a populace leader of the government who seems to be very much in tune with people. He seems on the outside to be one of the little guys from Shawinigan, just a regular guy, but he missed an opportunity in the budget to change the course of the 35th Parliament. It will not get easier. If the hon. Minister of Finance thinks it will get easier as we get near the next election, he is totally wrong.

As the hon. member said, whether they received bad advice or did not catch the full vision of what people were sending them to Ottawa to do, I am not sure. Regardless of what it was, if an opportunity is missed at the start of a parliament to set the tone for what the government is trying to accomplish the opportunity will never come back.

• (1705)

Perhaps the government wonders why we make such a fuss about the borrowing authority, the budget and so on. It tells us to wait until next year, but we have heard this wait until next year stuff for at least 10 years and it never comes because it never gets easier.

Any time we shrug something off and think that a problem will go away on its own it is just wishful thinking and there is a famous road paved with wishful thinking.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, I am pleased to address for the first time Bill C–14, an act to provide borrowing authority for the fiscal year beginning April 1, 1994. I speak against the bill because it is time we stopped living on borrowed money. The government has to start living within its means and resist the temptation to continue the mistakes of the past 25 years.

In 1968 the Liberal government under Pierre Elliot Trudeau came into power. It generated the first deficit. Since 1968 and including that year every government has continued to spend more money each and every year than it generated in tax dollars. If we check the records, after the Liberal government was kicked out by the Conservative government it left a debt for the Conservatives of $175 billion in 1984.

The Conservatives continued the same spending habits the Liberals had taught them while they were in government. Each and every year while the Conservatives were in power they continued to add to the debt to the point at which the people finally had enough. Under that government the debt grew to $460 billion. When the Conservatives were in power they kept blaming the Liberal government for the debt that grew every year because they had to pay interest out of the revenues to service the debt brought in by the Liberal government under Mr. Trudeau.

Now the Liberals are back in power and they are blaming the Conservatives for the $460 billion debt. They say it is their fault and that the $40 billion interest payment is a result of their lack of fiscal responsibility. The Liberals are now expecting the Canadian public to buy the same argument again.

Enough is enough. The finance minister's budget ignored the real problem. The finance minister presented a budget that accomplished nothing. The results would have been the same after 12 months if he had done nothing. It is a shame for him as a person with such good business background and business acumen not to heed the advice of his own experience.

The real problem is the debt and the interest we must pay every year to service the debt which is in the $40 billion range. There is the deficit, the debt and the interest payment on the debt. The finance minister brought in a budget that increased overall spending by $3 billion. Yet his rhetoric sounds as if he read the Reform Party blue book and the zero in three plan.

He talks tough. He talks about where we must take tough measures and make tough decisions. We must work toward a balanced budget. We must do this. We must do that. However, what does he do? He makes one sector of the economy, the military, suffer the most. It is suffering pain for no net gain because he increased spending by $3 billion overall.

This is why we are concerned as members of the Reform Party. The finance minister says he understands the problem but he fails to address it in the budget. As a businessman I am doubly infuriated because every time the government interferes in the private sector through grants, subsidies and regional development funds it proves in the long run not to work. When the money runs out so do the businesses. It is unfair. It distorts the marketplace and it creates confusion.

For instance, under the infrastructure program the federal government will contribute $2 billion if a province contributes $2 billion and the municipalities collectively contribute $2 billion. Then we will have a $6 billion job creation program. It is creating confusion. In the heart of downtown Calgary in my riding is a building that contributes to infrastructure that already draws businesses and people. It is a round–up centre, a building called the Saddle Dome which houses the Calgary Flames, a professional hockey team. The municipal council has now found a way to make application to the provincial government and through it to the federal government. The President of the Treasury Board will have to make a decision. I advise him to

decide against it because it is not a true use of infrastructure moneys. He will be asked to make a decision on whether it falls under the criterion and the definition. There is confusion.

• (1710)

Therefore the federal government should make it a point that if it has an infrastructure program it should go toward infrastructure. Two other levels of government have decided that spending money on a facility that is already in place is infrastructure. Since the private sector is involved with the Calgary Flames and since it is the major tenant, I recommend the President of the Treasury Board take a good hard look at the application.

My original point was that the infrastructure program was causing confusion. It is an intrusion into the marketplace. Another intrusion involves the province of Quebec and the manufacturer of the Hyundai car. Hyundai was originally subsidized, attracted to come to the province. It was to create 1,000 jobs. We were to lend it $100 million and to sell 100,000 cars at the end of this wonderful deal.

Hyundai closed its doors when the money ran out. Some 856 jobs were created, not 1,000. There were only 26,000 cars produced, not 100,000. However the Minister of Finance is considering lending more money for it to reopen the doors and gainfully employ another 800 people, the same 800 people.

Has the government or the finance minister not even asked why it shut its doors. Is it because Hyundai is not competitive enough? Is it because it cannot sell cars?

This is the private sector in which the federal government continues to intrude and continues to distort. The private sector wants the government off its back and out of its pockets. It wants to be left alone; it can create the infrastructure. It wants the government to do only what governments can do, and that is peace, order and good government, not investing in the private sector. I do not know how much more emphatically Reformers can say that and repeat that until it finally gets the message across.

The government wants to pass Bill C–14 so that it can borrow money to meet its commitments in the red ink book. It wants to borrow money so that it can create jobs to fund our already too generous social programs rather than review them for ways and means in which it can create a social safety net that protects the truly needy, not those it protects now who do not really need the money.

We have limited dollars. We are living on borrowed money. Why do we not stop wasting borrowed money and reduce the debt and thus reduce the amount we have to borrow? The proper signal should be sent to investors, lenders and consumers that the government will change the mistakes of the past 23 governments and finally make a commitment to the proper principles of economic growth. Lord knows, with all the advice we have available through bureaucracy we could do it.

As a member of the Standing Committee on Finance I have heard some interesting presentations on a replacement tax for the GST. I have also had the very good privilege of questioning the deputy minister of finance, Mr. Dodge. It is worthwhile for the entire Liberal cabinet to listen to him, especially the finance minister to whom this man has to answer. Let me read a comment that he made to the committee referring to our huge debt. He said that the problem was not only a federal one but also a provincial and local one.

• (1715)

In 1992–93 our deficit stood at approximately $40 billion federally and approximately $25 million provincially. The debt at the federal level is getting very close to three–quarters of the GNP. We are paying interest rates that are about 2 per cent above the rate of growth of the economy. That means we have to divert increasing amounts of taxpayers revenues just to service the past debt.

Canada's total budget deficit was the second highest among G–7 countries in 1992. We are just about leading the G–7 with respect to all levels of spending which is approximately 50 per cent of our GNP. The proportion of our debt that is internationally held has increased a great deal over the past 10 years. It is to the point now where the combined federal provincial total is about $750 billion and $300 billion plus is foreign held.

We must pay foreigners more and more to service Canada's foreign debt, approximately $1 of every $20 produced. All we can say is there may come a time when financial markets will feel they can no longer trust Canada to handle its problems. People will want to sell their Canadian bonds and we will no longer be able to borrow. We will face serious problems like New Zealand, Sweden, et cetera.

The important part is that the moment of truth can arrive just like that. That means when the Liberal government's program and budget after this year and next year do not work, its final recourse may be the International Monetary Fund. The government may have to invite them here and I do not think we need that. Do we want to invite the International Monetary Fund to solve our problems? I do not think so.

Is the finance minister listening to his own deputy Minister of Finance? Is the Liberal cabinet discussing the seriousness of the debt and the deficit and the interest costs on servicing that debt? What is going to happen if interest rates continue to rise? I will leave that for another speaker to possibly address.

I recommend we handle our own problems before resorting to groups like the International Monetary Fund. I recommend a complete overhaul and entire review of the taxation system. Never mind just a GST study, make a commitment to an entire

tax review. Get rid of the income tax in its present form. Get rid of the 14,000 books of rules and regulations.

Why does this government not take some advice from one of its own members who worked hard and true on this in opposition, the hon. member for Broadview—Greenwood? I know what his name is but I am not allowed to mention it. He wrote the book *The Single Tax*.

That has a lot of merit. A flat tax for Canada would help spread the tax load. It would allow us to introduce a lower tax rate. It would help solve the problems with the social safety net with an exemption level for each person that generates money. That would solve the problem. They would not have to pay tax on the first $15,000 for instance. They could then look after themselves without government subsidies and aid. Then the money we did generate as a government could go to the truly needy, the people who really need welfare and those seniors who really need help under the guaranteed income supplement.

Why will the Liberal government not focus on issues like this? There is a member within that party and he is not even in cabinet. He has been shunted right out and I do not understand why.

A flat tax has some other advantages. A flat tax would allow all Canadians on a proportional basis, depending upon the size of their family and the size of their income, to pay the same rate of tax. That would be equal. It would be more equitable and it would be fair. The finance minister always likes to use the word "fair". He has said in his budget speech that his intent and one of the objectives of the federal budget is to restore and sustain fiscal responsibility but I beg to differ.

The other advantages of a flat tax, if the Liberal government were so inclined to review it, would be that being simple it eliminates the need and the work with all these exemptions and loopholes that the finance minister talks about in his budget.

Today when we want to develop a certain sector of our natural resources, we create an incentive for people to invest and we give them a tax deduction. That starts to work or does not work and then later on we take the exemption away. We call it a loophole and we eliminate it. We give and take and give and take.

• (1720)

If we had a flat tax we would not have to worry about incentives, loopholes and deductions. We would only have to figure out mechanisms over and above the personal exemption in terms of charitable donations, perhaps 1 per cent, and in terms of the child credit and child care costs. Those could be incorporated.

After that we could draw a line. We would state what was made, make the deductions, multiply by 15 per cent and send that amount to the federal government. This system would be less complicated and understandable by everybody. It could be put on one sheet. Everybody would be doing it the same way. It is a proportional tax.

I would love to have a debate on this. Perhaps I could convince my own caucus to make a motion at some future point to discuss this flat tax and have a situation in which we solve our own problems. I believe a major overhaul of the entire taxation system would entice more investment in Canada.

We need capital. We need equity capital. Right now the government mentality, especially at the federal level is to continue to live on borrowed money which I call debt capital. There is a big difference. Money that is at risk motivates. Government money, especially borrowed money, is a waste.

I wish at some point in time we could address our entire economic and social problems in a comprehensive and analytical manner. As some Bloc Quebecois members like to say in the finance committee, there should be a complete review of our taxation system category by category, allocation by allocation.

We could then decide what programs we should be funding, what programs should remain in the public sector and what programs should be shunted off to the private sector. Yes, I am talking about privatization. There are a lot of Crown corporations that could be sold off if they are still necessary. If nobody in the private sector wishes to buy them, that is only proof nobody wants the service or needs it anyway.

We could really clean house in this 35th Parliament if we made a commitment. I understand the Bloc Quebecois claims to be fiscally responsible. So does the Reform Party. Why do the cabinet ministers not swallow their pride and listen to some of the comments we make? They could take credit for being the greatest government that ever lived because it finally listened to the people on matters that really counted, money. We pay far too much in taxes and they need to be reduced.

I speak against Bill C–14. I know the government ultimately can put this bill through, but I caution it to at least listen to some of the comments made in this House. Do more than give token interest to what we say. We are here to serve for another four and a half years. We want to be solving the problems for this country, not for some international association.

[*Translation*]

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, I will be brief because I really want to hear the Reform Party's answer to this question.

Some time ago, because of a similar perception of the debt problem, I was invited to join the ranks of the Reform Party.

However, even though we may perceive the problem in a similar way, it does not necessarily mean that we share the solution. Indeed, our respective solutions may differ.

In this context, I said earlier that in the last decade or two no government was able to control the debt and the deficit.

• (1725)

I submit that the reason for this failure rests with the system itself and that the system has to be changed. I would like to read the hon. member, if I may, Mr. Speaker, the end of the letter dated March 1st which the president and chief executive officer of the Quebec manufacturers' association, Richard Le Hir, wrote about the budget. It is only one paragraph long.

Faced with this situation, the federal government's only strategy is the relentless pursuit of the same policy in spite of all the evidence. Nothing else can explain Mr. Martin's reserve in his recent budget. He and his Liberal colleagues are hoping that, contrary to all expectations, a miraculous upturn in the economy will save Canada from the disaster it is headed for. They are making the same mistake the Conservatives made before them. They refuse to admit there is a structural aspect to the Canadian public finances problem. And for a very good reason! If they did, it would call into doubt the very structure of the system: the sacrosanct Constitution. That would be tantamount to opening Pandora's box. That is why, as we now say in Montreal, 'les jeux sont faits, rien ne va plus'!

[*English*]

Mr. Silye: Mr. Speaker, I enjoyed the commentary of the hon. member. That quote has a lot of merit. I would not dispute that.

I would like to raise one thing that perhaps Bloc Quebecois members have not considered. I know the agenda they ran in the province of Quebec. They feel that separation is the best thing for Quebec. I respect their views on that. I respect why they feel that way. Perhaps members could give them other thoughts to consider.

Why not stay in Canada? Why not work together for one Canada, a new federalism? The Bloc Quebecois would work within this confederation to gain the best possible for the province of Quebec in partnership with nine other equal provinces. As one country we would grow together and ultimately achieve our highest potential. Why does the hon. member not talk to his caucus about the economic advantages for the province of Quebec of staying in Canada? The signal that would send to the global community and the global market would have resounding positive financial rewards for the province of Quebec.

As Reformers we would be happy to point out to the Bloc Quebecois what some of the advantages are to staying in confederation. This separatist point of view is divisive and confusing. There are the arguments and debates over immigration, over the debt and what Quebec's share would be, how we do this, how we do that. Why not work together? Financially it is advantageous for everyone concerned.

The Deputy Speaker: The Chair has received written notice from the hon. member for Davenport that he is unable to move his motion during private members' hour on Thursday, March 24.

It has not been possible to arrange an exchange of positions in the order of precedence according to Standing Order 94(2)(a). Accordingly it is necessary that the Chair ask the table officers to drop the item of business to the bottom of the order of precedence.

[*Translation*]

Pursuant to Standing Order 94(2)(*b*), Private Members' Hour will be suspended for the day and the House will continue with the business before it at the time.

[*English*]

It now being 5.30 p.m., pursuant to the order made on Tuesday, March 22, 1994, it is my duty to interrupt the proceedings and to put forthwith every question necessary to dispose of the third reading stage of the bill now before the House.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 21*)

YEAS

Members

Adams	Alcock
Allmand	Anawak
Anderson	Arseneault
Assad	Assadourian
Augustine	Axworthy (Winnipeg South Centre)
Baker	Bakopanos
Barnes	Beaumier
Bellemare	Berger
Bertrand	Bethel
Bevilacqua	Bhaduria

Blondin–Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Calder
Cannis
Chamberlain
Collenette
Cowling
Culbert
Dingwall
Dromisky
Dupuy
Eggleton
Fewchuk
Fontana
Gaffney
Gallaway
Godfrey
Graham
Grose
Harb
Harvard
Hubbard
Iftody
Jackson
Karygiannis
Kirkby
Kraft Sloan
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLellan (Cape Breton—The Sydneys)
Malhi
Marleau
Massé
McKinnon
McTeague
Mifflin
Mitchell
Murray
Nunziata
Ouellet
Payne
Peters
Phinney
Pillitteri
Reed
Richardson
Ringuette–Maltais
Rock
Scott (Fredericton—York Sunbury)
Shepherd
Simmons
Speller
Steckle
Stewart (Northumberland)
Telegdi
Thalheimer
Valeri
Volpe
Wappel
Whelan
Young

Bodnar
Boudria
Brushett
Bélair
Campbell
Catterall
Cohen
Collins
Crawford
Dhaliwal
Discepola
Duhamel
Easter
English
Finlay
Fry
Gagliano
Gauthier (Ottawa—Vanier)
Goodale
Gray (Windsor West)
Guarnieri
Harper (Churchill)
Hickey
Ianno
Irwin
Jordan
Keyes
Knutson
Lavigne (Verdun—Saint–Paul)
Lee
MacDonald
Maheu
Maloney
Martin (LaSalle—Émard)
McCormick
McLellan (Edmonton Northwest)
McWhinney
Milliken
Murphy
Nault
O'Reilly
Pagtakhan
Peric
Peterson
Pickard (Essex—Kent)
Proud
Regan
Rideout
Robichaud
Rompkey
Serré
Sheridan
Skoke
St. Denis
Stewart (Brant)
Szabo
Terrana
Ur
Verran
Walker
Wells
Wood
Zed—146

NAYS

Members

Ablonczy
Asselin
Bellehumeur
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Brown (Calgary Southeast)
Canuel

Althouse
Bachand
Benoit
Bernier (Gaspé)
Blaikie
Brien
Bélisle
Chatters

Chrétien (Frontenac)
Cummins
Debien
Deshaies
Duncan
Fillion
Frazer
Gauthier (Roberval)
Godin
Grey (Beaver River)
Guay
Hanrahan
Harper (Simcoe Centre)
Hart
Hermanson
Hoeppner
Jennings
Landry
Laurin
Lebel
Leroux (Shefford)
Marchand
McClelland (Edmonton Southwest)
Mills (Red Deer)
Ménard
Paré
Plamondon
Péloquin
Riis
Rocheleau
Scott (Skeena)
Solberg
Speaker
Taylor
Tremblay (Rosemont)
Wayne
White (North Vancouver)

Crête
Daviault
de Savoye
Dubé
Epp
Forseth
Gagnon (Québec)
Gilmour
Gouk
Grubel
Guimond
Harper (Calgary West)
Harris
Hayes
Hill (Macleod)
Jacob
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Lefebvre
Loubier
Martin (Esquimalt—Juan de Fuca)
Meredith
Morrison
Nunez
Picard (Drummond)
Pomerleau
Ramsay
Ringma
Schmidt
Silye
Solomon
Strahl
Tremblay (Rimouski—Témiscouata)
Venne
White (Fraser Valley West)
Williams—90

PAIRED—MEMBERS

Members

Caron
Copps
DeVillers
Dumas
Leroux (Richmond—Wolfe)
Marchi
Parrish
Sauvageau

Cauchon
Dalphond–Guiral
Duceppe
Leblanc (Longueuil)
MacLaren (Etobicoke North)
O'Brien
Patry
St–Laurent

● (1755)

The Deputy Speaker: I declare the motion carried.

Bill read the third time and passed.

* * *

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from March 10 consideration of the motion that this House approves in general the budgetary policy of the government.

The Deputy Speaker: Pursuant to order made Wednesday, March 16, 1994 the House will now proceed to the taking of the deferred division on Ways and Means Motion No. 6 concerning the budget.

The Budget

[*Translation*]

Mr. Gagliano: Mr. Speaker, I believe that you will find unanimous consent to apply the result of the vote just taken to the motion which you just announced on the Budget.

The Deputy Speaker: Does the House agree?

Some hon. members: Agreed.

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 22)

YEAS

Members

Adams
Allmand
Anderson
Assad
Augustine
Baker
Barnes
Bellemare
Bertrand
Bevilacqua
Blondin–Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Calder
Cannis
Chamberlain
Collenette
Cowling
Culbert
Dingwall
Dromisky
Dupuy
Eggleton
Fewchuk
Fontana
Gaffney
Gallaway
Godfrey
Graham
Grose
Harb
Harvard
Hubbard
Iftody
Jackson
Karygiannis
Kirkby
Kraft Sloan
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLellan (Cape Breton—The Sydneys)
Malhi
Marleau
Massé
McKinnon
McTeague
Mifflin
Mitchell
Murray
Nunziata
Ouellet
Payne
Peters
Phinney
Pillitteri
Reed
Richardson
Ringuette–Maltais
Rock
Scott (Fredericton—York Sunbury)
Shepherd
Simmons
Speller
Steckle
Alcock
Anawak
Arseneault
Assadourian
Axworthy (Winnipeg South Centre)
Bakopanos
Beaumier
Berger
Bethel
Bhaduria
Bodnar
Boudria
Brushett
Bélair
Campbell
Catterall
Cohen
Collins
Crawford
Dhaliwal
Discepola
Duhamel
Easter
English
Finlay
Fry
Gagliano
Gauthier (Ottawa—Vanier)
Goodale
Gray (Windsor West)
Guarnieri
Harper (Churchill)
Hickey
Ianno
Irwin
Jordan
Keyes
Knutson
Lavigne (Verdun—Saint–Paul)
Lee
MacDonald
Maheu
Maloney
Martin (LaSalle—Émard)
McCormick
McLellan (Edmonton Northwest)
McWhinney
Milliken
Murphy
Nault
O'Reilly
Pagtakhan
Peric
Peterson
Pickard (Essex—Kent)
Proud
Regan
Rideout
Robichaud
Rompkey
Serré
Sheridan
Skoke
St. Denis
Stewart (Brant)
Stewart (Northumberland)
Telegdi
Thalheimer
Valeri
Volpe
Wappel
Whelan
Young
Szabo
Terrana
Ur
Verran
Walker
Wells
Wood
Zed—146

NAYS

Members

Ablonczy
Asselin
Bellehumeur
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Brown (Calgary Southeast)
Canuel
Chrétien (Frontenac)
Cummins
Debien
Deshaies
Duncan
Fillion
Frazer
Gauthier (Roberval)
Godin
Grey (Beaver River)
Guay
Hanrahan
Harper (Simcoe Centre)
Hart
Hermanson
Hoeppner
Jennings
Landry
Laurin
Lebel
Leroux (Shefford)
Marchand
McClelland (Edmonton Southwest)
Mills (Red Deer)
Ménard
Paré
Plamondon
Péloquin
Riis
Rocheleau
Scott (Skeena)
Solberg
Speaker
Taylor
Tremblay (Rosemont)
Wayne
White (North Vancouver)
Althouse
Bachand
Benoit
Bernier (Gaspé)
Blaikie
Brien
Bélisle
Chatters
Crête
Daviault
de Savoye
Dubé
Epp
Forseth
Gagnon (Québec)
Gilmour
Gouk
Grubel
Guimond
Harper (Calgary West)
Harris
Hayes
Hill (Macleod)
Jacob
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Lefebvre
Loubier
Martin (Esquimalt—Juan de Fuca)
Meredith
Morrison
Nunez
Picard (Drummond)
Pomerleau
Ramsay
Ringma
Schmidt
Silye
Solomon
Strahl
Tremblay (Rimouski—Témiscouata)
Venne
White (Fraser Valley West)
Williams—90

PAIRED—MEMBERS

Members

Caron
Copps
DeVillers
Dumas
Leroux (Richmond—Wolfe)
Marchi
Parrish
Sauvageau
Cauchon
Dalphond–Guiral
Duceppe
Leblanc (Longueuil)
MacLaren (Etobicoke North)
O'Brien
Patry
St–Laurent

The Deputy Speaker: I declare the motion carried.

It being 6 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CONSTITUTION ACT, 1982

Hon. Warren Allmand (Notre–Dame–de–Grâce) moved:

That, in the opinion of this House, the government should initiate an amendment to the Constitution Act, 1982 to delete section 33 (the notwithstanding clause).

He said: Mr. Speaker, I would appreciate if we could get a little order in the House as it is difficult to speak over the noise.

The Deputy Speaker: Colleagues, your colleague wants to have some order and the Chair on his behalf would request order so that he might present his motion.

Mr. Allmand: Mr. Speaker, the motion which I have presented asks that the government initiate an amendment to the Constitution Act of 1982 to delete section 33, the notwithstanding clause.

What are we talking about? In 1982 the Parliament of Canada and all the parliaments of the provinces passed the Constitution Act of 1982 which included for the first time in our history an entrenched Charter of Rights and Freedoms. These were such rights as the fundamental freedoms; the freedom of conscience and religion, the freedom of thought, the freedom of belief, opinion and expression, freedom of the press, freedom of peaceful assembly, freedom of association, our democratic rights—that is, the right to take part in elections, the right to run for office, mobility rights, legal rights, very important equality rights. That section said that all Canadians were equal irrespective of their sex, their age, their colour, their religion, their race, their national origin.

In 1982 we entrenched those rights, which meant that those rights could not be taken away by ordinary legislation. Furthermore, those rights prevailed over all other legislation since they were in the Constitution.

If a conflict arose between any other law in Canada and what was in the Charter of Rights and Freedoms, then the Charter of Rights and Freedoms prevailed. The only way those rights could be taken away is by an amendment to the Constitution, which is a very complex thing, as we all know as a result of the Charlottetown accord experience.

We took steps to give Canadians these entrenched rights and then at the same time we put in the very same act article 33, the notwithstanding clause, which allowed Parliament and all the legislatures of Canada to take away those very rights by the use of what is called a notwithstanding clause. This means that if a government introduced a bill which said: "Notwithstanding the charter of rights, we legislate as follows", then it would legislate away the right of freedom of the press or freedom of religion or freedom of equality, and so on.

• (1805)

When Prime Minister Trudeau first introduced the Charter of Rights and Freedoms in 1981, the notwithstanding clause was not in it. At that point the Constitution of 1982 was clear, pure, simple and direct without any shenanigans or skulduggery whatsoever.

However, in the negotiations with the provinces, between early 1981 and passage in late 1981, pressure was brought to bear and the notwithstanding clause was accepted.

I always opposed the notwithstanding clause. As a matter of fact I voted for the Constitution Act of 1981 when it was first presented on the first round by Mr. Trudeau as a member of his party and supported it strongly. However, at the end of the process, when we voted again at the end of the year, I was obliged to oppose the package, not because I did not support many things in it but I could not accept the notwithstanding clause and there were a few other clauses that were added that I could not accept.

Why am I so opposed to the notwithstanding clause? I just referred to these rights. These are not marginal rights that we are talking about. These are not supplementary rights. We are talking about basic, universal rights, rights that are recognized around the world. We are talking about rights that are recognized in the Universal Declaration of Human Rights of the United Nations. We are not talking about rights to own property or to build a house on a certain street. We are talking about things like freedom of religion, freedom of conscience, equality between races, equality between people of different religious backgrounds and so on. We are talking about things that are very basic.

As far as I am concerned, rights are rights and they should not be subject to legislative suspension for any reason, not these kinds of rights. They cannot be legislated away.

Some people would argue that no rights are unlimited. That is correct. For example, let us take freedom of speech. The principle of freedom of speech is, without a doubt, unchallengeable, but we cannot abuse it. We have accepted for a long time the crimes of liable and slander which are an abuse of the freedom of speech. We have now in our criminal law provisions against hate literature by which one cannot attack another ethnic or religious group in a demeaning way. It can add up to hate literature. That is an abuse of the freedom of speech.

The Constitution Act of 1982 and the Charter of Rights and Freedoms provide for that in section 1. The notwithstanding clause is not necessary. Section 1 of the charter states: "that the Canadian Charter of Rights and Freedoms guarantees the rights and freedoms set out in it subject only to such reasonable limits

prescribed by law as can be demonstrably justified in a free and democratic society".

We have had our liable and slander laws for many years, but if they were to be challenged as contrary to the Charter of Rights and Freedoms, the spokespersons for the government could argue that these were exceptions that were reasonable in a free and democratic society. In other words, one should not be able to tell lies that will hurt the reputation of other people.

The difference with article 1 of the charter is that it is the court which decides whether the law being challenged is an exception to the charter or not and it is not a politically elected Parliament or legislature that decides. To me that is very important.

What does it really mean when we have a notwithstanding clause in our Constitution and in our Charter of Rights and Freedoms? It means that our minorities really have no protection vis–à–vis the majority. It means that the minorities are subject to the rule of the majority. The notwithstanding clause becomes a contradiction to the very reason for the charter in the first place.

• (1810)

Those of us who argued in favour of the charter, including Prime Minister Trudeau, said that we must have a charter entrenched in our Constitution to protect minorities of different kinds against the rule of majorities in cases where fear often is demonstrated, where all of a sudden in certain situations people want to trample over the rights of the minorities. He said that we could not leave that to ordinary legislation, that we must recognize basic principles and put them beyond the rule of the majority. However if a notwithstanding clause is included that is contradicting what is being done in the first place. You are giving with one hand and then taking away with the other.

To me that is hypocrisy. You really do not have a Charter of Rights and Freedoms if a legislature can pass a law using the notwithstanding clause, using the words "notwithstanding the rights and freedoms we are legislating as follows". You really do not have protection and that is what was supposed to be done in the Charter of Rights and Freedoms. However you are giving with one hand and taking away with the other. It becomes a farce. It can even become mob rule. That is, the mob, the majority when they want to act, they act regardless of the basic rights of the minorities in society.

I had the privilege of being educated at law school by Frank R. Scott, one of the great Canadian professors of law and one of the great civil rights lawyers in our entire history. He was able to challenge two laws Quebec Premier Duplessis passed in the post–war period.

One was a law to ban the Jehovah Witnesses. Frank Scott with others was able to have that law overturned. We did not have the Charter of Rights and Freedoms in those days. However because he was a very imaginative lawyer he was able to do it by referring to other parts of the Constitution.

Then Premier Duplessis passed a law called the padlock act. It allowed him to put locks on the doors of anybody suspected of being a Communist. I have no sympathy for Communists. The point is if it can be done for the Communists, it can be done for the Reform Party, the Liberal Party, the Conservative Party or any other party if you do not like them and you are allowed to pass a law banning a political party. Again, Frank Scott was able to win without the charter.

However I put this to the House. If there had been a charter with the notwithstanding clause and Frank Scott had won in the Supreme Court of Canada, Mr. Duplessis would simply go back to his legislature and say: "Notwithstanding the Supreme Court of Canada, notwithstanding the Charter of Rights and Freedoms, we are once again going to ban the Jehovah Witnesses. We are once again going to ban a political party".

When it was introduced and agreed to by my own party and our own government, it was said we were agreeing to it to get the package through. It was said that it would never be used and if it was going to be used, it would be rare.

It has been used several times. It has been used in Saskatchewan; it has been used in Quebec to override the Supreme Court of Canada and to override other rulings of the court with respect to the charter.

I ask Quebecers in particular to consider that if the legislature of Quebec can do it for language in that province, then another province can do it for language as well. If it can be done for language, it can be done for religion. If it can be done for religion, it can be done for equality between the races.

Once you agree to do it, then one day you cannot say to the guy in the next province or to this Parliament that it should not be done for that when you have done it yourself. You cannot pick and choose on this kind of thing.

Imagine what the situation would have been if the United States had a notwithstanding clause. I know it took a long time but it was finally in 1954 in the famous Brown case that the discrimination laws against blacks in the United States were finally struck down. They were laws that were enforced in several of the southern states that said that blacks must sit in the back of the bus, that said that blacks had to sit in a certain part of a cinema, that said that blacks could not go into certain parks, that they could not live in certain districts, that they could not go to certain schools.

It was the constitution of the United States. It took a long while in American history but finally they won in 1954 by gathering together the funds necessary to challenge those laws. They won in the Supreme Court of the United States in that very famous case, the Brown case.

• (1815)

Can members imagine if they had a notwithstanding clause in the American constitution and Mississippi, Alabama, Georgia or any of those states could simply say that despite the Supreme Court of the United States, too bad, they are going to legislate exactly what they had in the first place. The constitution of the United States would not mean anything. That would be ridiculous. It is ridiculous in most countries. The notwithstanding clause was accepted as a political compromise and it was unfortunate and wrong.

During the discussions on the Charlottetown accord there was discussion as to whether the committee of which I was a member, the Beaudoin–Dobbie committee—it was Castonguay at one point—should make recommendations against the notwithstanding clause.

We debated it at great length and finally we left it aside, much to my dismay, on the grounds that while the notwithstanding clause is not correct in principle there was no chance we could get the provinces to agree, therefore we should not waste our time pursuing something that we could not get agreement on. I say that was unfortunate.

There are other people who will argue that the last word must always be with the political people, the elected people. I can remember an NDP premier of Saskatchewan, Allan Blakeney, whom I respect for other things. He took that point of view.

Legislatures and Parliaments in this country are not unlimited. The Constitution Act of 1867 puts limits on us in many respects. There are limits on catholic schools and protestant schools. There are limits on what one can legislate in the provinces and what one can legislate at the federal level.

There are limits with respect to what one can do regarding the monarchy in the country. One cannot legislate in any respect whatever one wants. There have always been limitations. What the charter did was extend those limitations and say that certain rights belong to people and political bodies cannot take them away.

The argument that political bodies should be completely free to do whatever they want or what they think right at any time is not right in principle and it is not acceptable even from a legal point of view.

I want to remind the House that in 1986 at a large national convention after we lost in a devastating way the election of 1984, the Liberal Party passed a resolution by well over 80 per cent of the delegates attending in 1986 in Ottawa, saying exactly what I have in my motion today, that we should take steps to get rid of the notwithstanding clause.

As a matter of fact, the then leader of our party, the Right Hon. John Turner, presented the same motion that I am presenting today. It was in his name until he retired. I have taken up the motion although I have always supported the same point of view.

I am saying that if we are going to have a Charter of Rights and Freedoms on such basic rights as I have described—I would not say the same thing about marginal rights which are important or other types of rights—and that we have in this charter, they should never be subject to suspension.

If one agrees to suspension in one case, then one leaves oneself open a little while down the road to the suspension of other rights whether they be religious rights or language rights or rights to express one's opinions, freely to write what one wants, to form a trade union, or to form a political party.

I ask this House to take this motion seriously. This is not a piece of legislation in itself. It is a motion that will express the view of this Parliament.

During the discussion right up to the Charlottetown accord some people said that we could not get rid of the notwithstanding clause altogether but that maybe we could get agreement on its limitation, maybe we could take it off the equality rights section, perhaps we could take it off the fundamental freedoms section but leave it on the political rights, in other words restrict its ambit of application.

That was one solution proposed. Others said that maybe we could reduce the number of years for which the notwithstanding legislation is valid. As members know, right now when you pass a bill under the notwithstanding clause it is only good for five years and you must do it all over again. They said let us reduce that to three years, two years or whatever.

• (1820)

Then others said maybe we should introduce a two–thirds requirement for its use. If you are going to suspend basic rights in the Constitution with the notwithstanding clause you should at least have to have two–thirds, three–quarters, not the ordinary 51 per cent majority.

If it was impossible to get rid of the clause altogether I would certainly accept those kind of compromises. I think they would go some distance in reducing the concern that the many minorities in this country have.

Let me say this is a country of minorities. You look at the House we have today, we come from many parts of the world, we come from many linguistic backgrounds, many racial backgrounds, many religious backgrounds. It is not as it was in 1867 when we were basically catholics, protestants, we were all white

and we were either had French or British background. Today we are of many many backgrounds. We are all minorities.

I think we would do ourselves well to declare ourselves on this. It is not to pass a law but it would show where this new Parliament stands on basic rights and freedoms and we would be saying loud and clear that these rights are our rights forever and a day and they cannot be suspended by any simple majority of a Parliament of Canada or a legislature of a province.

[*Translation*]

Mr. François Langlois (Bellechasse): Mr. Speaker, I welcome this opportunity to speak to motion M–239, introduced by the hon. member for Notre–Dame–de–Grâce, which requests withdrawal of section 33 of the Canadian Charter of Rights and Freedoms of 1982, the notwithstanding clause, also known in Quebec as the "clause nonobstant".

Need I recall that the legislation we are discussing, the 1982 Canadian Charter, was passed by the Imperial Parliament in Westminster, after a debate in this House where the majority of Quebecers—there were a few exceptions—supported the request made to the Imperial Parliament?

In fact, there was more opposition to the Constitution Act, 1982, in the Imperial Parliament in Westminster than in this House. Westminster ratified this legislation, despite two memoranda by the Government of Quebec which vigorously objected to the process and also despite a resolution supported by both parties then represented in the Quebec National Assembly, the Parti québécois and the Liberal Party of Quebec, with only six members voting against the resolution.

What we have now is legislation that may have its merits but is fundamentally flawed in terms of the process that was imposed on us to adopt it. The government amended Canada's Constitution and removed Quebec's right to legislate on language matters, a right guaranteed by section 92 of the Constitution Act, 1867, by what was always defined as a pact between the two founding peoples. What a fallacy, Mr. Speaker!

Section 23 of the Constitution Act, 1982, ratified in London and amended in a Parliament on the other side of the Atlantic, amended section 92 of the Constitution Act, 1867, by restricting the powers of the Quebec National Assembly with respect to language in Quebec, and in many respects it was this section that caused so much trouble. How ironic that we should have to go to London to amend the Canadian Constitution and to incorporate in the constitutional amending formula provisions that, if they had existed in 1982, would have made it impossible to amend section 23 with respect to the powers of Quebec.

They asked London to do the dirty work, so that would be the end of it. This is a strange interpretation of democracy. And with all due respect for the hon. member for Notre–Dame–de–Grâce, who referred to decisions by the courts in Quebec and especially to Mr. Duplessis, I think we should not forget that in this trilogy of judgments made in the fifties, in Saumur versus the City of Quebec, the Switsman case and the Roncareli case, the Supreme Court of Canada came down on the side of those who defended civil rights and quashed the laws passed by the Legislative Assembly and Legislature of Quebec which restricted individual rights and freedoms. The rights of the Jehovah's Witnesses were recognized by the Supreme Court of Canada. The padlock act, passed by the Legislative Assembly and Legislature of Quebec, was declared null and void.

• (1825)

But where was the hon. member for Notre–Dame–de–Grâce in 1970, when this House passed the War Measures Act which provided for arrests without a warrant and arbitrary detention of Canadian citizens? Government by decree, that is exactly what they did in 1970, and the hon. member for Notre–Dame–de–Grâce voted in favour of this odious piece of legislation, which was last used in World War I. Was he there to defend the rights of Quebecers, when 500 were jailed without a warrant and could be detained for up to six months without trial? In most cases they received no compensation, or very little. Some people lost their jobs, their families and the love and respect of their friends. Where was the hon. member for Notre–Dame–de–Grâce then? Perhaps he should tell us someday.

However, I understand some of the frustrations of the hon. member which are probably connected with Bill 178, passed by the Quebec National Assembly and proposed by the Liberal Premier of Quebec, Mr. Bourassa, which created two language categories in Quebec, one language which could be posted inside and another outside. There is nothing wrong with being able to post signs in one's own language. Bill 178 was highly questionable because it seemed to make English a language that had to be used furtively. And that should certainly not be the case.

Getting back to the crux of the matter, since these precautions were taken, section 33, the famous notwithstanding clause, allows us to interpret the Canadian Charter of Rights and Freedoms. It allows parliamentarians to interpret the Charter and, depending on the circumstances, to ask themselves this: Should we or can we distance ourselves from the Canadian Charter of Rights and Freedoms?

At the federal level, the decision to do so is made by the houses of the federal parliament, while at the provincial level, it is made by the members of the legislatures. The decision is only valid for five years. It is a serious matter which must be studied each time and the decision that is reached is valid for a period of five years, which enables the legislator to have the final word. However, when it comes to justifying the use of the notwithstanding clause to the Canadian and provincial electorates, the

burden will fall to federal and provincial members of Parliament. And there may indeed be circumstances where the application of the notwithstanding clause is justifiable. For example, it may be justified in the case of political party funding where the sky is virtually the limit when it comes to contributions.

Perhaps a notwithstanding clause will be referred to this Parliament, thereby making it possible to adjust today's reality to the deeply felt wishes of Canadian and Quebec society. Perhaps. There are cases. In any event, when there is a charter of rights or constitutional provision, such as the constitutional amendments to the constitution of the United States, there is no notwithstanding clause. The U.S. constitution does not contain one and the legislator is bound by his own constitutional provisions which must be upheld.

The offshoot of this, however, is that if the legislator cannot do the job, the courts will do it. The courts take on the task, from time to time, of defining that which, in their opinion, is acceptable at a given point in time, based on how a society evolves. Over the decades and even the centuries now, the Supreme Court of the United States has not been shy about interpreting differently various provisions of the amendments to the American Constitution that guarantee certain rights associated with certain fundamental freedoms.

• (1830)

I much prefer to have this discretionary power exercised by elected officials as in our country who must go before their constituents at least every five years, rather than by unelected judges who cannot be removed and are not accountable to anyone, since this is basically a political act. If we want to take politics out of Parliament and put it in the courts, the proposal of the hon. member for Notre–Dame–de–Grâce should be accepted. If political debates should go on in our stately courtrooms, let us adopt the motion presented by the hon. member for Notre–Dame–de–Grâce, but if we want political issues to be settled here in the House of Commons or in the Quebec National Assembly or in the provincial legislatures, please do not pass a motion like this one.

Passing Motion No. 239 would be compounding the wrong done to us Quebecers in 1982, which came on top of the insult we had to put up with in October 1970, let me remind the hon. member for Notre–Dame–de–Grâce in closing.

The Deputy Speaker: Excuse me. I wonder if the hon. member has not completed his remarks, perhaps he could have unanimous consent to do so. Has the hon. member for Bellechasse finished?

Mr. Langlois: I think that this is a debate about the kind of society we want which could go on for years, Mr. Speaker. If you wish, give the floor to the hon. member for Chambly, who could use up my speaking time.

The Deputy Speaker: I would ask hon. members if there is unanimous consent to give the hon. member five minutes to complete his remarks? Do hon. members agree? I know that it is a very important subject. Can the hon. member for Bellechasse have more time to complete his remarks?

Mr. Langlois: To conclude, Mr. Speaker, I would ask you to give the floor for the rest of my time to the hon. member for Chambly.

The Deputy Speaker: The hon. member's time has expired. Members who follow the member who presented this motion have ten minutes each.

I think that two other members wish to speak. No, four members want to talk on this. Can we share the time, perhaps seven or eight minutes each?

I now give the floor to the hon. member for Edmonton Southwest.

[*English*]

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I will share my time. I have a few very brief comments to make.

I recognize the motion put forward by my hon. friend from Notre–Dame–de–Grâce and accept the fact that it is a basic contradiction to speak against the motion. If article 33 is to be used to take away rights or freedoms, chances are that it will be used to take away rights and freedoms from where they are probably needed the most. There is a basic contradiction in speaking against the motion, which is what I intend to do this evening. I do so despite the fact that I am appreciative that it really is a conundrum when the Charter of Rights and Freedoms has an override provision on perhaps the most personal aspects of the charter.

Under the Constitution Act, 1982, as was pointed out by my hon. friend from Quebec, when the Constitution came back to Canada it did not have unanimous support of all provinces. It also changed the fundamental values in the way our country relates, the way we relate as citizens one to another. We no longer have common law. The legislatures are not longer paramount in Canada; it is the Supreme Court. We found ourselves as a nation reacting to interpretations of the way we relate one to another by virtue of how the Supreme Court interprets a particular law.

• (1835)

The net result is that we have become a nation of entitlement rather than of responsibilities. I keep suggesting that perhaps we

could immeasurably improve the Charter of Rights and Freedoms if we were to change it to the charter of rights, freedoms and responsibilities, because there is no such thing as a right or a freedom without a corresponding responsibility.

Bringing in the Charter of Rights and Freedoms with the Constitution Act has fundamentally changed the way we relate to each other as citizens and to our governments. The notwithstanding clause gives elected parliaments the opportunity to override the court which is unelected and appointed.

Perhaps there would be some way we could evolve to some sort of compromise so that we could have the best of both worlds. I do not know what that compromise would be, but I know the people of Canada, at least in my opinion, would far rather have a country where elected bodies in our nation were paramount to appointed judicial bodies.

For that reason I would vote against the bill and I would speak against the notion of striking the notwithstanding clause, keeping in mind that when invoked the notwithstanding clause must be redone every five years.

[*Translation*]

The Acting Speaker: Before I recognize the hon. member for Chambly, I would like to inform the House that there is enough time remaining for two members to speak for 10 minutes apiece.

Mr. Ghislain Lebel (Chambly): Mr. Speaker, I am truly outraged by the motion of the hon. member for Notre–Dame–De–Grâce.

A brief overview of the events of 1982 will make it clear to him that Quebec has always been opposed to the unilateral patriation of the Constitution and to the passage of laws overseas by a foreign country for the purpose of muzzling Quebec and taking away from it the only powers it had left as far as language was concerned.

In the National Assembly, Quebecers in both parties opposed these measures. Now, twelve years later, is the member for Notre–Dame–de–Grâce trying to hammer the final nail into the coffin of the French language in Quebec? I have to say that this is not very far from the truth.

Quebec will never agree to the removal of such measures as the notwithstanding clause. All the more so because at the present time, the provisions of Quebec's education laws are being extended. Five laws are currently being debated in the National Assembly and the notwithstanding clause will be continued because it reflects the very essence of Quebecers and their existence in Quebec. If the hon. member for Notre–Dame–de–Grâce has not yet understood this after 25 or 30 years in politics, then I wonder what he is doing here.

Mr. Speaker, this is not a negotiable issue as far as we are concerned. Nor will it ever be. I do not need 10 minutes to tell you that it will never fly in Quebec. If we have to, we will fight you on this tooth and nail.

[*English*]

Mr. Mike Scott (Skeena): Mr. Speaker, I rise today to speak on the motion before us. I must say I have listened with a great deal of interest to some of the arguments presented by my friend in the Reform caucus, members of the Official Opposition and the hon. member for Notre–Dame–de–Grâce who moved the motion. I agree with the member for Notre–Dame–de–Grâce that the notwithstanding clause in the Constitution is a fundamental and, some might say, fatal flaw which emasculates the Charter of Rights and Freedoms.

• (1840)

The override clause is contradictory to the idea of inalienable rights. On the one hand the charter says that the people of Canada have inalienable rights. On the other hand they can be taken away by legislation when the government chooses. That is a fundamental contradiction. It actually puts us in a position where we do not have a final set of inalienable rights that cannot be taken away from us at the whim of government.

I want to talk about some of the ramifications of this point and then talk about some other flaws in the charter. As I said earlier, the government can suspend specific rights granted in the charter at its whim. Governments are usually elected with only a plurality of the vote and very seldom by a majority. Even when they are elected with a majority, the majority is giving them that endorsement on election day for a variety of reasons but often not specifically so that they have the legislative authority to take away fundamental rights.

I could use my home province of British Columbia as an example. In the last election its government was elected with 38 per cent of the popular vote. Now it is in a position to use legislative power to suspend charter rights in British Columbia if it so chooses, even though it were only elected with 38 per cent of the popular vote. At this point its popularity has gone down, not up. As we sit here today the Government of British Columbia probably enjoys less than 25 per cent support among the people.

Again I say this is a fundamental flaw in the charter. It gives a government which enjoys very low popular support the ability to override fundamental rights in the charter. I consider that to be anti–democratic. It is very anti–democratic at its very roots. I therefore concur that the override provision in the charter is not in the interests of the people.

The mover of the motion has gone. I wanted to ask him some questions. The way the process evolved that brought us the charter was flawed in itself. That is the reason we have problems with the charter. The framers of the charter never consulted in a meaningful way with the people. There was no opportunity for Canadians to come out and express their opinion on the charter. Whether they agreed with it or disagreed with it or whether they

wanted changes, it was framed by a group of elite politicians in a power brokering deal between the federal government and the provinces with very little if any opportunity for the people to put forward their points of view.

An hon. member: All men, no women.

Mr. Scott (Skeena): As my hon. friend said, it was a group of white Anglo–Saxon Protestant men. No women or minorities were reflected. It was very much a power brokering deal.

I have read a bit of history and I understand that at the time Prime Minister Trudeau considered very carefully going to a referendum because he was having a problem getting the provinces to agree to the amendment of the Constitution. If the government of the day had gone to the people and had asked for their input, we would have today a charter without a notwithstanding clause. That was put in there at the request of the provinces. It was done in a power brokering deal arrangement made behind closed doors with a group of elite politicians.

Does the member who moved the motion not agree that the process was flawed and that if we had the proper process we would not be in the situation we are in today? I guess that leads to the following questions. Where does sovereignty fundamentally reside? Does it reside in the federal government? Does it reside in the provincial governments? Is it shared between them? Or, does it reside in the people where it properly should reside?

The power sharing arrangement was constructed by and for political interests.

• (1845)

I go on from there to say that the framers of the charter in my view have a fundamental misunderstanding of what a charter of rights is for. A charter of rights should be about freedoms from and not entitlements to.

If we look at the Canadian Charter of Rights and Freedoms as it is today, it is not that. There are certainly some reflections of that idea in there but it is more than that. It has some fundamental omissions in my opinion and it has some things in there that we could easily do without.

I would like to talk about the omissions first. There is no entrenchment of private property rights. This was done to serve the interests of the provincial governments but it certainly is not in line with what Canadians want. I suggest again if the process had been right that would be in there.

There is no tax limitation clause. There is no ability for the people to say that government can have only so much of my skin and I want the rest. There is no ability to do that within the charter. There is no deficit limitation clause. There is no ability for the people to say that government can only go into debt so far, that government can only have deficits of such a per cent of gross domestic product and no more.

That is not in the charter. There is no ability within the charter for referendums, initiative or recall and that could very well have been placed in there as well. It is something that we in this party know from campaigning and talking to people throughout Canada is very popular with the people but it is not in our charter.

I want to talk now about a part of the charter that we could do without. Section 15 of the Constitution Act of 1982 provides in subsection (1) that no Canadian will be discriminated against because of race, sex, disability, et cetera. Subsection (2) of the same section notes that the first section does not mean that government may not enact laws that are intended to ameliorate past discriminations.

What this subsection implies is that subsection (1) holds unless government has decided that a reverse discrimination program is in order. If there is such a program, the rights of those who are affected by such programs are simply forfeited in the interest of achieving the aims of the program.

This reverse discrimination or affirmative action provision in effect means that there is no protection for individuals from discrimination against them by Parliament if Parliament deems that in some past period of time some group covered by subsection (2) was discriminated against. This is another fundamental flaw in the charter.

While I agree that the notwithstanding clause is fundamentally undemocratic and its removal would enhance the charter and give it real meaning and protect the inalienable rights of Canadians, there are these other changes to the charter that need to be addressed as well.

In line with that, as my hon. friend earlier suggested, we have to look at reforming appointments to the Supreme Court. We have to look at a more democratic way of having those appointments made so that people can feel that at the highest levels of protection of our democratic interests we do have a democratic institution, an institution that is elected and not appointed, that is there to safeguard those interests.

Mr. Allmand: Mr. Speaker, on a point of order. The hon. member for Skeena asked me a question and I am wondering with the permission of the House if I could briefly answer it.

The Deputy Speaker: Is there unanimous consent for the member to briefly answer the question?

Some hon. members: Agreed.

Mr. Allmand: Mr. Speaker, the member asked me if I thought it was due that we got the notwithstanding clause because of the process. I would say absolutely correct.

When Mr. Trudeau first introduced the charter, it did not have a notwithstanding clause. It only came about in the negotiations with the provinces. By the way, it was not Quebec that suggested it. It came from one of the western provinces.

I also agree with him when he says that sovereignty lies with the people and not with governments or legislatures. We all get our power from the people. There may have been a different result if there had been a referendum on it. After going through several referendums I do not know.

[*Translation*]

The Deputy Speaker: As no other hon. member wishes to speak and the motion was not selected as a votable item, the hour provided for the consideration of Private Members' Business has now expired and, pursuant to Standing Order 96 (1), this item is dropped from the Order Paper.

[*English*]

It being more or less seven o'clock, this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.51 p.m.)

HOUSE OF COMMONS

Thursday, March 24, 1994

The House met at 10 a.m.

Prayers

[*English*]

PRIVILEGE

MEMBER FOR MARKHAM—WHITCHURCH—STOUFFVILLE—SPEAKER'S RULING

The Speaker: Yesterday the hon. member for Markham—Whitchurch—Stouffville rose in the House to address the question of personal privilege which he previously raised on February 15 and subsequently withdrew. The hon. member claimed, at that time, that his ability to function as a member of Parliament had been impeded. He shared with the House a series of events relating to his academic credentials and qualifications, comments made about him by the media, as well as a threat by an anonymous telephone caller.

• (1005)

Let me begin my ruling by defining for the House just what constitutes parliamentary privilege. Erskine May in *Parliamentary Practice*, 21st Edition, page 69, defines privilege as:

> —The sum of the peculiar rights enjoyed by each House collectively— and by Members of each House individually, without which they could not discharge their functions, and which exceed those possessed by other bodies or individuals. Thus privilege, though part of the law of the land, is to a certain extent an exemption from the general law. Certain rights and immunities such as freedom from arrest or freedom of speech belong primarily to individual Members of each House and exist because the House cannot perform its functions without unimpeded use of the services of its Members—.
>
> When any of these rights and immunities is disregarded or attacked, the offence is called a breach of privilege and is punishable under the law of Parliament.

Pursuant to our practice and convention, when the Speaker rules on a matter of privilege all that is being decided is whether the facts and evidence laid before the House are, in a prima facie case, sufficient to allow the usual motion to be proposed and debated over all other business leading to a decision of the House thereon. This is clearly explained in Beauchesne 6th Edition, citation 26:

> (2) A question of privilege— is a question partly of fact and partly of law—the law of contempt of Parliament—and is a matter for the House to determine. The decision of the House on a question of privilege, like every other matter which the House has to decide, can be elicited only by a question put from the Chair by the Speaker and resolved either in the affirmative or in the negative, and this question is necessarily founded on a motion made by a Member.

[*Translation*]

> (3) It follows that though the Speaker can rule on a question of order, the Speaker cannot rule on a question of privilege. When a question of privilege is raised the Speaker's function is limited to deciding whether the matter is of such a character as to entitle the motion, which the Member who has raised the question desires to move, to priority over the Orders of the Day.

[*English*]

In other words my duty as Speaker is to decide whether the hon. member for Markham—Whitchurch—Stouffville has presented sufficient argument to convince me that debate on his situation should take precedence over all other House business, and that the House should therefore consider the matter immediately.

In coming to my decision on this matter I have reviewed the decisions of many former Speakers.

Speaker Jerome in dealing with a similar case on June 23, 1977 ruled that:

> —the protection of an elected person against unwarranted or intemperate publicity, even abuses or defamatory publicity, is precisely that which is enjoyed by every citizen before our courts.

[*Translation*]

He went on to add that:

> As elected people we can and do expect to be the targets of attack. When those attacks seem offensive I think it is appropriate the Hon. Member is offered the courtesy of the House to extend to his hon. colleagues an explanation of the circumstances.

[*English*]

He concluded that:

> —when these matters do take place, if they go beyond the point of being offensive to the point of being defamatory in a legal sense, certainly members ought to and will I am sure pursue matters through the courts.

Speaker Jerome ruled there was no prima facie privilege in that instance.

A further case was raised on September 19, 1973. At that time the member for High Park—Humber Valley stated that he had received anonymous telephone calls warning him to cease raising questions on a certain subject. He suggested these calls amounted to attempts to intimidate him and prevent him from carrying out his duties as a member.

● (1010)

Speaker Lamoureux in ruling on the matter stated the following:

[*Translation*]

> The House will appreciate there is some difficulty in finding a prima facie case of privilege in circumstances where no charge has been made and there has been no suggestion in the House of any irregularity or impropriety. There is really nothing for the House or one of its committees to consider under the heading of privilege.

[*English*]

He further stated:

> I am sure the hon. member for High Park—Humber Valley does not suggest that his conduct should be sent to the committee for consideration or investigation by it.
>
> —The hon. member has indicated what the facts of the situation are— I suggest that nothing at all would be gained by having a debate, either in the House or in a committee, on the matter raised by the hon. member for High Park—Humber Valley.

[*Translation*]

To return to the present case, I have carefully reviewed the statement made by the hon. member for Markam—Whitchurch—Stouffville. Threats of blackmail or intimidation of a member of Parliament should never be taken lightly. When such occurs, the very essence of free speech is undermined. Without the guarantee of freedom of speech, no member of Parliament can do his duty as is expected.

[*English*]

While the Chair does not in any way make light of the specifics that have been raised by the hon. member for Markham—Whitchurch—Stouffville, I cannot, however, say that he has sufficiently demonstrated that a case of intimidation exists such that his ability to function as a member of Parliament has been impeded. I cannot therefore find prima facie privilege at this time.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to five petitions.

* * *

COMMITTEES OF THE HOUSE

JUSTICE AND LEGAL AFFAIRS

Hon. Warren Allmand (Notre–Dame–de–Grâce): Madam Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Justice and Legal Affairs.

Pursuant to the order of reference, on Monday, February 14, 1994, your committee has considered Bill C–8, an act to amend the Criminal Code and the Coastal Fisheries Protection Act (force), and your committee has agreed to report the bill without amendment.

* * *

DIVORCE ACT

Mrs. Beryl Gaffney (Nepean): moved for leave to introduce Bill C–231, an act to amend the Divorce Act (granting of access to, or custody of, a child to a grandparent).

She said: Madam Speaker, the motion is very simple. The bill that I am presenting today would amend the Divorce Act to grant access to grandchildren for grandparents upon divorce.

Often times in our society when families are torn apart in a divorce it is the children who are hurt the most and require someone who can help them put their world back together.

● (1015)

Grandparents are a prime source of the financial and emotional assistance children need during this time in their lives. The bill will remove the obstacles which sometimes arise in a divorce that prevents grandparents from offering these resources to their grandchildren.

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

* * *

PETITIONS

GUN CONTROL

Hon. Warren Allmand (Notre–Dame–de–Grâce): Madam Speaker, I am presenting a petition signed by 100,000 Canadians. It is part of a 200,000 name petition that asks Parliament to ban the private ownership of handguns.

This petition was launched by Concordia University after four of its professors were murdered in 1992 with an easily obtained handgun.

The petition has been endorsed by 200 broadly based organizations, including the police, which come from all across Canada.

In the petition they state that the rights of society associated with the possession of handguns far outweigh any potential benefits derived from their possession.

This is a petition asking Parliament to ban the possession of handguns for private purposes.

[*Translation*]

GUN CONTROL

Mrs. Pierrette Venne (Saint–Hubert): Madam Speaker, pursuant to Standing Order 36, I am presenting a petition from all parts of Canada dealing with gun control, especially the banning of handguns for individuals.

This petition is further to the one from the hon. member for Notre–Dame–de–Grâce and is from the same source, namely Concordia University.

This petition also has 100,000 signatures and is for the same purpose, namely to ask the government to pass legislation forbidding anyone in Canadian territory to own a handgun, except for members of the Canadian Forces and peace officers in the performance of their duties.

[*English*]

SKOPJE

Mr. Ted McWhinney (Vancouver Quadra): Madam Speaker, on the anniversary of Greek independence, I have the honour to present a petition signed by 1,200 Canadian citizens of Greek ancestry from the Vancouver region.

They ask that the government refrain from recognizing the republic of Skopje within the former communist federal state of Yugoslavia until such time as it guarantees to respect the sovereignty and territorial integrity of existing states as established in the treaty of Bucharest of 1913 and the World War I and World War II peace treaties.

* * *

QUESTIONS ON THE ORDER PAPER

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

Also, due to a misunderstanding the minister for heritage was unavoidably detained and arrived late for the tabling of documents and statements by ministers. I am wondering if the House would give its consent to revert to tabling of documents and then to statements by ministers to allow the minister to make a statement.

Some hon. members: Agreed.

The Acting Speaker (Mrs. Maheu): Shall all questions stand?

Some hon. members: Agreed.

The Acting Speaker (Mrs. Maheu): We are returning to statements by ministers.

* * *

[*Translation*]

PARKS CANADA

Hon. Michel Dupuy (Minister of Canadian Heritage): Madam Speaker, pursuant to Standing Order 32(2), I have the honour to present to the House, in both official languages, the report entitled "Guiding Principles and Operational Policies for Parks Canada".

• (1020)

Following the tabling of this document, I will make a ministerial statement to inform members of this House of the government's vision regarding the future of national parks and historic sites, as well as the promotion and development of our identity and national heritage.

Madam Speaker, this is a special day for all Canadians. With the tabling of the Parks Canada "Guiding Principles and Operating Policies", yet another step is taken in entrenching and securing the national heritage of Canada.

It is a rare day in any democracy when a minister can table principles and policies for a nation in the full knowledge that two other colleagues now sitting on the side opposite have participated in their formulation.

I would like to acknowledge the roles played by the Leader of the Opposition, the hon. member for Lac–Saint–Jean, and the hon. member for Sherbrooke, now the leader of the Progressive Conservative Party. To have such a consensus regarding a policy is a rare occurrence indeed.

[*English*]

As Canadians, we value our freedom, our clean environment, the beauty and natural wilderness and the paths of human endeavour which have brought us to where we are today. The sense of wonder and reverence we feel as we learn about past human activities that have laid the foundation of our country stimulate a profound concern for ensuring the survival of historic places, artefacts and structures.

Despite pressures on our environment and on our heritage resources Canadians should be assured that our national parks and national historic sites will be protected and well managed for future generations to enjoy. Our national parks and national historic sites will not be worn down or worn out through overuse or neglect.

Of course since the last policy statement in 1979 there has been a greater sense of urgency in the Canadian public on environmental, ecological and heritage matters. There has been a swell of public sentiment nationally and internationally creat-

ing an expectation of leadership in the care of the environment and preservation of natural and cultural heritage.

[*Translation*]

According to recent surveys, 90 per cent of Canadians want to have more information about our country's history. The national historic sites and related heritage programs go a long way toward filling this knowledge gap.

Each year, one–third of Canadians travel to participate in heritage activities across the country. Canada's national parks and national historic sites are cornerstones of our domestic and international tourism industry. More than 30,000 jobs are associated with Canada's national parks and historic sites. They make a contribution to our national economy in excess of one billion dollars per year.

Parks Canada, through its application of the principles and policies, will maintain the integrity of natural and cultural heritage, while ensuring that parks and sites continue to play a major role in the local, regional and national economy. It will do this by ensuring that the management decisions affecting these special places are made on sound and scientifically based knowledge.

[*English*]

The programs administered by Parks Canada will continue to have positive impacts on local communities. They will create jobs and assist sustainable land use and ecotourism.

● (1025)

Highlights of the new Parks Canada policy include:

First, an update of the Parks Canada mandate to include its responsibilities for national parks, national historic sites, historic canals, heritage railway stations, Canada's heritage rivers, marine conservation areas and federal heritage buildings;

Second, guiding principles stressing that natural and historic qualities will be maintained, that Canadians will be involved and consulted, and that an orderly framework is provided for the addition of new heritage areas; and

Third, a renewed emphasis placed upon partnership and co–operation with other levels of government, communities and the private sector.

[*Translation*]

This does not mean shifting the responsibility for preserving and creating Canada's heritage to others. Our history, traditions, and the environment require partnerships for implementation of successful heritage programs and, ultimately, a stronger leadership role for Parks Canada, nationally and internationally, that will demonstrate and advocate environmental and heritage ethics and practices.

National parks and national historic sites are symbols of the Canadian identity and make all Canadians proud. In fact, I am making this speech in what is designated as one of Canada's national historic sites. And next to the Parliament buildings is one of the ends of the Rideau Canal, one of Canada's heritage waterways, administered by Parks Canada and subject to these new policies.

[*English*]

On that positive note I conclude my remarks on the Parks Canada guiding principles and operating policies.

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Madam Speaker, I would like to take this opportunity, as we debate Parks Canada "Guiding Principles and Operating Policies" tabled today in this House, to reaffirm that the Bloc Quebecois will spare no effort to ensure that the beauty of Quebec's and Canada's wilderness is preserved.

The minister was so kind as to remind the people of Quebec and Canada what a key, positive role the Leader of the Opposition has played in protecting our national heritage, and I thank him for that.

But the minister is no doubt aware that the Bloc Quebecois does not intend to just stand by if the government is remiss in preserving the cultural heritage of Quebec and Canada. I am convinced that, now more than ever, he knows that the Bloc Quebecois will be every bit as vigilant with respect to natural heritage.

When the Leader of the Opposition was minister of the environment, he stated and I quote: "One of the areas in which the department is involved that I always find rewarding is the parks system. Parks Canada represents such beauty and positive things and is such a success that it is always encourages me to carry out my duties. It is one of Canada's greatest achievements, one which is recognized throughout the world. People must realize that our parks system is not only a beautiful sight for us. Other countries envy our national parks system".

In fact, Canada with its parks system is considered as a leader by conservation agencies world–wide. It is fitting for Parks Canada to be a source of inspiration for all future Canadian environmental policies.

The Bloc Quebecois will make sure that the government fulfils its commitment to implement the concept of sustainable development, as stated in the final report of the World Commission on Environment and Development, the Brundtland Report, entitled "Our Common Future".

It should be pointed out that, based on the concept of sustainable development, economic development must be compatible with the long–term preservation of unmanaged ecosystems and survival processes. In Quebec and Canada, we have known for over a century that this wilderness must be preserved, not only for its unmistakable aesthetic beauty, but also because of the causal relationship to be made between what we do in that area and the benefits to be derived in terms of the environment.

• (1030)

We therefore had to reconcile tourism and economic development with environmental protection. Parks must be developed to create jobs in tourism, of course, but never at the expense of future generations.

As you know, there is still a lot to do. The national park network must be completed. Canada's 39 ecoregions attest to its riches and diversity. It would therefore be advisable to establish a park representing every ecoregion.

We will improve and extend the national park network and pay particular attention to the protection of the Arctic environment. As you know, some planned park sites in the Arctic had to be given up because of mining concessions. We must take environmental repercussions into account every time a government project or program is undertaken.

Thousands of jobs are tied to the preservation of this natural heritage. We must also ensure that these sites are impeccably managed, that expenditures are justified, and that includes official residences, of course.

Finally, we emphasize the minister's commitment regarding partnership and co–operation with other levels of government. As he probably knows, Quebec did not get its fair share of national parks. The government must step up its efforts to give Quebec its fair share while respecting its prerogatives and priorities.

The government must resolve all jurisdictional conflicts by co–operating with Quebec, the other provinces and the territories, particularly by taking into account the concerns of local communities. It must seek the direct involvement of Natives when it is needed.

In closing, regarding Parks Canada's updated mandate, may I remind you that the Bloc Quebecois is happy that the mandate has been updated and that the ten guidelines on protecting our historic and natural heritage are being tabled today. We will, of course, examine this document carefully.

Finally, let us recall that this work was undertaken at the Department of the Environment under the leadership of the Opposition Leader when he was minister. He put his stamp of quality on it. His successor only has to follow in his footsteps.

[*English*]

Mrs. Sharon Hayes (Port Moody—Coquitlam): Madam Speaker, I too would like to congratulate the hon. Minister of Canadian Heritage on his presentation of the Parks Canada guiding principles and operating policies. It is a result of a much needed process. We agree that with the stress on the preservation of the natural and cultural heritage and the care of our environment, it is now of all times crucial to Canada to have fresh insight into our identity and our vision as a country. This indeed will be inspired by a fresh appreciation of our lands and the recognition of the importance of exploring and developing, renewing and conserving our natural resources and the physical environment.

Any discussion of the management and preservation of our natural heritage though leads us to the complex relationship of the healthy environment and the human activity that must go around that relationship. Federal leadership is necessary in the integration of the economic, the human and the environmental factors.

I suggest three considerations should be kept in mind: First, the development of the ideas and the directions of this proposal must be a balanced approach with equal weight in any decision given to the economic, the social and the technical considerations. Second, the operational and management decisions of any mandate should be based on sound management philosophies, structures, procedures and planning. Third, the very great importance of communication and partnership with any mandate with all provincial governments equally, with private industry, with educational institutions and the public itself to maximize the benefits to all of these.

• (1035)

Parks Canada now has a mandate that should be an example of environmental stewardship and of economic stewardship both nationally and internationally because as we seek to serve all Canadian taxpayers, we need wise management. Those Canadians are wage earners and consumers, therefore we need consideration for jobs and resource management. Those Canadians are citizens of a proud country that has been blessed with a rich heritage and with amazing beauty.

The Acting Speaker (Mrs. Maheu): I wish to inform the House that pursuant to Standing Order 33(2)(b), because of the ministerial statement Government Orders will be extended by 14 minutes.

GOVERNMENT ORDERS

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION ACT, 1994

BILL C–18—MOTION FOR TIME ALLOCATION

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)) moved:

That in relation to Bill C–18, an Act to suspend the operation of the Electoral Boundaries Readjustment Act, not more than one further sitting day shall be allotted to the consideration of the second reading stage of the bill and, fifteen minutes before the expiry of the time provided for government business on the allotted day of the second reading consideration of the said bill, any proceedings before the House shall be interrupted, if required for the purpose of this Order, and in turn every question necessary for the disposal of the second reading stage of the bill shall be put forthwith and successively without further debate or amendment.

[*English*]

Mr. Hermanson: Madam Speaker, I rise on a point of order. to make a request of the Chair and to make a comment.

This House has been recognized as being one without precedent by the fact that there are two new parties and 200 new members in this House. In light of time allocation being imposed upon this House, the reputation of all members is at stake.

The vote on second reading of Bill C–18, an act to suspend the operation of the Electoral Boundaries Readjustment Act, is being restricted and, therefore, it will reflect—

The Acting Speaker (Mrs. Maheu): I am sorry. I do not feel that is a point of order.

Mr. Hermanson: Madam Speaker, I was in the process of trying to lay some foundation for a request I would like to make to the Chair. Do I not have—

The Acting Speaker (Mrs. Maheu): I am afraid you were in the process of debate, sir. Would you please get to your point.

Some hon. members: Put the question.

The Acting Speaker (Mrs. Maheu): A motion has been moved and I am obliged to put the question to the House. This is not a debatable motion.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Maheu): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Maheu): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Maheu): Call in the members.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 23*)

YEAS

Members

Adams
Allmand
Anderson
Assad
Augustine
Bakopanos
Beaumier
Berger
Bethel
Bhaduria
Bodnar
Boudria
Brushett
Bélair
Calder
Cannis
Chamberlain
Cohen
Collins
Crawford
Dhaliwal
Dromisky
Dupuy
Eggleton
Fewchuk
Finlay
Fry
Gagliano
Gallaway
Gerrard
Goodale
Gray (Windsor West)
Harb
Harvard
Hubbard
Iftody
Jackson
Keyes
Knutson
Lavigne (Verdun—Saint–Paul)
Lee
MacLellan (Cape Breton—The Sydneys)
Marchi
Massé
McKinnon
McWhinney
Mills (Broadview—Greenwood)
Murphy
Nault
Ouellet
Payne
Peterson
Pillitteri
Reed
Richardson
Ringuette–Maltais
Rompkey
Serré
Sheridan
Skoke
St. Denis
Stewart (Brant)
Szabo
Terrana
Tobin
Valeri
Verran
Walker
Whelan
Young
Alcock
Anawak
Arseneault
Assadourian
Axworthy (Winnipeg South Centre)
Barnes
Bellemare
Bertrand
Bevilacqua
Blondin–Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Caccia
Campbell
Catterall
Clancy
Collenette
Cowling
Culbert
Dingwall
Duhamel
Easter
English
Finestone
Fontana
Gaffney
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gauthier (Ottawa—Vanier)
Godfrey
Graham
Guarnieri
Harper (Churchill)
Hickey
Ianno
Irwin
Jordan
Kirkby
Kraft Sloan
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
Maloney
Martin (LaSalle—Émard)
McCormick
McTeague
Mifflin
Mitchell
Murray
O'Reilly
Pagtakhan
Peters
Phinney
Proud
Regan
Rideout
Robichaud
Scott (Fredericton—York Sunbury)
Shepherd
Simmons
Speller
Steckle
Stewart (Northumberland)
Telegdi
Thalheimer
Ur
Vanclief
Volpe
Wells
Wood
Zed—140

NAYS

Members

Althouse
Bachand
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Brien
Bélisle
Chatters
Crête
Daviault
de Savoye
Dubé
Asselin
Bellehumeur
Bernier (Gaspé)
Blaikie
Brown (Calgary Southeast)
Canuel
Chrétien (Frontenac)
Cummins
de Jong
Deshaies
Duceppe

Duncan	Epp
Forseth	Frazer
Gauthier (Roberval)	Gilmour
Godin	Gouk
Grey (Beaver River)	Guay
Guimond	Hanrahan
Harper (Calgary West)	Harper (Simcoe Centre)
Hart	Hayes
Hermanson	Hill (Macleod)
Hoeppner	Jennings
Johnston	Lalonde
Landry	Langlois
Lebel	Leblanc (Longueuil)
Leroux (Shefford)	Marchand
Martin (Esquimalt—Juan de Fuca)	McClelland (Edmonton Southwest)
McLaughlin	Meredith
Mills (Red Deer)	Morrison
Ménard	Paré
Picard (Drummond)	Plamondon
Pomerleau	Péloquin
Ramsay	Riis
Ringma	Rocheleau
Sauvageau	Schmidt
Scott (Skeena)	Silye
Solberg	Solomon
Speaker	Strahl
Taylor	Tremblay (Rimouski—Témiscouata)
Venne	White (Fraser Valley West)—78

PAIRED MEMBERS

Members

Axworthy (Winnipeg South Centre)	Bouchard
Canuel	Caron
Cauchon	Chan
Copps	Dalphond-Guiral
DeVillers	Dumas
Fillion	Leroux (Richmond—Wolfe)
MacLaren (Etobicoke North)	Mercier
O'Brien	Parrish
St-Laurent	Young

• (1115)

The Acting Speaker (Mrs. Maheu): I declare the motion carried.

* * *

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION ACT

The House resumed from March 21, consideration of the motion that Bill C-18, an act to suspend the operation of the Electoral Boundaries Readjustment Act, be read the second time and referred to a committee; and of the amendment.

Miss Deborah Grey (Beaver River): Madam Speaker, I finished my speech the other night at 6.42 and I am certainly open to questions and comments.

Mr. Stephen Harper (Calgary West): Madam Speaker, I listened with great interest the other night to the speech of the hon. member for Beaver River who talked extensively about her riding. We all remember the time she was first elected in the House to represent the new riding of Beaver River. I had the honour of being her assistant at that time and of assisting her in planting the flag of Reform in the House of Commons. That was a momentous day. Obviously she feels very strongly about some of the proposed changes under the current scheme for her riding.

I was concerned during her speech on Monday. Some comments were hurled across the way which maybe do not appear in the *Hansard* transcript. They really raised questions about the partisanship or lack of partisanship and integrity of Elections Canada and its senior officials. There were a number of comments hurled across the way to the effect that Elections Canada was a partisan body. Its members have strong affiliations to another political party which is no longer recognized in the House.

The hon. member for Beaver River has been a member since 1989. She has run in two elections and a byelection. Could she comment at some length on her experiences with Elections Canada as a candidate and as a lone member of Parliament for a good deal of time? Did she find that Elections Canada was a partisan organization, that it had that kind of orientation, or was she happy with her dealings with that organization as an independent member and now as a Reform member?

Miss Grey (Beaver River): Madam Speaker, I thank the hon. member for his remarks. It is nice to have him as a colleague again in the House of Commons, this time as a fellow member of Parliament.

He has asked me to address the issue of how I feel about Elections Canada. Before I answer the question I might just answer how I felt about some of the remarks that were being hurled across the House. I suppose I was partly amused but also partly saddened by the consistent comments of the member for Vancouver South. He kept saying loudly across the House as I was speaking the other night: "I will lose my riding as well. It is not just Beaver River that is going to be dismantled". The member for Vancouver South was saying that his riding would also be dismantled.

• (1120)

That is all well and fine, but we need to draw the distinction in the House that it could be one reason the government is trying to ram the bill through so quickly, because he stands to lose his seat. I am in the position of standing to lose my constituency as well. In other words I will not have a place to run in the next election if I choose to run again.

That is why I think it is more important for someone in this party who stands to lose a constituency not to be so self-serving as to say: "Yes, let us put the whole process off". Then I would be serving my own interests and saying: "Whew, I am safe. I can carry on". There is a real discrepancy when someone from the other side was hollering: "I will lose my seat". It would be perfectly natural then for him to support his government on railroading the bill through Parliament and putting the whole process on hold. There is a real difference of opinion there. As a

matter of principle I am against it even though I stand to lose as well through this process.

My dealings with Elections Canada have always been very good. I have run in two general federal elections as well as one byelection in the spring of 1989. Even though I was treated as somebody who was almost literally a kook in western Canada because I represented a new political party that nobody had ever heard about and nobody knew anything about it, I must say the people at Elections Canada were most fair with me in the general election of 1988 and in the byelection of 1989 when we surprised Elections Canada and the whole country of Canada from sea to sea when I took 50 per cent of the vote.

Since then obviously my party has gained a great deal of strength and steam across the country. When I ran as only one of 200 and some candidates in the general election of 1993 we had undergone the process which is very general and very basic. People were appointed as returning officers in their constituencies. We underwent that in Beaver River because the previous returning officer had retired. We were subject to a new returning officer, Mr. Lorne Assheton–Smith from St. Paul. Those are political appointments, as we all know. I will send this comment in *Hansard* to Mr. Lorne Assheton–Smith, the returning officer from Elections Canada in Beaver River, indicating that he treated me fairly as a candidate and I have absolutely no criticism whatsoever of Elections Canada.

The criticism I would have is not of the whole situation. Maybe it is political to an extent with the Electoral Boundaries Commission, but the question on everybody's lips is: if they think they are replacing Tory hacks with something better, heaven help government members who are ramrodding the legislation through. They will do so at their own peril if they replace them with hacks of another political party who they think might serve their interests better. I think all of us would be ashamed to see that happen.

[*Translation*]

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Madam Speaker, I can assure the hon. member for Beaver River that we certainly will not do what she assumes we will do when it is time to appoint people to these commissions, because this is a very independent process, and we certainly intend to abide by this principle.

However, if I remember correctly what she said in her speech a few days ago, she did not entirely agree with the current process. She also said that in her presentation to the commissions, she would also express her dissatisfaction and mention certain changes she would like to see.

She invited her constituents to do likewise. The hon. member must know that the commission appointed to review the boundaries of her electoral district does exactly that, in other words, it receives submissions on new or existing boundaries and is not at all concerned with the current process.

• (1125)

My point is that if the hon. member comments on the process, it will be a waste of time. Giving hon. members an opportunity to do so, and the public as well, because the committee that reviews the entire process will certainly ask members of the public to come and testify, is the whole purpose of this bill.

[*English*]

Miss Grey: Madam Speaker, we are talking about particulars the commission has come up with. Yes, I make no bones about it. I think there are real weaknesses in that and I think Beaver River deserves a longer life than it has had.

As I mentioned in my remarks the other day, it was a brand new constituency in 1988. Will it just evaporate into thin air? I do have problems with that. We have had negotiations with the government but I have no guarantees. What guarantee do I have that the system the government is talking about will be better? It has not given us any options. It has not said that it wants to move in this direction.

Yes, it makes me nervous. I am not going to sign on to something with my party and say: "Sure, let us come up with something that may be just as politically motivated". Canadians would be really frustrated with that. Even though I am frustrated with the proposals that are in place and I said that I would be going to the hearings, I suspect now I am not going to have a chance when I see the government bringing in time allocation. If it is talking about the process it wants to take part in being so important, why do we need to have it shot through Parliament faster than the speed of light?

I sat in the House and my friend from the riding of Kamloops has sat here too, listening to dozens upon dozens of members who are on the government side now screaming against the Tories last time all the dreadful things about time allocation. I can hardly believe it when I look across the aisle now. Is this the most important thing in Canada right now? Is this what this government is going to be proud of down the road? Will it be saying: "This is what we forced time allocation on. The biggest issue of the day was electoral boundaries"? I hardly think so.

I wanted a guarantee that some better process would be in place. If this is going to take place, as I suspect the government will be ramming it through, I would like a guarantee as a Canadian citizen and as a member of Parliament in the House that whatever changes the government makes it may grandfather them and put them into the life of the next Parliament after this

one so its fingerprints will not be all over it as the author of perhaps what might be its own demise.

Mr. Andrew Telegdi (Waterloo): Madam Speaker, I want to make sure the preachers on that side of the House have the benefit of what I have to say. Unlike the last two occasions I certainly hope they will actually ask me some questions.

Just to touch on the comments of the member for Beaver River, she said she was amused and saddened. She wants a guarantee that whatever the government comes up with will be better. That is what the bill embarks on.

Let me say to the member that the reason we have to deal with the issue this week given our recess is that if we do not do so we will put in place a very costly process of having reviews on boundaries that will not decrease the number of seats in the House or maintain the number of seats in the House but will increase the number of seats in the House by a total of six. I say that because much is being said by the big *R* Reformers about this bill being rammed through. What we have is a filibuster. The local media in my community was very upset by what was to transpire even though under the present situation Ontario would gain four more seats. We want to look at the number of seats in this Chamber. I can tell members that we should have the opportunity to do that.

• (1130)

We do not get the light every day on this side of the House. Therefore we are unable to take a complex issue such as this and give the members from the big *R* Reform Party assurance that we can do it that speedily. We will send the bill to committee where the members of the Reform Party can come forward as well as every other member in every party in the House. They will be able to bring us the reaction of their constituents. They will be able to ask some of their constituents to be witnesses and over a period of time we will come up with something better.

As I was looking at making a presentation today, I took the opportunity to review what all members who spoke on the issue had to say this past Monday. I can tell members that I feel somewhat amused on the one hand and saddened on the other.

It never ceases to amaze me how the members of the big *R* Reform Party, the ones that always preach free votes go ahead and do the opposite and vote as a block. One would think they were tied together with Krazy glue. Perhaps when they go through the exercise of coming up with a code of conduct, one of the things they will definitely do is use Krazy glue.

Watching them in the House, I am very much reminded of another great neo–Conservative, Margaret Thatcher, who is passé now. I am reminded of another person. The Reform Party members very much have a soulmate in the former President of the United States, Ronald Reagan. He got elected promising to cut the deficit and the debt. Of course the United States of America became the biggest lender nation in the world when the new right took control as the Reform dream about. He took the country from the biggest lender to the biggest debtor. However something that Ronald Reagan said is applicable here. It is that phrase he always used so well, "there they go again".

Any time I review debates by the Reform Party that certainly is the impression I get, there they go again. Let them preach. Let them be sanctimonious. Do not give credit on any of the initiatives.

When I reviewed the debates one of the things I found was that for the most part they admitted they do not want to change the size of the House of Commons.

Interestingly enough, there was not one person who would support it because if we stay with the status quo, we will definitely change the House of Commons by six members which will cost us a million dollars a member. If one starts multiplying $6 million by 10 years one has $60 million. Then one continues on and keeps adding members to the House of Commons.

Certainly that was not what my constituents told me they wanted to see done. My constituents told me they want us to do more with less and to make the House operate more effectively.

• (1135)

Let us be very clear we are talking about ramrodding a bill, and we are talking about that. If we did not use time allocation on the bill, we would not have the opportunity to change those costly hearings that are going to take so much time and energy on the part of Canadians. I think that is an important point to know.

The suggestion has been made that the bill by the government came through the back rooms of the Liberal caucus, that it did not see the light of day with constituents, that somehow it was all politically manipulated.

As soon as the electoral boundaries readjustment proposal for the province of Ontario was put in place I received numerous calls from constituents. I have had discussions with people representing local governments. I was in the process of drafting a private member's bill on this issue which called for representations by members of the House of Commons without increasing the total number of members. I was reflecting what my constituents were telling me which was restricting the number to at least the present size.

We also wanted to talk about making sure that the community of interest represented by ridings was maintained. When I read through the debates, I noted that the member for Beaver River said that her riding would disappear and it only had the opportunity to go through two elections.

I read some other contributions from members of the Reform Party who said that there is not one Canadian, not one constituent that is upset with the proposals. I have to tell them that they are wrong.

Back on December 17 the local paper, the Kitchener–Waterloo *Record* stated in a story "if you live in Kitchener, Waterloo or Cambridge and think you have trouble now figuring out who your MP is, just wait until the new election if proposed riding boundary changes come into effect.

If the changes proposed by the Federal Election Boundaries Commission for Ontario are accepted parts of Kitchener will be tacked on to Waterloo riding, parts of Waterloo will be attached to a largely rural riding, North Dumfries will be cut away from Cambridge and part of Cambridge riding that used to be part of the Kitchener riding will go back to Kitchener". I am going to spare you by not reading the whole story but it goes on and on.

Let me talk about what some of the civic leaders have to say. Waterloo Mayor Brian Turnbull said he is really disappointed in a redistribution that would see a large part of the city included in largely a rural riding that has no historical ties to this part of the province.

Woolwich township Mayor Bob Waters said he intends to fight redistribution. I was talking to Mayor Lynn Myers of Wilmot township which by the way was taken out from the Waterloo region in the last redistribution process. I would like to see a joint submission.

Now what did Mayor Myers say, whose riding was taken out of the Waterloo region? Lynn Myers bluntly said "Wilmot is not happy in the riding of Perth—Wellington—Waterloo". Now he is worried about being lumped into a new urban riding that has no natural ties, has an unholy alliance and it would be an unhistoric alliance. He said that ever since redistribution he hated every minute of it. That certainly is reflective of many of the constituents involved.

• (1140)

There was a story in the K–W *Record* yesterday that headlined that Reform is filibustering, which is exactly what they are doing. The editorial reads:

> Common sense does take hold in Ottawa from time to time. Thank goodness it has finally asserted itself over the issue of federal electoral redistribution. The public is in no mood to pay millions of dollars to implement new boundaries that, as far as the Waterloo region is concerned, make no sense. Nor are people eager to shell out more money to expand the number of members of Parliament.
>
> The ruling Liberals have wisely asked the Bloc Quebecois and Reform Party to consider a joint suspension of redistribution until a parliamentary panel can study the desired size of the House and the number of seats for each province.

It certainly does not sound like a community where nobody is upset.

I know my friends in the Reform Party like petitions. We have thousands of signatures on a petition which supports the proposals in my private member's bill. As this thing goes through over the course of the next two years there will be, I dare say, thousands and thousands more. Who knows, maybe the members of the Reform are just waiting for that one phone call from a Canadian to be inspired. Maybe one Canadian will phone and inspire them to start thinking about the issue, start thinking about the actions we are taking today.

I would like to reiterate this because I think it is important. If we did not act this week we would have those costly and useless hearings held, if it were ever suspended, which would inconvenience civic politicians, citizens and certainly every member of the Chamber would be spending time at those hearings.

Therefore, it is not a question of whether we agree with the electoral commission in the sense that we think it did a good job. Given its mandate it has no choice in holding the line on the seats in the House of Commons. That is not an option. That option belongs to politicians.

I despair to a large extent when I listen to the member for Beaver River. She talked about the dirty fingerprints of politicians. Every member of the House is a politician. Some would like to be preachers and have their Sunday sermons and others would like to spend their time on codes of conduct, but Canadians elected them to bring their best judgment here. They were elected as politicians. I can only say to them that by forever questioning the ethics of this Chamber they do a great disservice to this Chamber which is the greatest Chamber of debate in the country.

I do not know what happens in the strategy room of the Reform Party but I do know what happens in caucus at the Liberal Party. First, let me state that in the Liberal Party we do not spend our time looking at codes of conduct for our members. There is the assumption that we are equal and that we know how to run our lives. We do not pretend to be holier than the average citizen. We are here to try to reflect and represent this country. I hear my friends say that we should.

• (1145)

Let the Reform Party be unanimous in their code of ethics. Let them have a free and open debate on it. We would be very much entertained. I am sure it would remind us of the great Jimmy Swaggart hour on Sunday mornings.

I mentioned before that funny things happen during election campaigns. In my riding of Waterloo a person who ran for city council and did not succeed—actually he came after me in the election—was a Reform candidate. This individual now fills my seat on Waterloo city council.

I have a great deal of respect for him. I could not quite understand what happened to him that he was a Reform candidate. Certainly some of the things he said did not make a great deal of sense.

However he has supported the infrastructure program for the city of Waterloo. He found good reasons to support it because he saw that the work being done was good for the community and good for the country.

Let me share this with you. It was moved by Councillor Connolly, seconded by Councillor Hoddle at the February 21 meeting of council in Waterloo, that the present recommendations of the Federal Elections Boundary Commission for Ontario, of boundary changes to ridings in the Waterloo region be redrawn and new boundaries be discussed with all Waterloo regional municipalities and its members of Parliament to arrive at a solution that keeps our region in tact. It was passed unanimously.

Therefore there is a great deal of support for what this government is doing. If we did not have to forever listen to and argue with members on the preaching of sanctimony versus reason we could have a committee composed of members of the House of Commons. In the period of two years we could certainly come up with something better. In that way this House would work much, much better.

I am supporting this bill because not to do so would mean supporting the status quo. That is why I call them big *R* Reformers; they do not act like reformers even though they call themselves Reformers.

Mr. Mike Scott (Skeena): Madam Speaker, I heard the hon. member casting disparaging remarks about the Reform Party. He likens us to Ronald Reagan who was elected as President of the United States on the promise of reducing the deficit and trying to get the massive debt under control.

There is a different system of government in Canada from what the Americans have in the United States. In Canada the executive branch and the legislative branch sit together whereas Mr. Reagan had to contend with the Democrats who dominated the Congress. In this government and in this Parliament the executive and the legislative branches are one and the same. Therefore they have much more power and ability to deal with deficits and debt than Mr. Reagan did.

Does the member recognize and acknowledge that fact?

I listened to the hon. member's remarks on fighting redistribution and heard that there was an uproar in his constituency over this proposed redistribution. I do not hear that uproar in my riding nor do I hear it in Canada. I do not see it on the front pages of the newspapers; I do not hear it being discussed. I continue to believe mightily it is an issue for members of Parliament much more so than it is an issue for Canadians.

• (1150)

I agree that one issue which is important to Canadians is the expenditure of money. The almost $5 million which has been spent to date will be lost if this government motion succeeds.

Furthermore, if the government is serious about capping the number of seats then why is it not clearly stated in the bill that the number of seats will be capped? If that were stated, the bill would probably have the support of the Reform Party but it is not. There is just a vague acknowledgement that the steadily increasing number of MPs will be looked at, but there is no commitment to stop it.

I ask the member for his comments on that.

Mr. Telegdi: Madam Speaker, I certainly know of the separation of powers in the United States of America. I also have had the good fortune to read the book by the leader of the Reform Party. I certainly understand there is a close attachment to the new conservatism that has died out in Great Britain and the United States. Certainly the president had a great deal of monetary policies to do with the incredible increase in the debt of the United States. Let us be very clear on that.

The other point raised suggests that I cast aspersions that were demeaning to the Reformers. I get *Quorum* like everybody else and I see reference to their code of conduct. There is a member of Parliament who refuses to dine alone with a woman even on a professional basis. Another columnist talks about the pious Reform caucus with a score of MPs more righteous and apt at sermonising than Preston Manning. Another columnist writes that now some holier than thou Reformers are putting together their own code of behaviour. Who am I to say? I just read it and some of it must be correct.

I have nothing against Reformers personally. Mr. Connolly was a candidate against me in the last election. We got along great on many issues and personally we get along very well, but something does happen when they get into that group, close the doors and decide on debate.

The member also raised the matter of money. He said that $5 million had already been spent. That is correct, but if we continue with this process we are going to spend $3 million more. If we put in six new members of Parliament we are going to spend $6 million more every year.

If we continue with the process in the longer term we are going to keep adding members to the House of Commons. We would be knocking out those walls and the Reformers would need binoculars to see the Speaker. Therefore time is of the essence. We have to deal with this issue very quickly. However I will be fighting very strongly to maintain the number of members of Parliament at 295.

I mentioned the subject of my private member's bill. I am willing to have everybody in this House and in committee sit down to see how we can improve this place to better reflect the constituents whom we represent. This must be dealt with in a serious fashion. It must not be used as an opportunity to filibuster. My wish and my hope is that we will come up with a bill that is a great improvement over the one we presently have.

Mr. Jack Ramsay (Crowfoot): It always makes me wonder when a member of the House stands up and criticizes other parties and other members as to what their motivation is rather than defending the bill his party has put forward.

• (1155)

It reminds me of question period when the Official Opposition presses the government too closely on an issue. It continues to drag up the old story that the Leader of the Official Opposition was a member of the former government. Whenever that happens it tells me that they are getting close to something the government does not want to discuss and the pressure is being placed on it by the Official Opposition.

When the member stands up and spends at least 50 per cent of his time criticizing the Reform Party it makes me wonder what he is afraid of. If the big *R* Reform movement in his constituency is not already pressing him a little too closely, four years from now he really will have something to worry about.

Nevertheless if this bill contained the means by which the number of members in this House would be capped, then as my colleague who asked the question before me stated there would be support for that in the Reform Party caucus. That is what we stand for. We do not need more representation across this country; we need better representation, representation that we have not received from either the Liberal or the Tory governments.

When we talk about debt it is his government that began that enormous slide into the debt hole. It left us with over $200 billion and another $300 billion was added by the Tory government. Now we are at a point where organizations like the Fraser Institute will not advise us. They say we may have gone too far and we may face a debt crisis that is beyond our control.

Will the member address the reason the capping of the number of members in this House is not within the bill itself. To me it is a farce when he stands up and talks about capping the number of members in this House because it ought to be in the bill but is not.

Mr. Telegdi: Madam Speaker, we do not govern by divine right. We are mortals. We on this side of the House recognize that anyway.

We understand it takes time to put a bill together that will stand up to the scrutiny of time. That is what we are doing. We are starting the process toward it. Many members in my caucus and I very much wish that is what we are going to be looking to do.

We can possibly come up with a plan saying that for whatever constitutional consideration and to recognize some of those agreements we are going to cap the size of the House of Commons at, let us say, 300 members. I could live with that as a final cap on numbers. It is very important to get this bill moving so we can get to that.

If the big *R* Reformers want to improve this place, then please listen to a small *r* reformer. Let us get moving in that direction.

[*Translation*]

Mr. François Langlois (Bellechasse): Madam Speaker, I will try to keep my contribution to this debate as relevant as possible to the subject before the House: Bill C–18, am Act to suspend the operation of the Electoral Boundaries Readjustment Act.

I had some trouble following the train of thought of the hon. member for Waterloo, since his speech covered a variety of topics, including some criticism of the behaviour of Reform Party members. That is not the intent of my speech today.

First of all, I must say, it is always distressing to see a government using a motion for time allocation, for closure, to put an end to debate.

• (1200)

It is always, or nearly always, a distressing moment for parliamentarians to see this desire to gag a democratic debate. We did not support the motion, because it is the very essence of our parliamentary system that debate should take place without undue haste, and with as much for reflection and consideration as possible.

In the case of Bill C–18 before the House today, the debate started on Monday this week, after notice given Friday last week. And after one day of debate, they imposed closure. Why the hurry, when the government could easily have scheduled the tabling of this bill a week or two earlier?

I have somewhat mixed feelings when I speak to Bill C–18, because I strongly object to restricting the debate on a bill in this House, especially after only one day of debate. It is not a matter of life and death, and the government could have taken steps to avoid this.

On the other hand, and this is why I have mixed feelings about the substance of Bill C–18, I share a number of views held by members of the government majority. Bill C–18 asks us to suspend the current process for electoral boundaries review and would refer the issue of representation in this Parliament, including section 51 of the Constitution Act, 1867, to the Standing Committee on Procedure and House Affairs; but more about this later.

Madam Speaker, 1867 was a landmark, an historic date, since on July 1, 1867, the constitutional system in this country changed and became a so–called Confederation, although it was actually an extremely centralized federation, witness the constant debate and struggle, every day and every moment, to ensure that provincial legislatures are able to operate in their fields of jurisdiction. Before 1867, Quebec had half the seats in the Legislature of the Union Parliament; 65 out of 130 for Lower Canada, and of course the remaining 65 for Upper Canada.

It was a dramatic change, and no wonder the Liberal government never consulted the population. Why did the government that was in power just before the Union—and I must make a correction here, because it was not the Liberal government, since it was the Liberal Party which requested a referendum—why did it not conduct a referendum in Quebec, in Lower Canada, on the institutional changes in 1867? Because, according to most historians, the referendum would have been a lost cause.

We started our journey into the institutional desert in 1867, when we lost the equality between two nations: Quebec and English Canada, which itself was seeking its own identity. And as we went on, decade after decade and decennial census after decennial census—since the present Constitution requires a census every ten years—we saw Quebec's political power being eroded.

• (1205)

Seventy–five members out of 181, and now, 75 out of 295. If the proposed redrawing of the map now before the people, as submitted by the provincial commissions, is approved, we would hold 75 of the 301 seats. Our representation would continue to be eroded!

Over the years, there has clearly been a collective loss of memory in some circles. Yet, we must constantly remind people that in 1867, Quebec held half of the seats in Canada's parliament. What could be more legitimate than to seek a status that would allow us to manage our own affairs, according to the wishes of the majority of our people. In fact, just prior to Confederation in 1867, the Parliament of the united Canada of 1840 operated according to the double majority rule, which meant that decisions made required the backing of a majority of the members representing Upper Canada and a majority of the members representing Lower Canada. Quebec enjoyed de facto a veto over all decisions affecting it. On this score, we have certainly lost ground.

I can speak openly about Bill C–18 without any ulterior motives since I campaigned right up until October 25 as a candidate who was seeking to become the last federal member of Parliament for Bellechasse. And this has continued to be my position. Therefore, I can allow myself great latitude when it comes to this bill to readjust or redraw electoral boundaries.

During my speech the other day, I mentioned that the Bloc Quebecois, which is dedicated to defending Quebec's interests and to promoting Quebec sovereignty, will never support the empty chair policy or the scorched–earth policy, regardless of what the future holds for Quebec, and that the decision ultimately rests with Quebecers and with Quebecers alone. In this regard, we must see to it that our future is protected, regardless of the decisions that will be made.

[*English*]

Mr. Hermanson: Madam Speaker, there does not appear to be a quorum in the House.

The Acting Speaker (Mrs. Maheu): Call in the members.

And the bells having rung:

And the count having been taken:

The Acting Speaker (Mrs. Maheu): The quorum has been attained.

[*Translation*]

Mr. Robichaud: On a point of order, Madam Speaker. Since there are people watching, when the member of the Reform Party asked if there was a quorum, there was only one member of that party in the House.

[*English*]

Mr. Hermanson: Madam Speaker I thought that the House was suspended and the members were to be called in because there were only 16 members in the House, which is not a quorum.

The Acting Speaker (Mrs. Maheu): We have now attained a quorum and I have said so.

[*Translation*]

Mr. François Langlois (Bellechasse): Madam Speaker, I thought that it was inappropriate, as Beauchesne says several times in his book on parliamentary procedure, to point out the absence of members in this House. My hon. colleague from Beauséjour, no doubt in a fleeting moment of distraction, forgot this rule of which he himself would have reminded me.

• (1210)

When the request for a quorum count was made and you checked according to the rules, I was talking about the leeway we might have in the Official Opposition since we do not really intend to use the new electoral maps. But in any case we have to defend this legislation. We have to defend it for the voters of all of Canada, from the Atlantic to the Pacific to the Arctic. It is our duty as Official Opposition to do so.

The other day, strangely enough, I heard the member for Kamloops say that the Official Opposition only defended regional interests. Madam Speaker, you heard us on the link between Prince Edward Island and the mainland, we supported the constitutional motion. We spoke up on the lockout in the Port of Vancouver. Who spoke up on Ginn Publishing? This is not a strictly local problem concerning the suburb of Ste–Foy or the riding of La Prairie; control of Canadian culture is a federal

problem. We spoke up, as did our colleagues in the Reform Party. Strangely enough, our friends in the Liberal caucus, who probably had problems and were all coming back from Mr. Muffler, were completely silent on the subject.

I will now return to the subject being debated, before I am called to order. Bill C–18 must be passed, because the rules for setting electoral boundaries were laid down 30 years ago. From time to time, with specific bills, electoral reforms were stopped, changed or given a different direction, but the process as a whole was not thoroughly debated. I see the member for Beauséjour who seems to share my point of view; I believe that we can come to fairly unanimous agreement on this point. I would like to thank the hon. member for the consent he has just given.

So we can review the various provisions in the Standing Committee on Procedure and House Affairs in an unbiased way. Since I myself am on this committee, I think that it would be inappropriate for me to take a position when we have a motion to refer it to the committee on which I sit. I will participate without prejudice as the committee hears witnesses. The motion of reference presented provides that the committee can hear witnesses and travel as required across Canada and also hear witnesses by teleconference.

A very broad procedure has been established. I think that this might answer the concerns of the hon. member for Calgary West who felt that Bill C–18 excluded the people from the debate. On the contrary, it is an inclusive process. In no way do we want to keep the people out of the debate; we do not want to have completely pointless hearings by provincial commissions that would be suspended in a few days because of Bill C–18. The people will have a chance to be heard by the Standing Committee on Procedure and House Affairs.

I would also like to talk about the position of the hon. member for Beaver River, which I have trouble understanding.

• (1215)

I listened carefully to the hon. member's speech, and since she started it on Monday, I was able to read it over in *Hansard*. My understanding is that the hon. member was not trying to defend the Beaver River constituency, that her riding had been created in 1988, and that it would disappear if the proposals presently before the provincial commissions are passed.

Strangely enough, the hon. member is the same one who tabled Bill C–210, an Act to provide for the recall of members of the House of Commons. I think the hon. member for Beaver River should be pleased that her bill has still not been passed, because I presume it would not take long for the registers in her riding of Beaver River to open, asking for the recall of the hon. member, since she does not want to defend her constituents' interests. I find her attitude strange, to say the least. I guess the hon. member must have her own reasons.

In the two minutes left, I want to discuss the last point, which deals with section 51 of the Constitution Act of 1867. Section 51 states that electoral boundaries readjustments will take place on completion of each decennial census. However, that same section also excludes the Northwest Territories and the Yukon from the process. Consequently, the redistribution takes place once constituencies are specifically allocated to these very vast but sparsely populated areas.

I think that, on top of the Northwest Territories and the Yukon, we should also look at the case of the Magdalen Islands in Quebec, a distinct community remote from the continent, with its own specific problems—and I am pleased to see that the hon. member for Kingston approves—and also Labrador. That region forms a very large territory which should be represented by someone. There have to be ridings with a larger population, so as to enable Labrador to have its own local representative.

At least four exceptions should be made, and that does not include other representations which could be made. I am referring of course to the Yukon and the Northwest Territories, but also to the Magdalen Islands and to Labrador.

It is with a very open mind that I will take part in the work of the committee, since I only made general comments which will certainly not keep me from listening with an open mind, free of any bias or preconceived idea, to the representations which will be made to the Committee on Procedure and House Affairs, of which I am a member.

Mr. Dan McTeague (Ontario): Madam Speaker, I would also like to congratulate the hon. member again on his remarks. At the beginning of his speech, he commented on Quebec's numerical disadvantage, with regard to representation in particular.

This kind of argument or historical reasoning is not new. Besides, over the past 25 years, every government elected to the House of Commons has been led by a Prime Minister from Quebec. Does the hon. member not agree with me that Quebec has historically been well represented in this federation?

• (1220)

Mr. Langlois: I will be pleased to respond, through you, Madam Speaker, to the comment by the hon. member for Ontario.

Of course we have been represented in this House by members from all political affiliations since 1867, often distinguished men and women, with the likes of Sir Wilfrid Laurier and Prime Minister Louis Saint–Laurent. I will not talk about more modern times, and events which have not yet found a definitive place in history, for fear of sounding partisan, but I do believe that Quebec has had distinguished parliamentarians. That is not the point.

The point I am making is that, however distinguished our representatives, we remain a minority in this place. However great the speeches made in this House by Quebec members from whatever political party, when a vote is held—and the hon. member for Ontario has seen it for himself as well as we all did—the majority rules and the vote from the quietest of member cancels that of the most talkative and convincing one. In that context, I can agree with the hon. member only as far as to say that very distinguished representatives from Quebec have sat in this House.

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster): Madam Speaker, I have a comment and a question for my hon. friend.

As we know the current bill suspends the Electoral Boundaries Redistribution Act simply because government members are not happy with the outcome of the act. That is very frightening. Just because they are not happy with the outcome they take Draconian measures such as introducing time allocation after only four hours of debate on a bill and pushing the agenda through the House without giving adequate time for debate.

I really believe that every member should have an opportunity to speak freely and reasonably in this House. What if the whole focus of this bill was different and we were in effect restricting a party in this House whose views were not agreed with by the other parties in the House. It could very easily happen because as a member of Reform I disagree with the separatist views of the Bloc Quebecois.

Suppose we decided because the rules of the House offer a lot of privileges to the Official Opposition we wanted to restrict those and introduced time allocation to do so and rammed it through the House.

I just wonder how the hon. member would feel about that type of reaction and program.

[*Translation*]

Mr. Langlois: Madam Speaker, the hon. member's question reminds me of question period in the afternoon or on Friday morning when a government member plants a question for his minister. I thank the hon. member.

We voted against the time allocation motion and against closure because it is unacceptable, particularly in a parliamentary government. The hon. member for Kingston and the Islands is right to insist, especially since it would have been so easy to make plans in the parliamentary agenda to table the bill ten days or two weeks earlier. I share the hon. member's concerns on this.

[*English*]

Mr. Paul Szabo (Mississauga South): Madam Speaker, as I follow the debate, it would appear that the situation here is not a vote so much to do something as opposed to maybe stopping something which may put us into a situation which would be unacceptable to Canadians.

Members have asked for time to discuss and time allocation would restrict that. Is it not the intent of the overall motion and the process to allow more time for members throughout the entire House to have a fuller discussion about the criteria for boundary setting and to ensure that Canadians are going to be well represented in the House through these major changes?

• (1225)

There is time to do this. I wonder if the member would agree that taking the time to do this job properly is the right course of action.

[*Translation*]

Mr. Langlois: Madam Speaker, I find it quite strange and somewhat unacceptable as a parliamentarian to see the hon. member for Waterloo refer to the relevance of the debate in the question and comment period, when he spent all his time attacking our colleagues from the Reform Party, not on the substance of the motion but on their behaviour in the House, which we refrain from doing. This is my only comment.

[*English*]

Mr. Nelson Riis (Kamloops): Madam Speaker, I would like to say that this is indeed a dark day for democracy. It is a dark day for the parliamentary system.

I remember it took the Conservatives at least a few months before they brought in the heavy hand of closure or time allocation. I know that the previous Prime Minister, Mr. Mulroney, held this place in contempt. For him Parliament was a nuisance, something that he had to put up with as he imposed his agenda on the people of Canada.

In opposition the Liberal Party would often join with the New Democrats and criticize the government for using the heavy hand of closure so flippantly, so easily. I know we do not hear jackboots in the hallways of Parliament yet and I know we do not see brown shirts around this place, but I will tell you, Madam Speaker, the people of Canada should consider this to be an early warning. Once again we have seen a government that is prepared to change the standing orders to give almost exclusive powers to

the executive, to make this institution of Parliament almost a joke.

If the government executive decides that it is time to finish debate, it is finished. If it decides that it is going to impose some new initiative on the legislative agenda, it can do that instantly.

This is a good example. Two or three weeks ago did people hear that a major pressing issue that would require some vote of closure was required in terms of the boundaries of our federal constituencies? It was not even discussed. I suspect most people in Canada are still shaking their heads wondering what this debate is all about. Here the government says: "This is so important and it is so critical that we are going to use closure".

I can understand the previous government doing something on the GST or the free trade agreement where there were vicious and deep divisions. Surely to goodness this is not the kind of thing that we ought to rush through this House.

I want to ask my friend who just spoke whether or not he saw the *Globe and Mail* this morning and noticed that the parts of Canada that would be most adversely impacted by not proceeding would be the far western part, Alberta and British Columbia, where their representation is so skewed because of population increases? Did he recognize that and does he realize that this initiative is really going to short change western Canadians?

[*Translation*]

Mr. Langlois: Madam Speaker, the comments made by the hon. member for Kamloops are quite relevant and, as I said earlier, I felt a little uncomfortable taking part in the debate since I am against the closure motion but for the substance of Bill C–18. I understood that he was in a rather similar situation because, in some regions of British Columbia, the people who drew up the electoral map visualized the Rockies as a vast plain, according to the speech he made in the House on Monday.

As for what he said about the increase in population, particularly in Western Canada and his province, British Columbia, we are, of course, aware of the data and hope to do the necessary work in time. That is part of the reason why the referral motion includes a deadline, so that the Standing Committee on Procedure and House Affairs can hold hearings and table its report as soon as possible.

As you are indicating to me that I have very little time left, there is one thing I hope for, Madam Speaker: that we will be able to listen to people before electoral maps are tabled everywhere and that only minor changes are made.

● (1230)

[*English*]

The Acting Speaker (Mrs. Maheu): We are resuming debate with 10–minute speeches and no questions or comments.

Mr. John O'Reilly (Victoria—Haliburton): Madam Speaker, I am sorry I will not be able to get into the friendly banter back and forth. I did not want to speak on the political diversity of our parties but on the redistribution in Bill C–18 and how it affects my riding of Victoria—Haliburton, because that is really what we are here for.

I disagree there is no outcry against redistribution. My riding is one that is second in geographic size in southern Ontario. It is being torn apart by redistribution. My riding takes in Victoria county and Haliburton county. It also takes in the township of Brock, which is really in the region of Durham. It takes in the south end of Peterborough county and the north end of Peterborough county from beautiful Buckhorn all the way to Bancroft.

Geographically it is the same size as Prince Edward Island. It is a large area to cover and has a lot of people. My riding will be reduced in size which I should be applauding, but in the fashion that I feel is important to the House I went and consulted with the area that is being taken away and the area that is being added. Neither one of them wants to move.

Brock township is an area that would be well served by being added to Victoria—Haliburton. It would be taken and added to the top end of Newcastle or Clarington which has absolutely no geographic similarity other than they are both in Ontario. It would be taken away from the central region of Victoria—Haliburton, a populous area. Keeping in mind that I have a population of 101,000 according to the 1991 census, it would be reduced to somewhere around 94,000.

There are many reasons to support the redistribution or not support it. My reasons are strictly based on my own riding and the effect redistribution will have on it. I am heartened when I hear the member for Beaver River speaking because I also have a Beaver River in my riding. It runs through Brock township and Beaverton and into Lake Simcoe. On Monday of this week I went to Beaverton to meet with the Brock township council. We discussed among other things the redistribution aspect but also the rejuvenation of Beaverton harbour. Hopefully that harbour will be part of the government's beautification program and, in looking at the economic problems that exist, Brock township will be enhanced by having a good harbour in Beaverton.

When we talk about the press not coming to the fore on this matter, as I read the Lindsay *Daily Post* in my riding it starts out with an editorial that says: "John O'Reilly is right". For the press to say that in itself is something that strikes right at my heart, but I am opposed for two reasons: first, my riding is affected in a way that is not beneficial to it and, second, there is a great cost involved in redistribution.

The cost of adding six members of Parliament is something I think the Reform Party, and myself included, should look at very hard. Why would we want to add that kind of money? Why would we even think in these tough economic times of adding millions of dollars to taxpayers' expenses? I can understand

Reformers saying that they would like to know what the rules are before the game starts.

• (1235)

We have to look at the issue and say that we cannot strike a committee in the government and tell it what its conclusions are to be. If the committee is to investigate redistribution and the reasons for redistribution it has to go in with a clear mandate. It cannot be something that is driven by politics. It has to be something that is driven by economics and the times we live in. It is not just the drawing of lines on maps that eliminate Brock township and add Ennismore. I will speak on Ennismore also. Ennismore being added to my riding makes less sense than taking Brock away.

My riding now runs across the eastern end to above the village of Norwood, which makes absolutely no sense. Once again it is a large geographic riding and very difficult to cover. Ennismore is above the city of Peterborough. Redistribution takes the city of Peterborough, makes a doughnut out of it and gives the rest of the area around it to the surrounding ridings. Adding Ennismore, which is steeped in Irish Catholic history, should obviously be an advantage to me.

I am not speaking strictly on partisan terms. The fact of the matter is that Ennismore is being added to the centre of Victoria—Haliburton where my constituency office and the town of Lindsay are located. Ennismore is above the city of Peterborough. Most people in Ennismore gravitate to the city of Peterborough to work. All government services are in the city of Peterborough. As these areas are added to ridings like Victoria—Haliburton and as Brock township is taken away and added to something else, the whole boondoggle, as I call it, makes absolutely no sense. I oppose it. Also I am not comfortable with closure. I must say that I do not find closure to be a comfortable way to do government. I say that quite heartily.

I have looked at the problem. Maybe it is minuscule; maybe it is not. The commission is out right now. Besides the $5 million it has already spent or wasted, as I would put it, it is going to waste more money in booking rooms, hiring staff, holding meetings, putting me and my constituents into a position where I am preparing on one side to oppose redistribution of my riding and on the other side supporting closure so that I do not have to go to the meetings and waste more taxpayers' money.

I talked to some Reform members and when I was through the comment one of them made was that I was more Reform than they were. I must agree with that because money and the spending of taxpayers' money are close to my heart. I came out of municipal politics where I instituted a system in my municipality that stopped debenturing and started reserves. Now I see that the municipalities in my area that have followed the procedure are able to take advantage of the infrastructure program because of planning they started in the past.

We all realize there are no more taxpayers' dollars to try to get. We have to save at every opportunity. Besides the process that is ongoing, a way of saving taxpayers' dollars would be by stopping the process. April 14 will be the first date under the process we could actually see the bill go through, cut off the hearings and bring redistribution to a halt. Then it should be restudied and looked at along the lines of Canada as a whole.

When I talk about my geographic area being the same size as Prince Edward Island, I do not mean to talk about four members from Prince Edward Island handling the same area that I handle as one member. Obviously I am already saving money under the program. The fact of the matter is that redistribution for my riding does not make sense. It will not benefit the voters of Victoria—Haliburton whom I represent. I hope other members represent their voters in the same way. I worry about that interim period where a huge amount of voting power is taken away from one riding and put into another. Does the member then spend less time there and more in the one that is being added? Those are questions I have not been able to answer.

• (1240)

I know my 10 minutes is coming to an end, but I hope members realize that stopping the hearings saves money. Five million dollars has been wasted; let us not waste any more. Let us look at the ridings that are adversely affected like mine and the damage it does to the system I have to work in. Let us stop in any way we can and take a hard look at redistribution and its effects on my riding and on other ridings in Canada.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I will try to condense a 20–minute speech into 10 minutes to conform with the time allocation motion which restricts the time I have to address the House.

It is a sad day to be speaking, about two months into a new Parliament.

Mr. Robichaud: Mr. Speaker, I rise on a point of order. The member who has just risen referred to the time allocation motion limiting his speech to 10 minutes. It has nothing to do with that. According to the rules, after a certain amount of debate speeches are reduced to 10 minutes. It has nothing to do with time allocation.

Mr. Hermanson: Mr. Speaker, I heard debate on Jimmy Swaggart, codes of conduct and a number of irrelevant issues. I did not sense that they related at all to the motion today. I would appreciate if the Chair would be fair in its application of those sorts of matters.

This act would suspend the Electoral Boundaries Readjustment Act. Why should we suspend an act that is currently in place and the process it enables is halfway through being completed? Certainly there are some things that would justify suspending the act. If we could find some illegal activities by Elections Canada or if illegal activities were being undertaken

by the commissions themselves, certainly that would draw attention to the House. Perhaps we would have to put forward legislation to suspend the act so that we could review what had taken place to find out if there had been any misproprieties involved in the carrying out of the mandate of the act.

I have heard no such allegations from the government or from anywhere else, for that matter. I have heard a number of members of Parliament who are deeply upset with the results of where the boundaries are drawn. They are not prepared to let the public have input but want to suspend the process before it reaches that point.

Another reason we might want to suppress or suspend the mandate of the act is if it were seeming to violate the Constitution. Supposing they had drawn boundaries in such a way that they violated the Constitution or had changed the numbers of ridings in provinces in such a way that it was against the enactment of our Constitution. Certainly we would have to take action. However that has not happened.

If under the act there had been refusal to allow public input into the process we would have a basis upon which to debate the bill today, but that has not happened. It will happen if the bill is enacted and the suspension takes place because we are at the point where the public hearings are about to take place.

It really concerns me when I hear members of Parliament, particularly from the other side, talking about their ridings, being totally upset with where the boundaries are drawn and saying: "I have to stop this. My riding is not unfolding the way it should". This is before they have had a chance to hear what the public in their ridings are saying and what is the general consensus of the process in each province. Certainly that is not a reasonable approach or reason for suspending the Electoral Boundaries Readjustment Act.

• (1245)

If this process had gone way over budget perhaps we should review it, but as I understand there was about $8 million allocated in this budget to the commissions to do their job. I understand that they are reasonably on track. They have spent about $5 million to this point and will spend the remaining $3 million through the public hearing process, a very important process that would be eliminated by the approval of Bill C–18. What a shame to have wasted $5 million.

I just heard the hon. member on the other side suggest that we needed to pass this act to save money. I cannot understand how investing $5 million and seeing that all go for nought because the work of the commission ceased to exist and is thrown out into the garbage heap is in fact good stewardship of taxpayers' dollars. It sounds to me like it would be just the opposite.

As nearly as we can determine, at least there has been no evidence brought forward by the government that there has been a misappropriation of funds or that the commissions have gone severely over their budget. This certainly does not seem to be a reason why we should suspend the act that we are suspending today.

Maybe if they had refused to hold the public hearings we should be introducing the bill that we are introducing today but these public hearings are already scheduled. In the province of Saskatchewan the first one is slated for May 2. Certainly as a member of Parliament I was prepared like any other Canadian citizen to go to that hearing and present my case for changes that I think should be made in my riding of Kindersley—Lloydminster. Like my hon. colleague for Beaver River we are seeing our ridings disappear.

Mine gets divided into three ways. Certainly I would like to make some comments about that but I would respect the wisdom of the public to also have input into what they think the redrawn map of Saskatchewan should look like, especially as it affects my riding of Kindersley—Lloydminster.

Second, perhaps we could look at suspending this act if we had a plan in place to cap seats, a plan to deal with some of the constitutional implications that would take place if we did cap seats. If we had a plan to undertake to provide the provinces with the proper representation in the Parliament of Canada, should in fact capping of the seats mean a reduction of seats for certain provinces?

This plan is not in place. There is nothing in the Liberal red book. There has been no discussion in this session of the House as to what that plan might be. All I have seen is a very broadly based motion that talks about reviewing a number of issues with no definite plan in place.

I would say without this plan the number of seats in this House could be expanded beyond the six that we would see if the current process were allowed to continue. It has happened in the past. This is not a wild accusation by any stretch of the imagination.

The problem is without redistribution the growing provinces are penalized. We cannot continue to expand seats in the House of Commons and so the smaller provinces will be penalized if we do not look at a new process and new way of bringing representation to the Parliament of Canada.

Of course the obvious way to remedy this situation is to reform the Senate. I have not heard one word of Senate reform from members opposite that would give the provinces the

regional representation they would need if they were to lose seats in the House if we did cap the seats and keep this House from being expanded. The government has absolutely no plan.

If we cannot justify this bill what would we do? Why are we debating this bill? The reasons are few but they are not very good. MPs are not happy with the boundaries. To me that is not a good enough reason to suspend an act. MPs are not happy with the personalities. I have heard reference to some of the commissions and the commissioners saying that one commissioner in New Brunswick had complained about the process and the people he was involved with and working with. That is not a good enough reason to suspend the whole process.

I have heard some complaints even about Elections Canada which have acted properly within the mandate provided it. Again this justification for suspending the act is not a reasonable one at all.

I have heard of MPs saying they do not want to permit the public hearings. They think that is a waste of money. I would think it reflects very badly upon a government if it is not prepared to allow the public to have input into this process before it decides to change the whole process. This has already been delayed once and now we are talking about a second delay. The current boundaries are based on the 1981 census. We may be into the next century, in fact the next millennium before we redraw the boundaries.

• (1250)

There is also a danger that if we suspend this act it may give the opportunity for MPs to be involved or to try to influence the formation of the new commissions with patronage like the old days, patronage in the commissions, perhaps even patronage appointments at Elections Canada.

I would like to read a letter that was addressed to the Prime Minister regarding Bill C–18 from the Brampton Board of Trade. It says:

Dear Mr. Prime Minister:

The Brampton Board of Trade felt that your government had turned the pages on the old style of governing and opened the process to inclusive government by asking for input from the Canadian people.

Therefore, we are quite concerned that the Hon. Herb Gray would introduce a bill in the House to suspend the Electoral Boundaries Readjustment process for 24 months. At this point in time the commission struck last September is now at the stage of public hearings. Further, the commission has already spent $5 million of the budgeted $8 million for this study and continues to prepare for the public hearings in April and May.

The board feels it is not appropriate nor necessary for a review committee to step in at this time and shut down the public process.

If Bill C–18 is passed we ask what are the additional costs to the taxpayers? We already know what the current commission has cost.

The Acting Speaker (Mr. Szabo) I regret that the member's time has expired.

Mr. Scott (Skeena): Madam Speaker, on a point of order. It appears by my count that we do not have a quorum present.

The Acting Speaker (Mrs. Maheu): Call in the members.

And the count having been taken:

The Acting Speaker (Mrs. Maheu): I now see a quorum.

Mr. Ted McWhinney (Vancouver Quadra): Madam Speaker, this debate has been prefaced by individual hon. members referring to their own situations. I should perhaps indicate that I won my own riding with what was the largest majority for a Liberal candidate in British Columbia and, second, we have examined the basis of the proposed electoral changes and our inquiries confirm that while my constituency seat is divided in two I would have a comfortable majority in one part and a very large majority in the other.

This having been said, I would say that having knocked on 10,000 doors in the process of seeking a nomination and then winning an election, I have formed a tie of intimacy with my fellow Canadians in the riding and I would be very sorry to lose it.

However, let me get on to the substance of this debate. I speak with experience as a former electoral commissioner for British Columbia. The then Speaker of the House, Madam Sauvé, telephoned me and said that Parliament was very anxious to put the commissions on a non–partisan basis and would I serve for what was by the way a very nominal remuneration and I served.

I do have some comments from my experience there. The first very obvious thing for these electoral commissions is an absence of continuity and therefore of shared experience which is the basis of any law–making in the commissions. It is the habit to replace each commission with a change of government. I would say that when there was a change of government my own commission was summarily replaced and the successor commission made no attempt to contact us or to find out if we had any shared experience we would want to pass on.

The second thing that struck me was an absence of co–ordination between one commission and another. That is to say, in British Columbia we were unaware of what the commission in Alberta was doing or what its philosophy was if it had a philosophy. I think this goes back to one of the interesting aspects of the present system.

• (1255)

Everybody fulfils their mandate honestly and with all due skills that they bring to the task, but there is an absence of overall direction partly because the federal electoral commissioner, as a civil servant, under the act in which he is established construes his role narrowly so as not to get into policy issues

and I think he is correct in that, but partly also, in comparison with other countries because our Constitution supplies almost nothing in the way of motor principles to guide the electoral commission.

If we look at the United States constitution there are detailed and specific provisions as to elections, as to the electoral processes, supplemented by those great amendments 13, 14 and 15, the post–civil war ones which give very clear directives that were not in the first years fully observed and a succession of amendments right up to the present day.

The third factor of course is that the United States supreme court in relationship to congress, to the legislature, and to the state legislatures which under the American constitution actually make the allocations, has developed some 100 or so cases establishing the limiting parameters of electoral distribution.

We have virtually no jurisprudence at all from our Supreme Court for two reasons. The court has viewed these as political questions beyond its technical competence and, second, we have not had that litigation orientation that is present in the United States and which explains the fact that the Americans much more than Canada have taken note of changes in electoral sociology.

Electoral laws no more than other laws are not graven on stone tablets fixed once and for all for all time. They have to change as a society evolves. If we look at the Canada of 1964, not simply in its population distribution but in terms of effective participation in the political processes by interest groups, ethnic groups and other communities it is a quite different Canada. Yet the electoral law unlike the law of the United States does not reflect this. I think this is a pity. There has been a certain vacuum or lagging in our development not merely in comparison to the United States but in relation to countries like Germany, Japan and India which to a considerable extent have tried to follow American jurisprudence.

I made a study for the Canadian Institute for the Administration of Justice which as members know is a professional group bringing together the chief justices and judges of Canada. I made an address in 1989 which is available in which I compared American, German, Japanese, Indian and other modern democratic countries and Canada. The conclusion was we badly needed updating constitutional electoral principles. We needed to restructure. I think it should have come 10 years ago. In a sense we are approaching it today.

My own feeling as an electoral commissioner was that we were guided by the past. I think one very obvious principle is that a commissioner is not a philosopher king. He or she is not God. One has to respect the expectations of the people to whom the member is addressing his report.

We have 205 new members in this House. I would have thought that it goes beyond the prudent bounds of an electoral commission as it is presently constituted under the present law to change the ridings in a dramatic revolutionary fashion.

We assumed in 1980 to 1984 when I served that change should be incremental land and that revolutionary changes should be suggested for the future for an incremental process. I worry when my Newfoundland colleagues tell me that although Newfoundland has hardly changed demographically since the last election all the seats have been redistributed. Why? What is the rationale for it?

If we look across the electoral commissions we will find that some of them have a clear philosophy.

• (1300)

It is very evident in the way the distributions occurred. Some are moved by concepts of affirmative action that one finds in United States Supreme Court jurisprudence. Others are more traditional. These are both legitimate considerations but it is a matter on which civil servants, as such, and casually appointed commissioners with the best of intentions and the best of qualifications, should not be making decisions. These are issues of constituent power that is superior even to the Constitution itself. It is time that Parliament expressed itself and established the principles.

In my seat of Vancouver Quadra, by accident or by deliberate design over 30 years we have a constituency that represents 22 different ethnic communities. It is one of the rich experiences of my life to make the acquaintance of all such groups and to build an electoral consensus, which means building an intellectual and philosophical consensus among the groups.

Under the proposed redistribution, that multiplicity of representation of communities disappears. The philosophy seems to be to produce integral constituencies. That again is an approach that can be justified philosophically, but I do not think it should be made by commissioners in the interstices of what purports to be a simple administrative inquiry and distribution according to statistics.

It needs debate in Parliament. I would like to see the structured system that I have spoken of in terms of the United States where constitutional law is not made by any one actor alone, but as Jeremy Bentham said, it is made by the constitutional company.

The greatness of the American system is that Congress, the legislature, the administrators and the courts work together and that is the objective we should be aiming at.

[*Translation*]

Mr. Richard Bélisle (La Prairie): Madam Speaker, I am pleased to participate in the debate today on Bill C–18.

As several members have mentioned, this bill is an act to suspend the operation of the Electoral Boundaries Readjustment Act in Canada.

The Act, which will cease to be in effect if Bill C–18 is passed, provides for the creation of 75 new constituencies in Quebec. This act also provides for the setting up of a federal electoral boundaries commission in each of the ten provinces, as well as in the Northwest Territories.

The proposal resulting from this legislation was to have been the object of public consultations in the weeks to come. This proposal, which seemed to me to be serious and well articulated, was based on the following principles, as is normally the case with this type of exercise or review: The geographical size, the density of population, the size of urban and rural centres, as well as other factors such as the common interest, the cultural identity and the historic evolution of the various regions and communities involved.

Except for unusual circumstances, the population of a constituency should more or less represent 25 per cent of the province's electoral quota. As you all know, this quota is calculated by dividing the province's population by the number of ridings allocated to that same province.

This whole review was based on data compiled in 1991, during the last federal decennial census—an exercise which takes place every ten years—conducted by Statistics Canada, a highly professional organization.

What is the impact of this review under the current legislation? Four ridings would be added in Ontario and two in British Columbia, while the number of Mps representing the other provinces would remain the same.

Quebec would still have 75 ridings, but most of these would undergo significant changes. The Montérégie, which is the region on the South Shore of Montreal, would gain one riding. Indeed, electoral boundaries are based on population changes, and Montreal's South Shore is currently experiencing the highest population growth in Quebec, particularly in its central and midwest sectors.

The riding most affected by this review in the Montérégie is Laprairie, which I have the honour of representing here in this House.

• (1305)

A new riding, called Saint–Lambert, is created around the town of Saint–Lambert, where I live. To Saint–Lambert are added Greenfield Park, LeMoyne and the western part of Longueuil, which together form the new riding of Saint–Lambert. The western part of the existing riding becomes the new riding of Brossard—La Prairie. The result is that the riding I now represent will be divided into two entirely new ridings.

The riding of Brossard—La Prairie will consist of the towns of the same name, plus Candiac and that part of the regional county municipality of Roussillon which is included in the parish of Saint–Philippe.

As I said earlier, the Montérégie will now have eleven instead of ten ridings. This seems sensible and consistent with the guidelines I described earlier.

The Federal Electoral Boundaries Commission for Quebec has, in my opinion, done a good job, and is to submit the results for public hearings very shortly. This proposal is well founded in terms of geography, population density, the size of outlying areas and other factors I mentioned earlier.

Why, after two years of work and spending $5 million, does the Liberal government want to stop the work being done by this commission? Is it because of lobbying by a number of backbenchers whose ridings will otherwise be drastically changed or will disappear altogether? Is it because it wants to postpone all this work for two years, which means that, considering the need for new public hearings and a repeat of the legislative process, the next election in Canada would, as far as electoral boundaries are concerned, follow the status quo?

The best way to avoid upsetting a large caucus is to change nothing, and the government is a past master at this sort of thing.

I think one principle is particularly important: we should not increase the number of electoral districts in Canada. Two hundred and ninety–five electoral districts for 27 million people is already too much, compared with what we see in the United States and many other western countries. Each new member of Parliament costs more than $1 million per session. Reducing the deficit also extends to considerations of this nature.

Bill C–18 would suspend for 24 months the operation of the present Act. The eleven electoral boundaries commissions would be dissolved and new commissions would be created within 60 days after the Act ceases to be suspended.

In our opinion, the 11 commissions have done a consistent and creditable job, but the electoral quota, in Quebec as well as elsewhere in Canada, will have to be increased in order to reduce the number of members of the House.

We are told that the process has not been studied in depth for 30 years, but should we redo everything, abolish the present commissions, name new ones and start all over again?

Why freeze the process for two more years? Is it to fight the next election with the present boundaries?

By passing Bill C–18 we would condone the waste of five million dollars, the shelving of another government study and the sweeping under the carpet of conclusions that do not seem to please the government.

Why should we start from scratch all the time? Even if we proceed with new studies, I can assure the House that the future ridings will be very similar to the ones proposed under the present Act. Why? Because the base will be the same, it will be the census of 1991. Regions and cities will be the same. The framework for analysis and apportionment will remain the population of each county, and the number of voters per riding in each province will not change. Geographical areas, population densities, community of interest and cultural identity do not change overnight, and this means, according to me, that the conclusions will be similar.

Being based on the same given quantities and qualities, the conclusions of the second exercise cannot differ markedly from those arrived at under the present Act. One thing only would produce noticeably different results, that is if the density of population in one specific riding could diverge by more than 25 per cent from the provincial ratio; that could be advantageous for rural communities. If that percentage were closer to 10 or 15 per cent, it would benefit urban areas and would increase considerably the surface of rural areas.

• (1310)

However, identical premises will only give us more or less identical results. Is it worth it to start this exercise all over again if we are to get similar results in the end? What is the government's intention? Do they want to save time or please the caucus members who want to be reelected whatever the cost to taxpayers?

In conclusion, what is important for Bloc Quebecois members is that all Quebec constituents are well represented in this House, whatever the distribution of the federal electoral boundaries for the province. As for the next federal election, the Bloc now hopes above all that the Parti Quebecois will be elected in Quebec in 1994 and that the referendum which will follow in 1995 will lead to sovereignty. Since the redistribution of the federal electoral map will be implemented only at a later date in canadian provinces, it could very well never apply in Quebec.

Finally, I would like to add that I also agree with my colleague, the member for Bellechasse who said in this House earlier this morning that Quebec lost its sovereignty in 1867. In fact, the link that existed between Upper Canada and Lower Canada before 1867 was really a sovereignty–association type of relationship very similar to the one the Bloc Quebecois is advocating today.

Mr. Dan McTeague (Ontario): Madam Speaker, once again, I welcome this opportunity to say a few more words regarding the redistribution of seats in Canada.

[*English*]

I need no lesson in what redistribution will mean for this member of Parliament. The Ontario riding is one of the largest, most populace ridings in the country. It has approximately 205,000 people. If projected census information is correct, by the turn of this century, the time at which I will reach the ripe age of 37 years, my riding will be in excess of 300,000 people.

However, I want to point out that my reasons for supporting the government in this initiative are many. Why do we need new seats? It seems to me that we have just gone through a long election process in which we described to people unequivocally the need to look after our financial House. We took the message from Canadians that we must work with that which they have provided us.

The cost associated with adding new seats to the House of Commons is estimated to be in excess of one million dollars per year. At a time when all of us are looking for opportunities to make sure that we keep our fiscal house in order, it seems to me that proceeding with the addition of new seats without regard to better distribution of the resources that we already have flies in the face of the hard earned tax money that Canadians tell us is so hard to come by.

I want to point out that in my riding of Ontario, and I do not want to speak from a parochial point of view of what it does to me, but given the significance and the load which I take in my riding of some 205,000 constituents it seems to me that is a threshold that I think is manageable. We should be looking at a process here—and this is certainly something that the committee can assign to itself—to look at a better distribution of the seats that we already have. I note some of my colleagues here from the other parties from around Ontario. We have a tremendous opportunity at this point to perhaps look at where ridings are relative to mine.

In the riding of Oshawa next door there are 95,000 constituents. In the riding to the north of me there are 130,000 constituents. In my riding there are 205,000 constituents. Rather than adding a new seat why do we not simply redistribute some of the regions within those three ridings so that we have a platform of some 120,000 or 130,000 on average? We can do the job. We have the resources to do the job. We really do not need any new seats.

I want to point out some of the flaws I saw in the electoral districts supplement to the Canada *Gazette* proposals for the province of Ontario.

• (1315)

On reading the section dealing with Durham region it seems patently unclear for a committee that has spent a lot of time on this what they really mean in terms of distribution. It indicates that for the regional municipality of Durham the population is expected to be some 401,000. They are proposing that the district of Durham remains the same except for the inclusion of

the township of Brock and the removal of parts formerly within the enlarged Oshawa district and the entire town of Whitby. The new riding of Ontario would include the town of Whitby.

There is a contradiction. It seems to me rather than go through the exercise of pointing out all the flaws that are evident when not enough time is put into such a proposition, maybe we should rethink how we want to assign the distribution of seats in the House of Commons in years to come.

We want to talk about the need for flexibility, not rigidity. This process of automatically increasing seats over the next few years seems unreasonable. We are not taking into account current realities, the fiscal realities, as I indicated earlier. We are not even looking at the need for balance in terms of the federation which is represented in this House.

I heard some hon. colleagues discuss the importance of having their regions better represented. My colleague for Bellechasse made comments to the effect that Quebec as a region in Canada has a numerical inferiority problem with the distribution of seats. Guess what? So does Ontario with virtually 10 million people represented by 99 seats. If any region has been left out in terms of the distribution of seats perhaps we should be looking at Ontario's case.

There are 205,000 residents in my riding. Prince Edward Island for example may only have as many as 30,000 yet we are given exactly the same amount of resources to do the job for the people.

I am not complaining about that but I am making the point that if we want to talk about fairness we truly should talk about fairness in terms of numbers. I do not think the current redistribution act really takes that into account.

I want to talk specifically about the physical nature in which my riding would be divided into two regions. As I indicated the three principal cities of Ajax, Pickering and Whitby in my riding are a whole community.

Under this proposition Ajax, a town of some 65,000 people, would be cut in half. In fact the boundaries go up a secondary street. There is no rhyme nor reason other than the fact they have looked to satisfy a numerical average that simply puts into disregard the needs and long term historic interests of the community. The community of Ajax grew out of the second world war. Over the years it has produced a number of members of Parliament. It would be a real tragedy if under this proposal by the electoral commission the town of Ajax was cut in half.

This is one of the major reasons I commend the government for its position in moving ahead with the suspension of the redistribution as set out in this guideline.

Although there may be some controversy over the question of how quickly we move to a vote on this issue, we really do not have a lot of time to deal with it. If we were not to correct this today, we might find ourselves in the situation on April 10 where we are raising problems with this document which for all intents and purposes will be redundant anyway. Proceeding in this manner makes a heck of a lot more sense than proceeding full steam ahead with something that is very uncertain.

There was a comment a little earlier about replacing hacks with hacks. I believe it was from the member for Beaver River and I understand her frustration. I find it actually very curious there would be a defence for the proposal as it is since her riding would suddenly disappear.

I do not think that is the intent of this government. In fact, if that were the intent of this government I would be one of those who would be most severely affected. It is my belief the government is going to proceed in a judicious way taking into account common sense principles, taking into account the community and taking into account the compassionate nature under which we have representation in this House of Commons.

• (1320)

My riding is one of the weightiest in this country. If I can sacrifice a few good years to make sure we have an electoral boundaries readjustment system that make sense, then I think all members of this House can do the same. Therefore I am placing myself as an example not to the country but to the taxpayer who has been hard hit. We do not need more seats; we need a better distribution of the seats and the infrastructure and the resources that go along with that.

I look forward to participating on the committee with members from the other side of the House in making good policy.

[*Translation*]

Madam Speaker, thank you very much. I am in favour of the passage of this bill.

[*English*]

Mr. Mike Scott (Skeena): Madam Speaker, I have been listening with interest to the comments and arguments raised by members opposite.

Today I rise to speak against Bill C–18. As has been pointed out by my colleagues on this side for the last two days of debate on this, the passage of this bill will terminate the work of the electoral commissions. It will effectively prevent redistribution from occurring in time for the next election. Also a budget of

$7.8 million was allocated to the commission. Approximately $5 million of that has already been spent, the benefit of which will be lost if this process is terminated at this time.

Members talk about the effects on their ridings. I must agree with my colleague from Calgary West that these are not our ridings. We tend to take ownership of these ridings as politicians. If anything the ridings own us, we do not own them. In that sense we have a duty to represent the interests and the wishes of those people in the riding we represent.

A number of questions arise for me on that note. Many of my constituents would wonder why we are effectively throwing $5 million of taxpayers' hard earned money down the drain to suspend this process. There should be some good reasons for doing so.

I hear arguments about trying to cap the number of MPs in the House of Commons. That is a valid point and I agree with it. However there is nothing in this proposed legislation that would cap the number of seats. Getting away from some vague wording about reviewing the increasing number of seats, let us talk about capping the number of seats. If members opposite had included that in the proposed bill then I think they would have found support from the Reform Party, but they have not. They have only proposed to talk about it. I have a great deal of difficulty with that.

My background is in small business. When we say we are going to do something, we do it. We do not talk about doing it. We do not say we are going to review and study it. We say we are going to do it. For the life of me, I cannot understand why the government could not have included that in the bill.

The boundaries of my riding—I am talking as if I owned it but I do not—the boundaries of the riding I represent, Skeena, will be affected greatly if this current proposal by the electoral commission goes through. Right now my riding is probably one of the largest geographically in Canada and my boundaries are going to increase 20 per cent by my calculations.

It is very difficult for members of Parliament to effectively represent geographically large ridings. A lot of travel is involved. Many small communities are far apart. Many communities in my riding are only accessible by air or water, some of them only by air. I know full well the kinds of problems members have to face in dealing with these ridings. Therefore when the boundaries of my riding expand it sends a lot of warning signals to me and I have some difficulties with it.

I remind members that there is a process. My constituents and I can make representations to the commission when it holds public meetings in Prince Rupert. We can submit our objections or suggestions for changes to the proposals the commission has made. This is a matter of process and something I fully subscribe to.

• (1325)

I understand why many members may not like the proposals in front of them. I do not like the proposals that are in front of me. The ridings of several of my colleagues in the Reform Party will disappear altogether. Members in other parties are facing the same problem.

However there is a process and I have not heard anyone question the process in these debates. I have not heard anyone say that what we have here is the work of a partisan commission which is out to do political damage to one party or another. That is not the case.

What these commissions are doing by all accounts is non–partisan and unbiased. They are attempting to achieve the objectives they have been given under section 51 of the Constitution Act and the Boundaries Readjustment Act. If in fact that is what the commissions have been working toward, then I question why we want to suspend or get involved in the process. Why would we want to have political interference?

We are talking about political interference. A process has been established and it is functioning. Members of Parliament do not like it. Members of Parliament are going to suspend the process so they can change it to something they like. That is political interference. There is no other description for it. What matters in this debate as far as I am concerned is what Canadians want, not what politicians want.

As I said earlier, any of my constituents who do not like the proposals can make representations before the commission on May 31, 1994 in Prince Rupert. The real evidence of voter concern in my riding will become evident through this public forum.

The bill before us if adopted is political interference at best. It opens the door for partisan manoeuvring. Indeed one would have to ask if this is not the real intent of the bill. Why would the government introduce it if it did not intend to gerrymander or play with the boundaries to the way it wants them rather than the way the commissions have proposed them.

Every citizen of this country no matter what their occupation must play by the rules. That is the law of Canada. If you break the rules, you forfeit either your freedom or some of your hard earned money, or both. If you disagree with the validity of the rules or the laws of the land, if you do not like the processes that are in place, you are at liberty to work through lawful means to try to change them. That is a fundamental principle of democracy.

We as members of Parliament are legislators. We make laws, we change laws, we amend laws. Sometimes we even strike laws from the books when we think they no longer represent what Canadians want. However we are not above the law.

In our positions as members of this great House, the very cradle of our democracy, we are in positions of great power. We are the legislators. We have the ability to change laws. Nothing makes Canadians more cynical than to see people being put in these positions of power and then abusing that power when ordinary Canadians do not have the opportunity of using that power to their own ends. That is precisely what is happening with this bill.

In recent years Canadians have become increasingly displeased with Parliament. They have expectations as to how public servants should conduct themselves. They become very cynical when they see politicians attempting to manipulate the system for their own personal gain.

• (1330)

There is only one way for Canadians to interpret the passage of this bill. They must conclude that once again the politicians in Ottawa are circumventing due process, a process that most agree is fair and unbiased, for their own gain.

When we all came to this House in January we were talking about conducting ourselves differently in the 35th Parliament. We talked about moving away from the practices previous governments and members engaged in.

Canadians want to believe this. It is therefore vitally important that we back up what we are talking about now through our deeds rather than through our words. Many members are unhappy with the changes that the commission has proposed. Some fear these will impact on their future electoral prospects. Looking at it objectively, the displacement is felt by all parties and virtually all members. No one party or individual was singled out.

As I said earlier, many members on this side of the House will be severely impacted if the current boundary proposals are adopted. Yet we maintain that the process must be allowed to continue and that those who are unhappy with the commission's proposals can make representations within the parameters that the process establishes, rather than voting in favour of this motion out of concern for their own personal political considerations.

The Acting Speaker (Mrs. Maheu): The member has exceeded his time.

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Madam Speaker, may I say that I am really very pleased to take part in this debate. I am particularly pleased to take part following my friend from the Reform Party—I am sorry but I do not know his riding—because there are a few home truths that need to be brought up here.

Let us talk about some of the things that our constituents want us to do. First of all it is true that there are in some places, in some ridings in the country, people who are greatly dissatisfied with their representation. It is also true that there are some 70–plus of us in this House—this is not to denigrate in any way any of the new members from any party—who did get re–elected and got elected quite handily with quite large majorities.

In my riding, so that members will know where I am coming from on this, I won every poll but one. Some polls had not been won by a Liberal since Confederation.

In the riding next to me, and these are the two ridings that would be affected should redistribution take place, the same thing happened. The hon. member for Halifax West and I were both very gratified that we won by very large majorities at every poll. I believe the hon. member for Halifax West took every single poll in his riding and, as I said, I lost one. It was certainly remiss of me and I will try not to do it again.

The point I am making is that the reason for this bill, it must be stated here and now, has nothing to do with the worry about boundaries changing and causing problems in the traditional gerrymander, if you will, that ridings are being changed and we might lose them.

With the greatest of respect, I know the member of the Reform Party who is the sole member of his party from Ontario could say that Liberals in the province of Ontario are not particularly worried about the electoral losses of moving boundaries. What we are worried about—I am astounded that we do not have the support of the Reform Party on this—is the cost of increasing the number of members of Parliament to the public purse.

There are 295 of us in a country of 27 or 28 million people. Look at the representation in the House of Representatives in the United States yet they appear to manage their representation very well. In these days when restraint is being urged on us by all fronts, not the least of these urgings coming from the Reform Party members across the way, should we really be considering increasing the number of members of Parliament? I am almost at a loss for words, which I can assure my hon. friend in the Reform Party is not something that happens very often.

• (1335)

Mr. White (Fraser Valley West): We noticed that.

Ms. Clancy: I am sure you did. You may learn from it too.

Consider the fact that members of the Reform Party think we need more members of Parliament. It is unquestionably true that there are certain members for whom a lack of redistribution is creating a difficulty. I refer to my very good friend, the parliamentary secretary to the minister of human resources who has, as I understand it, the largest and most populous riding in the country. I believe that the parliamentary secretary's riding will soon hit a population somewhere in the vicinity of 300,000.

My own riding has a population of somewhere in excess of 100,000 which is larger than it should be. There are many ridings, particularly urban ridings, where this happens and it will be difficult for urban members. It may well be that we are

going to have to look at some other way to ensure that people are getting the proper representation.

I do not think the hard–pressed Canadian taxpayer wants to hear from us that we are going to increase the number of members of Parliament. Again, my shock really knows few bounds that the hon. members from the Reform Party could possibly be advocating this. They talk about the fact that there is a process in place. Yes, there is. But as the hon. member who spoke previous to me said, we are here to legislate. We are here to legislate when things are not working in their most optimum way to ensure that they do.

This bill is part of our responsibility that we are exercising to ensure that the House does for the people of Canada what the people of Canada deserve and need, not follow a format that has probably outlived its usefulness.

If the members of the Reform Party are worried about the money spent in getting to this point—as apparently they are, I believe I heard the hon. member for Beaver River talk about this yesterday—I can only say that perhaps the time should have come some years ago to put an end to this. Unfortunately we have not been in power for nine years. Now we are and now we say that this must stop. This is not the way to go. This is not the time to increase the number of members of Parliament and that spending the unconscionable amounts of money, a lot more than was spent already, I might add—perhaps it is the arithmetic that is the problem here—is putting good money after bad.

Again I can only reiterate that it is utterly unbelievable, given what we have heard day in and day out since January 17. I know that my friends here are absolutely astounded as am I. I can see that the member for Scarborough—Rouge River just does not know where to turn at this stage of the game.

That members of Parliament from the Reform Party in all seriousness are advocating that we continue this and increase these numbers is really beyond my comprehension. The time to undertake a comprehensive review of the process is now. I take a leaf from the book of my friend who spoke previously and say: This is what we are about. We are all legislators. It is our responsibility to ensure that the legislation that comes from this House is in the best interests of Canadians. It is time to review a great number of things but it is certainly time to review the electoral process and the way we decide representation and how representation shall be meted out. It is time to tackle this issue because we are still at an early stage in the process. It is time because the existing electoral boundaries commissions have not yet invested the time, energy and funds into holding public hearings.

I wonder if my learned friends on the other side of the floor have any idea just how much that process will cost Canadians along with the addition of all those new members of Parliament. I am quite taken aback by the stand taken by the Reform Party of Canada. It amazes me, as I know it would certainly amaze my constituents. There are individual reasons why we do not want this redistribution, aside from the question of saving money, aside from the reason that Canadians do not think we need more MPs.

• (1340)

I will close, Madam Speaker, by saying that in my riding of Halifax I would lose the section known as Halifax Atlantic. It is a wonderful section, the only part of my riding that has a rural element. It has five fishing villages. It has been in my riding since the redistribution that took place just before the 1988 election. I did not win it in 1988, I lost it. In 1993 I won it and I won it in a big way.

I am sure that those members on the other side of the House who are worried about this kind of thing. As a member who has been here for five years I can tell them that kind of change rarely makes a difference in the long run to your electoral majorities if you are a constituency person who works his or her riding. The people you represent are the people you represent, and the geographical ideas that some people put forward as being a problem do not really exist.

The main issue here is saving the money of the Canadian taxpayers. I am appalled that the Reform Party does not want to do this.

[*Translation*]

Mr. Jean Landry (Lotbinière): Madam Speaker, I am pleased to rise today in this House to speak to Bill C–18, an Act to suspend the operation of the Electoral Boundaries Readjustment Act.

As you know, Madam Speaker, my party does not wish to run in the next elections. We hope that, by then, Quebec will be independent. Nonetheless, the proposals made by the Electoral District Boundaries Commission upset several of my colleagues across Canada.

I am not the kind to shirk my responsibilities. When I saw that the commission had carved up my riding of Lotbinière, I did not have any other choice but to react strongly.

In no time, it created an uproar in my constituency. Following the announcement of the proposed reform, around 20 articles, editorials and letters to the editor appeared in local newspapers. It is hardly surprising since the Bois–Francs area was split into three different ridings. The commission wanted to combine regional county municipalities into federal ridings, ignoring certain historical, economical, social and cultural factors.

To combine RCMs into ridings is reasonable to a point but not if the cities themselves see no benefit in it. For instance, by being shifted from Richelieu to Lotbinière, Bécancour was being moved into the same riding as the other municipality in the Bécancour RCM but was being separated from Nicolet.

In an article published on Thursday, February 24, 1994, in *Le Nouvelliste*, Mr. Jean–Guy Dubois, Mayor of Bécancour, said, and I quote: "It is quite obvious that this exercise by the commission members was essentially a demographic one, and that they did not take into account the sense of belonging in these communities".

And Mayor Dubois added that the Bécancour–Nicolet area cannot be divided. And what about the city of Victoriaville—Arthabaska, the heart of the Bois–Francs area, which was being separated from several area municipalities such as Princeville with which it had real and tangible links.

I can only congratulate the government on its decision to impose a two–year moratorium on this electoral boundaries readjustment process. We are talking about an $8 million exercise. Eight million dollars to move little lines around on the electoral map, displeasing the majority of national, provincial and municipal authorities in the process, all the while trying to preserve electoral quotas and in fact spending public funds needlessly.

Of course a revision of the electoral boundaries is necessary when certain elements of the Elections Act are not adhered to.

Factors to be taken into account, besides electoral quota, are described clearly in section 15 of the Act: community of interests of the inhabitants of a given electoral district in the province or its historical development. Also, care must be taken to ensure districts are not too large in sparsely populated, rural or northern regions of the province.

• (1345)

Recent revisions have shown that more often than not, commissions had used purely mathematical rules to readjust electoral boundaries.

The intent, in this bill, to preserve the integrity of RCMs within districts is commendable but hardly immutable. As we have seen, in certain cases, others factors must be taken into account.

In a commentary published on Tuesday February 22, 1994, in *L'Union*, the chairman of the CNTU Bois–Francs, Mr. Denis Champagne, gave a general idea of what people think: "For an electoral map to be good, it must reflect the various communities and identify the connections between these well enough. Finally, the administrative structure has to adhere to it. Right now, we are in an undescribable administrative muddle". And he adds: "Boundaries now divide RCMs; they overlap different administrative areas. . . In a word, I cannot see the current revision meeting our needs in that respect".

That is what commissions must look at. It stands to reason that we should review the legislation governing this process. A parliamentary committee should oversee the review of the Act and electoral boundaries should be readjusted. It really needs to be done. It has not been done in 30 years.

Sir John A. Macdonald himself recognized that electoral power parity was essential, while not being the only factor to be taken into account to ensure effective representation. He introduced the Representation Act, 1872, in recognition of this basic truth: "Although the rule concerning the population of each district has been widely obeyed, other factors have been considered relevant to ensure a variety of interests, classes and communities can be represented and the rule of numbers is not the only one used".

This quote was used as part of a ruling made by the Supreme Court of Canada on June 6, 1991, in the case of the Attorney General of Saskatchewan against Roger Carter et al.

It would therefore be worthwhile to review the Act to make sure that electoral boundaries commissions take all these factors into consideration rather than set arbitrary boundaries.

[*English*]

Mr. George Proud (Hillsborough): Madam Speaker, I rise today to participate in a debate that has gone on for some time now about the right or wrong of suspending the Electoral Boundaries Readjustment Act. As one who comes from the smallest province in Canada whose seats have been enshrined in the Constitution and where the numbers can neither go up nor down, people might ask me: "Why would you want to participate in this debate?"

I believe what we are proposing to do here is very worthwhile at this time. We have decided to suspend the act and have the committee look at what way we can change the distribution system to make it better. As my colleague from Vancouver Quadra alluded, I believe personally the change should be in line with the way it is done in the United States.

At this time we are all talking about slowing down the spending of money and other things. The talk going around indicates that we have already spent $5 million but it is going to cost a lot more money if we look at the outcome of the redistribution.

• (1350)

I am not necessarily saying that we should not redistribute the numbers or redistribute the seats, but I do not believe at this time in our history there is any justifiable need to add more seats any place in Canada.

All kinds of institutions are looking at holding the line, reducing numbers or not going ahead with other plans. I notice new provincial electoral reform has just come forward in my own province. I have not spoken on what I think of it. They are reducing seats. The ridings in Prince Edward Island are held by two members. There are 16 ridings and two members for each. This is a throwback to the days when there were two houses. It was 100 years ago that one of the houses was eliminated but two members per riding were retained. They are now talking about changing to one member per riding. I do not know what the end result will be in the number of seats.

It is not the best time for us to go forward and increase seats in the House with the added costs. The provinces that would gain are well represented in the House right now. This can continue. After the committee makes its recommendations we can look at the readjustments.

At this time the whole process needs to be re–examined. It has been many years since it has been looked at. We have been using the same formula for approximately 30 years. Everything is up for review in Parliament, everything in our country. It is not such a terrible thing to do so.

Many people have said that we should expand the number of seats or that we should go forward with redistribution. Again I agree with my colleague from Vancouver Quadra. Maybe the way in which the electoral system has operated for the last number of years has not been the best.

For instance, we should have an automatic formula that kicks in after a census is taken and ridings need to be readjusted. Many times over the years ridings have been readjusted to make it better for some members and make it worse for others. This has always been a trend in our electoral system. As a member for some years now in this House and in the provincial legislature I have indicated that it should be done fairly for every person and for every riding. The people who should be getting the best arrangement are the voters. I do not think that has always been the case.

When we conclude debate, vote on the bill and it goes to committee I trust it will be studied seriously. I am sure the committee will do so, with members from all parties in the House. Then the committee will report back to us and recommend that some changes need to be made.

I am sure, as we go along in the governance of the country, there will be many more important issues that need to be tackled than whether we should change the boundaries and add more seats to this institution. There are now 295 seats. As I said a few minutes ago, the men and women who represent the provinces across the country and the two territories give good representation. Of course one would always like to see more members on his or her side of the House depending on what is at issue. I do not think that is what is intended by the motion although we all know that has happened in many cases in the past.

This is a good time to tackle the issue of setting it aside, reviewing it and at the end of the day coming forward with a mechanism that will make it a better way of deciding on how we raise or lower the number of seats in given areas.

• (1355)

As I said, in my own special case perhaps I should not be the one speaking on it, but I come from the smallest province in Canada. We have four members of Parliament and those seats were enshrined in the Constitution. That was one of the arrangements made in 1873 when the province of Prince Edward Island came into Canada. It was enshrined again in 1982 when the Constitution was amended and brought home to Canada. This is given to the smaller provinces so that they will not go below a certain level. It is the same in the United States. Every state is guaranteed that it will have representation in Congress.

As we head to question period, I say that I had great concern about the way we were rushing into this matter. There were certainly representations made by many members across the country to put a hold on the process for the present time, let the committee have a serious look at it and let us see what needs to be done. I am sure all constituents in the country who are represented here will decide at the end of the day whether or not we do the right thing.

As we look at what is to take place in the country over this period of time I am sure there are issues that can well be addressed just as easy as electoral reform. I am sure all members of the House will join with us when we vote on laying the matter aside and letting what is to happen in the future be determined. I know that Canada will be well represented by this action.

The Speaker: Order. It being two o'clock, pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

WAYNE GRETZKY

Mrs. Jane Stewart (Brant): Mr. Speaker, last night Wayne Gretzky scored his 802nd NHL goal to surpass Gordie Howe's all–time NHL scoring record.

Wayne Gretzky was raised and educated in Brantford and his family continues to reside in my riding. Many of us have followed his career with a great deal of interest and enjoyment. Number 99 has won nine scoring titles, the Hart trophy nine times, the Lady Byng trophy three times and the Conn Smythe on two occasions. He has his name on the Stanley Cup four

times, has been a part of three Canada Cup championship teams and holds no less than 61 NHL records.

Off the ice Wayne Gretzky has made a tremendous contribution to many charities and organizations, committing endless hours to help less fortunate groups and individuals. Wayne Gretzky's on and off ice dedication and contributions truly make him the great one.

I invite all members to join me in congratulating Wayne Gretzky on his career accomplishments.

* * *

[*Translation*]

FOREST CONSERVATION

Mr. Philippe Paré (Louis–Hébert): Mr. Speaker, today I would like to point out that the 25th Forestry Week, organized by forestry and geomatics students at Laval University, is being celebrated. I want to extend hearty congratulations to these young people who are concerned about making the public aware of the importance of preserving our forests.

Let us not forget that trees are among our most important natural resources. From an economic standpoint, in Quebec, forestry accounts for over 4 per cent of GDP, 15 per cent of export revenues, and over 10 per cent of direct employment. The environmental importance of the forest is beyond question: just think of its role as a CO_2 trap.

Again, I congratulate the forestry students at Laval University on their initiative.

* * *

[*English*]

PUBLISHING INDUSTRY

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, everyone knows that the sale of Ginn Publishing Inc. was a bungled deal. The issue will not go away. The sale has become the litmus test of the government's commitment to parliamentary reform and to an open parliamentary process.

The Minister of Canadian Heritage stated yesterday that he had no objection to an investigation by a parliamentary standing committee.

The Liberals speak of an honest and open government but the matter has been discussed in committee and government members have thwarted any opposition attempts for such an investigation. It is easy for the minister to call for an investigation at committee when there is no follow–through for such an investigation.

• (1400)

This government has broken its commitment to an honest and open government over and over. It will not allow this investigation. We saw today it even invoked closure. What kind of open government is this?

* * *

NATIONAL ABORIGINAL LANGUAGES MONTH

Mr. Jack Iyerak Anawak (Nunatsiaq):

[*Editor's Note: Member spoke in Inuktitut*]

[*English*]

Mr. Speaker, March is National Aboriginal Languages Month. Today I want to honour these languages, the first languages in this country.

I encourage the members of this House and all Canadians to support aboriginal peoples in their struggle to preserve and promote their languages. Of the 53 aboriginal languages in Canada, only three have a good chance of surviving, one of which is Inuktitut which I just spoke.

The NWT is the only jurisdiction in Canada which recognizes aboriginal languages as official languages. Through the federal NWT Language Co–operation Agreement, aboriginal languages in the Northwest Territories receive protection and assistance.

This agreement is significant and I commend its objectives to all Canadians.

* * *

ENVIRONMENTAL INDUSTRIES

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, this week Vancouver is hosting one of the world's biggest trade fairs and conferences on environmental industries. Approximately 40 countries are represented at the Globe International Trade Fair and Conference. Along with the thousands of visitors, their participation demonstrates that the business of the environment is enjoying an unprecedented boom.

By the year 2000 world markets for environmental industry products will be in the order of $600 billion annually. In Canada alone the industry includes some 4,500 firms employing about 150,000 people. Its annual sales are now approximately $11 billion and are expected to double by the year 2000.

Globe 94 provides an important venue toward doing business and bettering the environment. It provides a tremendous opportunity for Canadian companies to demonstrate their innovations and find new suppliers, new buyers and new sources of financing.

Globe 94 highlights how sustainable development fosters the development of environmental industries—

S. O. 31

PARKS CANADA

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, the hon. Minister of Canadian Heritage is to be commended for tabling the new Parks Canada "Guiding Principles and Operational Policies".

Today is an occasion for pride in our rich heritage. This policy document is the foundation for our national and international commitments to protecting and showcasing our heritage.

[*Translation*]

This initiative results from the efforts made in the last two and a half years by the many Canadians who took part in the consultation exercise needed to develop and refine the policies.

[*English*]

The exercise demonstrated how deeply Canadians care about their natural and cultural heritage preserved by our national historic sites, national parks, marine conservation areas, historic canals, heritage rivers, heritage railway stations and other program elements of Parks Canada.

* * *

[*Translation*]

CANADIAN CENTRE FOR MAGNETIC FUSION

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, on March 20, 1992, the then Deputy Minister of Energy, Mines and Resources, Bruce Howe, made a formal commitment on behalf of the federal government to contribute $7.2 million a year for five years to the Canadian Centre for Magnetic Fusion. This centre conducts research on nuclear fusion in Varennes, using a test reactor called Tokamak.

This program funded equally by the federal government and Hydro–Québec is part of concerted international action on nuclear fusion, a process quite unlike conventional nuclear fission that looks like a clean, safe and promising alternative source of energy for the future.

Despite the representations made to the Minister of Natural Resources by the President of Hydro–Québec, the government decided to reduce its contribution by over $2 million.

I strongly deplore the government's decision to save a little money at the expense of a major research project in Quebec, a province already shortchanged in federal research and development funding.

• (1405)

[*English*]

MEMBERS OF PARLIAMENT

Mr. Randy White (Fraser Valley West): Mr. Speaker, let us get the facts straight about the government's compensation report recently tabled in this House. It is business as usual. Although the Conservatives started it, the Liberals could have stopped it but did not. The initial cost of the report was $150,000 and has escalated to $200,000.

It recommended severance pay for all MPs even though many have jobs to go to after their mandate. It recommended more money for senators and it recommended a 37 per cent pay increase for MPs. The Liberal Party suggests that MPs deserve a raise because they work so hard.

Let us consider ourselves Corporation Canada and we are its 295 directors. Corporation Canada spends $160 billion a year and loses $40 billion. Do MPs deserve this self–indulgence? No. Balance the budget and we will talk about it.

* * *

ETHANOL

Mr. Rex Crawford (Kent): Mr. Speaker, ethanol is the fuel of the future available today. It is sustainable development, a boon to agriculture, a 30 per cent reduction in harmful greenhouse gases, a plus for the economy.

A $170 million ethanol plant was announced last week for my riding. It will be world scale, 20 times larger than anything now in Canada, competing head on with the U.S. and using half a million tonnes of Canadian corn with an annual economic impact in southern Ontario of over $125 million.

It is a win–win situation giving an economic boost to Canadian agriculture while prolonging the life of oil reserves. The monumental and historic ethanol plant in Chatham hinges on one thing. I strongly urge the government to extend the current excise tax exemption on ethanol fuels for over 10 years.

American states, Alberta—

* * *

[*Translation*]

IRVING WHALE

Mr. Patrick Gagnon (Bonaventure—Îles–de–la–Madeleine): Mr. Speaker, I want to mention the excellent work done by the government, and in particular the Minister of Transport, the hon. Douglas Young, regarding the case of the *Irving Whale*. This ship, which has been called a time bomb for the environ-

ment, will finally be refloated. This is good news for the residents of the Magdalen Islands and P.E.I.

The witnesses heard by the Gagnon–Easter committee were able, for the first time, to express their fear to me and to Wayne Easter, the hon. member for Malpeque. They were unanimous in saying that it was time to act, and our government listened to them.

In conclusion, I want to congratulate all those who worked relentlessly for that happy ending in the case of the *Irving Whale*. All of Eastern Canada is very grateful for that outcome.

* * *

[*English*]

CHRIS HODSON

Mr. John O'Reilly (Victoria—Haliburton): Mr. Speaker, I rise today to congratulate Mr. Chris Hodson, the newest member of the Ontario legislature who won a provincial byelection in Victoria—Haliburton on St. Patrick's Day.

He has been described as a political newcomer, however after closer examination his family name has a long history, including this very chamber. His grandfather, Clayton Wesley Hodson, was the member of Parliament for Victoria from 1945 to 1963. His uncle, Glen Hodson, was the member of the provincial parliament for Victoria—Haliburton from 1963 to 1975.

Once again I want to congratulate Chris on his victory. I look forward to working with him to provide excellent representation for the constituents of Victoria—Haliburton.

* * *

[*Translation*]

DEMOCRACY IN MEXICO

Mr. Nic Leblanc (Longueuil): Mr. Speaker, on behalf of all Bloc Quebecois members, I want to condemn the assassination of Mr. Colosio, the institutional revolutionary party candidate for the Mexican presidential election.

Mr. Colosio was primarily known here as a key player in reform and modernization of the institutional revolutionary party and, since the beginning of the crisis in the state of Chiapas, in January of this year, an advocate of the Mexican election process reform.

Without in any way interfering in Mexican domestic politics, I want to express the general feeling of reprobation among Quebecers in light of this violation of the democratic process of a friendly nation.

[*English*]

AGRICULTURE

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, people often remark about grain farm subsidies, usually not in a very positive manner. What most people are not aware of is the problems faced by grain farmers which are beyond their control.

Since the 1970s provincial and federal governments and the Wheat Board of Canada have supplied 18,000 hopper cars to railways.

• (1410)

In spite of this, some Manitoba elevators have not seen a rail car in over two months. Most elevators are full to capacity and April 1 road restrictions in Manitoba will restrict the movement of grain by farmers.

There are currently 30 ships in Vancouver harbour awaiting grain. These ships get up to $20,000 a day in demurrage charges and this comes out of the farmers' pockets. Some ships have left empty after collecting as much as $350,000 in demurrage charges.

Since the Vancouver port shutdown, western grain farmers have lost approximately $200 million in grain sales and demurrage charges. Canadian farmers cannot afford this and neither can the Canadian economy.

* * *

NATIONAL DEFENCE

Mr. Derek Wells (South Shore): Mr. Speaker, the commentary surrounding the recent cuts to the defence budget centres around the closure of four Canadian bases across Canada.

As a member whose riding is losing its two Canadian forces stations, I have to say that the South Shore's loss is just as devastating if not more so when the economic state of the area is taken into consideration.

However, the communities of Mill Cove and Shelburne have begun the process of adjusting to their losses. Steering committees have been formed in both areas to encourage and co–ordinate redevelopment plans.

Right now these communities are concerned that assets from the stations will be transferred elsewhere. This must not be allowed to happen. It is impossible to make plans if the resources available are constantly changing. These committees have taken on a very difficult task. They should not be forced to operate in an atmosphere of further uncertainty.

I therefore urge the Minister of National Defence to freeze all assets at CFS Mill Cove and CFS Shelburne until such time as proposals can be formalized.

Oral Questions

GREECE INDEPENDENCE DAY

Mrs. Eleni Bakopanos (Saint–Denis): Mr. Speaker, this weekend more than 40,000 Canadians of Hellenic origin from all parts of Montreal will be in my riding of Saint–Denis celebrating the anniversary of Greece's independence day on March 25, 1821 and the establishment of the modern Greek state.

[*Translation*]

But this year, Mr. Speaker, Canadians of Hellenic origin have something more to celebrate.

[*English*]

On behalf of my constituents of Hellenic origin I wish to thank our government for playing an important role in the Balkan crisis not only in providing peacekeeping forces in the region but for encouraging all neighbouring states to seek peaceful resolution to their conflicts.

We are proud that Canada is supportive in helping to resolve the differences between Greece and its neighbours.

[*Translation*]

I would like to conclude by offering my most sincere congratulations to the members of the Hellenic community in my riding, as well as to all Canadians of Greek origin, on this important day.

Zito o Kanadas!

[*English*]

Long live Canada.

* * *

MIGRANT WORKERS

Mr. Alex Shepherd (Durham): Mr. Speaker, the township of Uxbridge is a largely rural municipality in my riding. The municipality is currently being asked to rezone land to allow for an influx of migrant workers in order to harvest 1994 crops.

These migrant workers are brought to our country under a program administered by the Canada Employment Commission. In the case of Ontario for the 1993 season this program was responsible for the importation of over 9,000 workers.

Many farm organizations claim that they need this workforce to address the seasonality of their industry. I note that many of our industries have seasonal fluctuations such as construction and tourism and that these industries do not require the importation of labour. Others question the reluctance of Canadians to perform this type of work.

I wonder with our current high levels of unemployment and social assistance whether farm organizations and the Canada Employment Commission could review this process with a view to hiring Canadians.

* * *

FEDERAL GOVERNMENT

Miss Deborah Grey (Beaver River): Mr. Speaker, we have been in this House since January 17 and Canadians have been watching this government to see what, if anything, would be done differently.

What an incredible disappointment it must be for Canadians to realize that the promises of a new way of governing would guide and shape the activities of this government were not to be kept.

Members opposite are a mirror image of their predecessors. It is simply business as usual. The pork barrel is full. The trough has been topped up. Budget forecasting is still less effective and reliable than weather forecasting.

Junkets are still a pleasant reward and used to keep the backbenchers in line. Questionable handouts to business, business as usual. Laughable handouts to special interest groups and pressure groups continue.

How Canadians must lament when they watch this government day to day and see the evidence mounting that it is simply business as usual.

ORAL QUESTIONS

• (1415)

[*Translation*]

UNEMPLOYMENT INSURANCE REFORM

Mr. Michel Gauthier (Roberval): Mr. Speaker, not only has the business community reacted negatively to the budget brought down by the Minister of Finance, but we also learned this morning that three out of four Quebecers are disappointed with the budget because it will not make the economy stronger.

The three major unions in Quebec have asked the government to delay implementing the measures restricting unemployment insurance until a genuine comprehensive debate is held on social program reform.

Does the Minister of Finance intend to postpone, as requested by the three major Quebec unions, the UI measures announced in his budget until such time as genuine consultation on the reform process has taken place?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Develop-

ment—Quebec): Mr. Speaker, there is no question, and the Minister of Human Resources Development has repeatedly said so, that we intend to begin a process of fundamentally reforming unemployment insurance in order to better prepare workers for training and to create jobs. We have embarked on a course that will enable us to achieve this goal and we will stay this course.

Mr. Michel Gauthier (Roberval): Mr. Speaker, will the Minister of Finance recognize that he should reconsider his approach which has been to attack the unemployed rather than unemployment itself? And could he tell us if he intends to put genuine job creation measures on the table in order to help people get off unemployment by working, instead of forcing them off UI by cutting their benefits?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, not only have we rolled back the UI premium rate in our budget in order to create jobs, not only have we talked about funding a new training plan to provide more training to our workers, but yesterday—and it surprises me that the hon. member is not asking me a question about this—the Minister of Human Resources Development and New Brunswick Premier Frank McKenna announced a program specifically designed to help Canadian workers.

Mr. Michel Gauthier (Roberval): Mr. Speaker, the main weakness in the Finance minister's budget is that is does not contain a single project of major significance that would help spur the economy. That is what is wrong with his budget. Does the Minister of Finance not recognize that he must introduce bold measures and join with the private sector in investing in forward–looking projects such as the high–speed train, projects which would give some hope and some dignity back to the unemployed?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, at the beginning of his question, the hon. member quoted from a survey which was reported in this morning's edition of *La Presse*. I would like to quote the article in question: "After leading the way in the House of Commons on the issue of the military college in Saint–Jean, the Bloc has chosen not to mention this matter at all in its review of the Martin budget. Instead, on the subject of defence, it criticizes the minister for not making deeper cuts".

How inconsistent, Mr. Speaker. How hypocritical!

Some hon. members: Oh, Oh!

Some hon. members: Withdraw what you said!

Mr. Martin (Lasalle—Émard): You are right, I withdraw the reference to hypocritical.

MONETARY POLICY

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, when the Liberals were in opposition, they strongly denounced the policy of high interest rates pursued by the former Governor of the Bank of Canada, John Crow. Now the excessive increase of the Bank of Canada rate that we saw yesterday is another sign which shows that nothing has changed.

• (1420)

My question for the Minister of Finance is this: Why did the Liberal Party of Canada promise in the election campaign to redefine the monetary policy, when it is acting exactly like the previous government by obsessively fighting inflation, which has been eliminated, instead of fighting unemployment?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, we will maintain the strategy of pursuing an inflation target of 1 to 3 per cent, with a goal of 2 per cent. We will do so because we want to create jobs and we want the economy to grow. The hon. member, as a reputable economist, knows very well why and I wonder why he asks such silly questions.

Some hon. members: Oh, oh!

The Speaker: Order! The language is getting a little rough today. Perhaps more moderate words could be used. I would hope that we could speak to each other in a civil manner.

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Thank you, Mr. Speaker. Given what he just said, I ask the Minister of Finance if he could explain to us how his position is different from that of the Conservatives?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, our objection when the Conservative government was in power was the really savage way they wrestled with inflation to bring it down. But we paid the price and we are there now! After making such hard–won gains, now is not the time to give them up.

* * *

[*English*]

GOVERNMENT EXPENDITURES

Miss Deborah Grey (Beaver River): Mr. Speaker, for four and a half years I sat in the House and watched the Conservative government lose the respect of the Canadian people.

During those years the Liberals promised that when they were in government things would be different.

Some hon. members: Oh, oh.

Some hon. members: Hear, hear.

Miss Grey: Mr. Speaker, it has become apparent that the government is practising business as usual. The red book

promised: "A Liberal government will reduce grants to business". Once elected that very same Liberal government begins shovelling money over to its friends in business.

My question is for the Minister of Finance. How does he justify the full blast operation of what Terence Corcoran calls the Ottawa grant machine in defiance of the government's own red book?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, perhaps the member ought to be a bit more specific in terms of what grants she is opposing. I read Mr. Corcoran's column.

Is she opposing the infrastructure program? Is she opposing the program that every single province in the country has endorsed? Is she opposing the infrastructure program that every major municipality has requested?

An hon. member: Perhaps we should have recall.

Mr. Martin (LaSalle—Émard): That is right, perhaps we should have recall, considering that every province and every municipality wants to have the infrastructure program. If she does not like it, maybe we should have recall.

Miss Deborah Grey (Beaver River): Mr. Speaker, we would love a definition of what infrastructure is and if it includes Saddledomes and hockey stadiums, then we do have to ask questions.

I have a supplementary question for the Minister of Finance also on the topic of business as usual.

Two separate squadrons of members of Parliament and senators are lifting off for Paris in the springtime. One of those groups will be accompanied by spouses at taxpayers' expense.

Will the minister explain to his colleagues that compounding the wastefulness of an already useless junket makes his efforts to cut the deficit that much harder?

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, first of all I would like to say that the trip does not involve the authority of the government. It is the executive of the parliamentary association that is elected by the members of this House.

• (1425)

It is important for us who believe that parliamentary exchange with the rest of the world is important. This is a national Parliament and such exchanges should continue.

Concerning the way delegations are formed and the expenses of such delegations, I would like to remind members that on January 17 this year we announced a plan to reduce costs to the House of Commons budget. In that plan was the way we should restructure our parliamentary association.

I am sure that if the member has enough patience in the few months to come before this session adjourns we will have a new system of parliamentary delegation. I am sure that the representative of the Reform Party on the board will contribute to that new approach.

The Speaker: I would point out to the hon. member that parliamentary trips or voyages, if I might call them that, come under the purview not of the government per se but from a committee of Parliament. With that I will go to the third question.

Miss Deborah Grey (Beaver River): Mr. Speaker, those who travel with the parliamentary associations are not paying their own way. The taxpayers are paying their way.

One final supplementary question for the Minister of Finance, still on the theme of business as usual.

It is reported that a poll commissioned by the human resources department cost $250,000. Would the Minister of Finance in his efforts to trim the deficit, as I know he is concerned, investigate whether this was the lowest bid the department of human resources received or whether the most competitive bid which was recommended by the department was passed over by the minister in favour of his hometown pollster?

The Speaker: We are bordering here on impugning motives. I am sure we would be able to lower the decibel level just a bit.

I would hope that in both the questions and the answers we would not impugn motives to hon. members of Parliament.

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[*Translation*]

UNEMPLOYMENT INSURANCE

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Minister of Finance.

An Info Update sent to Regional Directors of Canada Employment Centres shows disturbing figures. Out of $2,355 million worth of cuts, in 1994–95 and 1995–96, $630 million will come from the Maritimes and $735 million, each year, from Quebec. That is 60 per cent of unemployment insurance cuts for one third of the population.

How can the Minister argue that his government's priority is job creation, when its only strategy is an attack on 85 per cent of the unemployed, and moreover in the poorest provinces?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, these figures are not correct. In fact, the changes to the unemployment insurance program will affect only 2 or 3 per cent of the beneficiaries. I would appreciate it if the hon. member would report true facts, not fiction.

Mrs. Francine Lalonde (Mercier): Mr. Speaker, the figures have been verified with Strategic Policy and, if you wish, I can give the name of the civil servant we contacted who, of course, was none too happy that we had these figures. For 1994–95 and 1995–96, they are correct.

• (1430)

How could we take seriously the job creation initiatives of the government when the only thing it does is wage war on the unemployed, while hiding reality behind programs like the one the Minister unveiled yesterday in New Brunswick, which will affect 1,000 persons and cost the federal government $40 million over 5 years, when more than a billion is being syphoned out of the Maritimes in just two years?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, unfortunately the hon. member of the opposition is beginning to suffer from an acute case of selective memory.

The fact of the matter is we did not just announce one program for New Brunswick. We have also announced a major program that will affect young people. We announced an additional $20 million for young people, 10,000 more spots for summer employment. Our red book put forward these initiatives. We will be making an announcement very shortly. Places will be provided for tens of thousands of young people in internship programs. We have announced programs whereby we would put people into a youth service corps by the tens of thousands.

We have announced programs where we will provide the very major stimulus of $800 million right across the country for a wide range of new approaches to get people back to work.

We said in the red book that the old programs were not working. The old ways were not getting people back to work. We are dedicated as a government to getting people back to work. In order to do that we have to make changes. I wish the hon. member would realize that change in this world is necessary and not just defend the status quo.

* * *

INTEREST RATES

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, my question is for the Minister of Finance. Yesterday the minister acknowledged that Tuesday's rise in the Bank of Canada lending rate is likely to result in higher than budgeted costs for servicing the government debt. He insisted the estimate for other budget items were conservative and that the overall deficit estimate would be achieved.

It looks like business as usual. Does the minister admit that the high interest rates also will have a negative impact on economic growth and tax revenues and that therefore the overall deficit forecast is also too low?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, the hon. member knows the current level of interest rates is substantially lower than the level we had six months or a year ago. Yesterday and today the vast majority of economists have said the current level will not in fact impede the economic growth we are now embarking on.

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, why was the Canadian dollar under such heavy pressure that the Bank of Canada on Tuesday had to increase its lending rate 18 per cent, or 78 basis points, to a level of 5 per cent and the exchange rate today has dropped another four–tenths of 1 per cent?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, the hon. member knows the Minister of Finance cannot engage in speculating on the reasons for interest rate increases or decreases. I know he also realizes that if the Minister of Finance were to do so, he would get himself into a lot of trouble. I am sure the member would not want to get the Minister of Finance into a lot of trouble.

* * *

[*Translation*]

AVERAGE INCOME OF FRANCOPHONES

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, my question is for the Minister of Finance. According to a Statistics Canada study, the income gap between francophones and anglophones is widening steadily at the expense of francophones. In 1977, this gap in favour of anglophones was 4.4 per cent. In 1992, it had increased to 10.3 per cent. This study also shows that only in Quebec has this historical income gap between anglophones and francophones narrowed.

• (1435)

Will the minister recognize that the socioeconomic status of francophones outside Quebec has deteriorated drastically, which goes to show that the Canadian federal system is a total failure?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, we are of course looking at these figures with great interest. As a francophone myself, I care a great deal about my economic future.

I think we should not jump to conclusions too quickly. Language is one thing, and the economic status of individuals is another, although the two can sometimes be linked. Many factors come into play in determining our economic conditions.

The main thing we can do, in my opinion, is to continue to monitor the situation, gather data and eventually draw conclusions which will be well–informed.

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, it goes without saying that I am not worried about the minister's economic situation. While he is at it, the minister might as well examine other areas, as we have requested.

Would the Minister of Finance agree with me that, if the income gap narrowed in Quebec, it was thanks to Bill 101 which opened senior management positions up to francophones in Quebec?

Hon. Michel Dupuy (Minister of Canadian Heritage): It is quite interesting, Mr. Speaker, to see also what is happening in New Brunswick, where the gap between anglophones and francophones is rather small.

An hon. member: How small?

Mr. Dupuy: One percentage point. I think that we should also bear in mind that the statistics published were for five provinces. As I said earlier, let us wait and see what the studies will reveal when they are further along before answering.

* * *

[*English*]

HOUSE OF COMMONS

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, my question is for the government House leader.

There is further evidence that business as usual in Ottawa is continuing. Only a few months ago the Liberal Party when in opposition complained that the dictatorial Tory regime used its majority to ram controversial legislation through Parliament. How the Liberals did abhor the actions they now casually justify.

Will the government House leader stand and tell this House that the government will never again for the life of this Parliament resort to such undemocratic tactics as closure through time allocation to stifle debate?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I said on behalf of the government it will be found over the life of this Parliament that this government will be using time allocation and closure far less frequently than its predecessor. I challenge the opposition House leader to raise this again after a few years and see if I am right.

Speaking of democracy, I do not know why the hon. member is complaining when the majority of members want to have a decision taken. I thought that was democracy rather than having this place run by the minority in the Reform Party.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, it was my impression that this House was a forum whereby members could have the opportunity of making a case to convince the other side and that is the purpose of this.

In the Liberal red book the government says it will take a series of initiatives to restore confidence in the institutions of government; open government will be the watch word of the Liberal program.

Is the use of closure through time allocation one of the initiatives that will be used to restore confidence? Is this what the House leader calls open government?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the hon. member forgets that with his support and the support of the Official Opposition this House passed a major package of parliamentary reform measures. Is he reflecting on his own decision? I doubt he wants to do that.

Furthermore if the member wants to worry about shutting off debate, why is he wasting the time of this House today with repeated quorum calls blanking out the chances of members even of his own party to debate? That is not parliamentary democracy.

* * *

• (1440)

[*Translation*]

RIGHTS OF FRANCOPHONES

Mr. Louis Plamondon (Richelieu): Mr. Speaker, my question is for the Minister of Canadian Heritage.

According to many experts, the income gap between anglophones and francophones in every province except Quebec is due in large part to the educational difficulties encountered by francophones. This opinion is shared by the Liberal member for Ottawa—Vanier who told the TVA television network yesterday: "We asked for the management of our own schools because it goes hand in hand with regular management. We still do not have it in Ontario after asking for it continuously for 30 years".

Does the minister share the opinion of his Liberal colleague from Ottawa—Vanier and does he recognize that francophones outside Quebec do not enjoy the same rights and privileges as anglophones in Canada and Quebec?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, what I recognize above all is the Canadian Charter of Rights and Freedoms. I recognize the Supreme Court decisions defining these rights. I believe these rights should be enforced and respected. That is precisely why this government recently introduced a Court Challenges Program to help right the wrongs done to those who feel their rights have been violated.

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I hope that if the minister believes in rights and freedoms, he also believes that Supreme Court decisions should be implemented, but unfortunately they are not.

Does the minister admit that the federal government miserably failed to ensure that francophone and Acadian communities in Canada manage their own schools, and to give them enough money to have proper schools, not like those in Kingston?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I would like all these schools to be magnificent, but I can assure you that we do not forget those lacking these facilities. That is why a program costing in excess of $100 million is under way to build and expand schools. This is a big country and we cannot do everything at once.

But I hasten to add that education is an area of provincial jurisdiction and what we can do is negotiate with the provinces to improve the situation. Negotiations are under way where the needs are greater and I hope they will succeed in improving the situation.

* * *

PUBLISHING INDUSTRY

Mr. Dan McTeague (Ontario): Mr. Speaker, my question is for the Minister of Canadian Heritage.

[*English*]

The Canadian publishing industry represents a $2.2 billion industry which directly employs over 12,000 Canadians. Many of these individuals are in my riding. However this is one industry that has been battered by recession, by globalization and by foreign competition.

Will the minister tell this House what his department and this government are doing to support the Canadian publishing industry which is so vital to Canada and all our ridings?

Hon. Michel Dupuy (Minister of Canadian Heritage): I share the concern of my colleague. It is indeed a vital industry. It is one we should support and we are doing so.

I can indicate the amounts we are putting behind that industry. We are providing over $20 million in support to the Canadian book publishing industry under publication and distribution assistance for the coming fiscal year. We are also providing $24 million in the coming fiscal year. The postal subsidy for the next two years will be over $77 million. That is a total of over $120 million. That is the support we are giving to that industry.

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GOVERNMENT CONTRACTS

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, my question is for the Minister of Public Works and Government Services.

On November 4 last year the Prime Minister promised to examine the process of awarding advertising contracts. As yet no guidelines have been produced.

On February 1 a well known Liberal campaign manager who is also a close friend and former employee of the Minister of Human Resources Development became a director and owner of McKim Communications. Just three days later a federal contract worth $5.5 million was extended to him. On the surface this appears to be another example of business as usual. I assume the minister must approve all these contracts.

• (1445)

Besides the ownership of this company is the minister aware of an employee or an officer of McKim Communications who is closely related to a member of his own cabinet, and could he identify that person?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I thank the hon. member for his question because it gives us an opportunity to set the record straight.

Not all that long ago the hon. member stood in the House and indicated to members of Parliament that it was a $184 million contract. Today it is a $5 million contract. The hon. member should know that the Minister of Health has responded to the specifics of a question that was raised by a colleague, perhaps in the hon. member's absence.

However on the broader issue with regard to advertising, polling and communications, the hon. member is correct. The Prime Minister issued a directive. We are presently reviewing the policy and looking at the monetary sum allocated for the purposes of the particular program.

I am sure the House leader of the Reform Party would concur because in the substance of the question he did not in any way disagree with the government using polling or consulting or advertising for those purposes. I want to assure the hon. member that the matter is under active review.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I am glad to hear that the matter is under active review, but I believe there are enough questions of integrity on the particular issue that I would ask the minister, in order to clear this rather confusing and muddling answer, if he would initiate a public inquiry into this advertising contract to see if there has been any improper or political interference in the wording of the particular contract.

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I am tempted to refer—however I do not think it would be politically correct in terms of the language of the House—to the question as silly.

However the hon. member must realize that an answer was provided by the Minister of Health. The specifics were provided to the House. I am sorry the hon. member does not like the information he is getting. I guess the hon. member would want me to say that it was $184 million and not something substantially less than $5 million.

The facts have been provided by the Minister of Health. All the information is readily available. I indicated on a previous occasion that if the hon. member wants the details all he has had to do is ask, slip us a note.

* * *

[*Translation*]

VIA RAIL

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, my question is directed to the Minister of Finance in his capacity as Minister responsible for regional development in Quebec.

This morning, we learned that as part of its rationalization plan, VIA Rail is planning to cancel service on the Montreal–Gaspé and Montreal–Chicoutimi runs and to severely curtail service between Montreal and Abitibi. In other words, after denouncing the cuts to VIA Rail when they were in opposition, the Liberals are maintaining the policy of the Conservatives and abandoning rail passenger service.

Does this mean that once again, VIA Rail will be streamlining its operations at the expense of Eastern Canada, and in particular, of Quebec which will experience far more drastic rail service cuts than Western Canada?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, the document to which my hon. colleague is referring is an internal VIA Rail document. There is no question that the negotiations currently under way will determine to a large degree where service cuts will be made.

If there is no dramatic improvement in VIA Rail's ability to provide service within the budgets allocated by the federal government, then some major changes will certainly be made. However, no final decision has been made at this time because the negotiations are still ongoing.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, how will the minister responsible for regional development in Quebec be able to sanction cuts of this magnitude which will hinder regional economic development in Quebec by severing an essential link between the regions and Montreal?

[*English*]

Hon. Douglas Young (Minister of Transport): Mr. Speaker, the decisions that are going to be taken with respect to the rationalization of services provided by VIA Rail are going to be taken from coast to coast, not just in the province of Quebec.

• (1450)

The negotiations that are being conducted right now with employees and with the management of VIA Rail are going to have a significant impact on what we can provide in terms of rail passenger services for Canadians within the restrictions that were announced a year ago in a previous budget and confirmed in the budget brought down in the House in February.

How well we do in these negotiations will have a direct impact on how much rail passenger service we can protect in the country, in Quebec and elsewhere.

* * *

GREENPEACE

Mr. Bill Gilmour (Comox—Alberni): Mr. Speaker, my question is for the Minister of National Revenue.

Over the past number of months Greenpeace has been carrying out a misinformation campaign in Europe regarding forest practices in British Columbia.

Canadians are sick and tired of their tax dollars being used to support special interest lobby groups. If groups such as Greenpeace wish to engage in political activities, they should rely solely on the contributions of their supporters and not on backing from Canadian taxpayers.

Will the minister undertake a full scale review of the criteria used to determine tax exemption status for Greenpeace and other non-profit organizations?

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, the tax exempt status of many organizations is under close review by the department. There is a series of cases where we have withdrawn that privilege from an organization for misuse of funds or not abiding by the required rules.

With respect to the particular issue of Greenpeace I will take the member's representation, but I know of no examination taking place at the present moment.

Mr. Bill Gilmour (Comox—Alberni): Mr. Speaker, my supplementary question is for the Minister of Natural Resources.

Given that this misinformation campaign is costing the Canadian economy both in terms of lost revenue and lost jobs, what is the government doing to counter this misinformation campaign in Europe?

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, once more the member should recognize that we live in a democracy where people are expected to have differing opinions on many important issues. We have no intention of attempting to restrict free debate, provided of course that it does not violate the normal rules respecting liable or slander.

It is certainly true that the trade offices in Europe are attempting to put forth the correct picture of forest practices in British Columbia and elsewhere in Canada, to follow the same types of processes as they have done in the past with respect to other Canadian products under attack in Europe, and at least to set the record straight.

Once again, we do not expect German or any European authorities to adopt Draconian restrictions on freedom of speech simply to prevent the debate that may be taking place at the present time between some group and some industry. That is not our intention and we will make no representations to that effect.

* * *

[*Translation*]

DEMOCRACY IN MEXICO

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question is for the Minister of Foreign Affairs.

Following the assassination of presidential candidate Luis Colosio, does the Canadian government still have confidence in Mexico's stability?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I would like to express the condolences of the Canadian people, as the Prime Minister did yesterday, to the Mexican people for this senseless act. I am sure that I speak on behalf of all parliamentarians as well as Canadians when I offer our most heartfelt condolences to Mr. Colosio's family, to his colleagues in the Mexican government and to the Mexican people following this really unacceptable act.

I think that the President of Mexico and his government are dealing with this terrible situation calmly and courageously. To answer the hon. member's question, the Canadian government is still confident in Mexico's stability and in the desire of the Mexican government to pursue a more democratic political system.

* * *

• (1455)

PUBLISHING INDUSTRY

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Thank you, Mr. Speaker. On top of contradicting himself daily regarding the Ginn Publishing transaction, the Minister of Canadian Heritage still refuses to make public all the documents related to this transaction, including the legal opinion on which he relied to approve the transaction.

My question is for the Minister of Canadian Heritage. How can the minister seriously claim that a legal opinion from the Department of Justice can include some confidential Cabinet discussions? How can he seriously make such a claim?

Hon. Michel Dupuy (Minister of Canadian Heritage): Because it is a fact, Mr. Speaker.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, does the minister agree that the only way to preserve what credibility he may still have regarding this issue is to order a public inquiry, so that we can find out exactly what happened?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I have already expressed my opinion several times on this, and that opinion has not changed.

* * *

[*English*]

OFFICIAL LANGUAGES ACT

Mr. Randy White (Fraser Valley West): Mr. Speaker, I want to make it absolutely clear that I am not questioning the value of bilingualism but the practice and the cost of official bilingualism as mandated by the Official Languages Act.

Government officials have told me that they are not allowed to report the true costs of conforming to the rules of official bilingualism.

I would like to ask a question of the Acting Prime Minister. Will the government commit to an open debate in the House on the true cost of official bilingualism with full disclosure by all government departments so that we can settle the question of cost of bilingualism once and for all?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, these matters come before the relevant parliamentary committees during the studies of the estimates that relate to the official languages policy. In particular, the programs for which the President of the Treasury Board is responsible are studied by the relevant committees.

Finally, these matters are before the public accounts committee. I invite the hon. member to come there to get the facts and find that what he has been told by unknown sources is not correct.

Mr. Randy White (Fraser Valley West): Mr. Speaker, I happen to be on the public accounts committee and what the public accounts committee deals with are the direct costs. I am referring to the indirect costs as well.

Since it is business as usual across the way, I wonder if the government intends to continue with the $5,000 grant to the Canadian Kennel Club to promote bilingualism. Is it a part of the government's bilingualism policy to train English sheep dogs and French poodles to communicate with each other?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker,

after listening to the hon. member's question, it is very clear that it continues to be business as usual for the Reform Party.

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MAGAZINE INDUSTRY

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, my question is directed to the Minister of Canadian Heritage.

Earlier today the task force on the Canadian magazine industry released its report and recommended that those foreign magazines already operating split runs should be exempted from the proposed excise tax.

This would mean that *Sports Illustrated* which knowingly broke Canadian regulations last year would be rewarded with a permanent exemption from the law.

Will the minister rise in his place today and announce that his government will totally reject this recommendation of the task force?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I have indeed received the report and I have read it carefully. It is not my habit to declare policy without consulting the people concerned, the interests of Canadians concerned and my colleagues. As early as possible I will come forward with a policy before cabinet and before this House.

* * *

• (1500)

GUN CONTROL

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, my question is for the Minister of Justice.

Earlier today I presented a petition to Parliament with 200,000 signatures asking that handguns be banned for private use. This petition was initiated by Concordia University where in 1992 four professors were murdered by an individual who easily acquired three handguns.

Since handguns are not used for hunting and have no other legitimate use for ordinary citizens, would the minister give serious consideration to the demands made in these petitions: "Where guns are less available there is less crime with guns"?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I know that all members of the House were, as I was, saddened by this senseless tragedy at Concordia University. I know all members of the House would want to join with the Minister of Justice and myself in offering our deepest sympathy to the families of the victims.

I would like to say that petitions are the voices of Canadians and, as such, should all be given attention and consideration. I want to assure the hon. member that this petition will be getting full attention and consideration from the Minister of Justice.

The Speaker: Well, this has been a lively day.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval): Mr. Speaker, I would like to ask the Leader of the Government the usual question about the business of the House.

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, today the House will conclude the second reading stage of Bill C–18. Tomorrow we will commence debate on Bill C–17, the budget implementation bill. If this is not concluded tomorrow we will resume debate on this bill after the Easter adjournment on April 11.

After Bill C–17 is given second reading, we will call legislation as follows: report stage and third reading of Bill C–9 regarding economic affairs, Bill C–4 respecting the NAFTA side deals, and Bill C–2 regarding Revenue Canada.

We would then turn to the second reading debates on Bill C–7 regarding the control of certain substances and C–11 respecting tobacco.

If Bill C–18 were to be reported from the standing committee before we have completed this list, we would of course return to its consideration at the report stage and third reading. This would then put us in a position to proceed with the government's motion to ask the procedure committee to prepare a bill addressing issues connected with the redistribution process.

Finally, it is our intention to devote a day soon after our return to a general debate on agriculture. Depending on the progress of legislation, that debate could be held late in the first week we are back or, failing that, during the first week of May.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I would just like to clarify if the government House leader could indicate when the report stage for Bill C–18 might be expected since he mentioned it in his report.

Mr. Gray: Mr. Speaker, this would depend on the pace of work of the Standing Committee on Procedure which will receive Bill C–18 after this House votes second reading later today. Under the rules, I do not think that report stage could begin until after we return from the Easter break. Certainly we would want to call report stage and then third reading of C–18 as soon as possible after the bill is reported back to the House from the standing committee.

GOVERNMENT ORDERS

• (1505)

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION ACT

The House resumed consideration of the motion and of the amendment.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I rise today as many of my colleagues have to raise some concerns about the Electoral Boundaries Readjustment Suspension Act that we are debating in Parliament.

My own riding like everyone else's has come up for boundary readjustment under the current proposals. I saw a couple of weekends ago in the newspaper the boundary proposals. The changes to my boundaries are not putting a big smile on my face. I have an extension of the boundaries, way up into the Merritt–Princeton area. I now have a riding that encompasses everything from urban commuters to Vancouver, loggers and farmers in the middle of my riding, right up into Merritt–Princeton which is into ranching and mining and interior towns that have very little to do with the current constituency of Fraser Valley East.

I have some problems. I have made presentations in writing to the electoral boundaries people to tell them that I will be making presentations to them when the opportunity arises to try and persuade them that perhaps those cities are better served in the Kamloops riding.

I am not willing to suspend the boundaries readjustment just because my own personal boundary is not to my liking. There are several important principles involved here that need to be addressed and that have been neglected by the government.

The first reason I object to the suspension act is that it thwarts the purpose of Parliament in the electoral process. The Electoral Boundaries Readjustment Act requires the readjustment of federal electoral boundaries every 10 years. There is a commission made up of three people. Three people form this commission. The chief justice of each province appoints a chairperson and the Speaker of the House of Commons, someone who sits in your chair, appoints the other two.

Both authorities who make up these commissions, the chief justice and the Speaker, share the characteristic of total impartiality. The commission that we are considering suspending is a completely impartial commission. We have to be careful in whatever deliberations we make in this House that we do not take away from impartiality where impartiality is necessary. We must make sure that any commission is not politically motivated in any way.

My first concern is about this purpose of Parliament. What is the purpose of Parliament?

I would put to you, Mr. Speaker, that the purpose of Parliament is not to interfere in independent judicial type bodies just because we do not happen to agree with the outcome. There is ample opportunity to make presentation to these boundaries commissions and I plan to do that, as I encourage every member to do. However, to step in at this stage and say that because some of the members of the government do not like the boundaries they are willing to thwart the entire purpose of the act is unconscionable.

Nowhere in the red book is there any mention that this act needed to be amended. Nowhere in the speech from the throne is there any idea or thought that this needed to be adjusted. The first whisper of this that came out was when the boundary readjustments came to the members opposite. Suddenly a crisis of monumental importance hit this House. It must be changed, it must be suspended, the judicial process must be set aside. Members opposite for some reason feel that they have to step in and somehow make it right.

I believe the public is going to see this very cynically. Why was this not an issue before? The reason, of course, is obvious. There is going to be political meddling in a judicial process and this political meddling is unconscionable.

Second, this matter has already been thwarted once before. Already we have had suspensions on this. Every 10 years we are supposed to have new boundary proposals. It has already been suspended once before. Now again we are going to set aside a $5 million commission, having already spent $5 million, when section 14 of the act says that each commission shall prepare with all reasonable dispatch a report setting out its recommendations.

• (1510)

The last instance was in 1991. Here we are in 1994 and we are again not going to have a readjustment. The proposal seems to be to put it off for a couple of more years. We will likely go into the turn of the century running on a 1981 census. That is totally unacceptable, which brings me to my third point, the province of British Columbia.

B.C. is the fastest growing province. Some 40,000 people from within Canada have moved to B.C., mostly from Ontario. The shift in the population is going westward. Thirty–five thousand additional people came from all other countries of the world. We received 20 per cent of Canada's immigration population. B.C. is a thriving region of the country.

By the looks of it we are going to go into the next election, whenever that may be, with the same seat distribution as we had in 1981. That is totally unacceptable. I do not understand, even if they were the best of intentions, which I question, why we would be saddled with inadequate representation going right through to the turn of the century.

There are other problems with this proposal. The proposal will increase the cost. Nowhere in the proposal by the government is there anything that suggests that this new review, another review, will save us money. It is just another review.

Every time politicians get involved in reviews and making proposals and considerations, the costs continue to rise. What will be the possible advantages? There may or may not be. History tells us, precedent has been set, that this is likely to cost us more money. It is a tremendous waste of the commissioners' time and our money.

Another point is the principle of openness. This needs to be dealt with openly. It needs to be seen to be open. It needs to be seen to be fair. It needs to be seen to be impartial. All of those things have been thwarted by this bill. This bill is a behind the scenes, I know better than you do attitude that we have seen, as we talked earlier in question period about business as usual. Instead of bringing this out for open discussion, instead of give and take on the floor of the House of Commons, instead of even bringing forward specific proposals, what we find here instead is a process that says: "We know best. Not only do we know best, we are not willing to allow opposition members to raise their concerns to their own liking. We are going to invoke closure".

I wonder when this government handed the new shoes to Mr. Martin if the new shoes were to step on this, to squelch any ideas of democracy—

The Acting Speaker (Mr. Kilger): Order. I would just like to remind members to refer to one another according to the positions being held by the respective members and not their names.

Mr. Strahl: Mr. Speaker, I stand corrected and I will make no further reference to the boots.

However it does appear that taking the boots to some of these representations appears to be the purpose of this bill. While I originally prepared a 20 minute presentation detailing the entire pros and cons of a review process, I find now that it has unfortunately been reduced to 10 minutes because of this idea that closure somehow is in the best interest of democracy.

I think I need to summarize it in this way, since I have been restricted in my time. First, this thwarts the purpose of Parliament. Parliament is not to set boundaries to just jump in when members do not like what they see. Parliament is to set up a process. The process is in place. When it continually gets put off year after year it does nothing to enhance people's impression that this is truly a democratic and hands off process. That is the first principle, the principle that alarms me the most.

Second, as I mentioned, is this lack of proportional representation. I know the government says it is going to review it. It may have more, it may have less. Who knows what the review will come up with when the Liberals come up with these proposals? The fact is that we will go into the next election in British Columbia with fewer representatives than we deserve.

That has been going on since 1981. It appears it will go on through to the turn of the century with the same disproportionate representation that we had to go with this last time.

• (1515)

That is the second principle that is undesirable, the increased costs, the $5 million down the drain and the fact that we will not be able to use the extensive advertising. I have with me the sheet that describes the new boundaries which was delivered through the paper system to every household in Canada. Those costs are all for naught. Many of us prepared briefs and speeches for these advertised meetings. Our work is all for naught.

The fact is it is no longer an open process but instead, when things are not going their way, the process has been cut off. Another nail in the coffin of openness. In conclusion, I have a couple of proposals that I would like to make to the government.

First of all I would ask them to reconsider this whole idea of closure. I have sheets of *Hansard* that I dug up that I do not have time to read out today. I have almost three pages in the indexes from the last Parliament. It took three pages just to list the names of the speakers on the other side of the House that rose to speak against closure and time limitation.

It is a shame that when something that should be impartial and above reproach that government members, many of whom are listed in the three index pages, have chosen instead to clamp down on democratic discussion on this judicial process. It is a shame.

I cannot believe the government would use this bill to invoke closure to stifle free speech in the House. If it were not for the time constraints of Easter coming up the government would probably go on. It is a shame that to get a holiday they are going to invoke closure and clamp down on democratic free speech.

Mr. John Richardson (Perth—Wellington—Waterloo): Mr. Speaker, thank you for allowing me to join in this debate. We have heard many strong negatives both from the government side and the opposition side about the way the revision of the federal electoral boundaries took place.

The province of Ontario is about to gain four seats. I would like to talk a bit about why I am against it. It is not to stifle free speech. The body politic of Canada should have some input into saying where the boundary changes should be made. As a consequence everyone is looking at the House as the sole

ownership of this. Let us give the public some say in its operation.

Most Canadians and particularly residents of Ontario did not hear about the revision. It came as a shock to them and they had to respond in some cases as early as the next two weeks. So to mobilize, to liaise one with another, to communicate with those groups who have been disturbed, to question why such changes have taken place, the time was not there. We are talking a lot of people and we are talking the affect. I am talking of mobilizing and reacting to the changes in my own province of Ontario.

Ontario presently has 99 seats. One of the rules under which this commission was to undertake change was that there would be a minimum of disturbance of existing boundaries.

They talk about the ripple effect. I want to tell you that if there was ever a ripple it was a big ripple in Ontario to get four seats. Ninety–three of the ridings were changed rather significantly.

The principle was that there be some approximation in size in the constituencies in Ontario. The commission's mandate gave a rather generous leeway. Twenty–five per cent is a rather large deviation from the norm.

As a consequence, in Ontario the demographic computer crunched them out closely with its cookie cruncher to the 97,000 to 100,000 range. Many ridings that were sitting well within that range and smack on 100,000 had radical change and it has upset the communities in which that change took place.

In my riding the county council will be taking a bus to the hearing. The city councils and the township councils will be taking a bus to the hearing because traditionally a constituency has a community of interest. That community of interest is focused on its local governments whether they be township, town, city or county.

• (1520)

Many of these fundamental community of interests were hacked in half and for no reason attached to another half of another county that was hacked in half. The rationale of community of interest seemed to go by the board. That is why we are upset. I can tell members that my constituents are upset. This is the second major change in southwestern Ontario and only one riding escaped without any change whatsoever.

As a consequence, I would like to make a point that the ripple effect in 93 of the 99 ridings was not acceptable to the residents of Ontario. These residents are not all Liberals although I would like to think they would be.

I have received protests from people from all walks of life and it does not have anything to do with my being a Liberal member. They do not want to be associated with someone who has been connected with another township. There is a narrow gap and we go back into another base.

It does not even have any sort of congruency or shape. It is stretched out to almost Lake Huron and on the other side, Waterloo county. It was a compact riding of 101,000 people meeting specific criteria where community of interest and size were dead on. The people in my riding want to know what the rationale was for the major surgery in the riding of Perth—Wellington—Waterloo.

I would like to read from the direction and general notes given to the commissioners on their mandate. The act directs the commission to divide Ontario into 103 districts. On the basis of the population of each electoral district in the province, it shall be as close as reasonably possible to correspond to the electoral quota of that province.

We all know that some of the ridings in northern Ontario, by their nature, by the ability to service the constituency, must necessarily be smaller than some of the ridings in the urban areas where one can contact and relate to their constituents in a speedier manner.

For those of us who were in urban–rural ridings, the norm would be about 100,000. The commission may depart from this quota where necessary or desirable. The commission's judgment lay in directives and it has given the two commissioners for Ontario tremendous scope.

First, the commission is to respect the community of interest or community of identity in the historical pattern of an electoral district in the province. That one has been shot out of the water in a big way.

Second, it is to maintain a manageable geographic size for districts in sparsely populated, rural or northern regions of the province. I concur with that.

In considering these factors, the commission must make every effort to ensure that except in extraordinary circumstances the population of each electoral district remains within 25 per cent, a reasonably grand margin of error I would say by any statement. The upper limit of the quota plus 25 per cent from the norm which is 122,000 to the lower limit of 25 per cent which is 73,000 is very rarely reached. The first principle was totally compromised so that the second principle could crunch out ridings with populations of 97,000 to 103,000. The community of interest and the community of economic interest, which is just as important in most of those ridings, was shot out of the water, to use a colloquial term.

• (1525)

I dare say that with Ontario gaining four seats, I am not prepared to compromise that nor would I like to see my friends from British Columbia suffer any loss of seats. I would like to add a little comparison. Take a look at the House today. These seats have been moved so close together that if even I put on a little weight, which has not happened for a long time, it would be difficult to get between the seats.

An hon. member: I am not a health nut.

Mr. Richardson I am sorry. I did not mean to reflect on any other member in the House.

However, if some day in the future we approach the population of our neighbours to the south, we will need 3,000 seats in the House of Commons. We are going to have to look at the size of ridings in the country so we can keep a reasonable number in Parliament.

[*Translation*]

Mr. Michel Daviault (Ahuntsic): Mr. Speaker, I have been in politics for about 20 years, and I have never seen such a mess. I must admit this is the first time I been particularly aware of the social and economic impact of adjusting the federal electoral map.

When I was quite young, my mother used to get bored while my father, who was a travelling salesman, was away, and she would do jigsaw puzzles. After looking at the proposed electoral map, my impression was that the people who drew this map must have been very bored indeed to perpetrate this proposal, pardon the expression.

I found it hard to understand the logic involved in this electoral boundaries readjustment proposal, and I did some quick research on ridings in East Montreal that were affected by this proposal. One conclusion is be that the proposal ignores socio–demographic and socio–economic factors to all intents and purposes. The proposal shows a complete disregard for any concept of community. In other words, it was botched.

A riding should first and foremost represent a community. We cannot get around this social fact. It is foolish to alter the boundaries of a riding and blindly carve up natural communities to satisfy the demands of fuzzy mathematical logic and administrative efficiency.

A member of Parliament is elected to serve the interests of his constituents, not those technocrats who very often have no concept of the practical needs of community groups. A member of Parliament must defend the interests of individuals, community groups and businesses and promote the development of economic activity in his riding.

The proposed administrative boundaries transform a number of communities into a meaningless expanse of statistical data and arbitrary geographic divisions. Let me explain. All this has no connection with the activities of these communities. I am talking about neighbourhoods, urban districts, people living in a naturally homogeneous environment, which may be cultural, ethnic, religious or economic, a living community, organized in human terms and not for administrative purposes alone.

As I said before, I made some enquiries among my colleagues in East Montreal to assess the impact of the proposed readjustment. Here are a few examples. I may recall that Montreal is divided into administrative units referred to as *arrondissements* or districts.

In the riding of Mercier, the urban district of Mercier–Ouest is cut in two. This means breaking up a natural demographic unit for the sake of mathematical considerations. From now on, three federal members will be working to promote the interests of the same social groups and the same economic organizations, while at the provincial level, a single member is able to take care of the same needs in the provincial riding of Bourget.

In the federal riding of Hochelaga—Maisonneuve we see the same lack of logic. Why cut the provincial riding of Bourget in two? This arbitrary division is as distasteful to the people of Mercier as it is to the people of Hochelaga—Maisonneuve. Once again, this means fracturing a natural urban district.

• (1530)

Furthermore, the proposal adds onto the northern part of the riding a population which has no natural affinity, other than geographical, to the riding of Hochelaga—Maisonneuve. It would be more appropriately added to the riding of Saint–Léonard, in terms of socio–demographic affinity.

In Rosemont, the riding will get part of the riding of Saint–Michel which, again, has no social affinity to the population in Rosemont, while, the riding would welcome the annexation of part of Outremont, so that its boundaries would coincide with those of the LCSCs—local community service centres—and urban districts.

The case of Papineau—Saint–Michel is rather peculiar. The riding of the Minister of Foreign Affairs has been struck off the map. What is the reasoning behind this decision? Part of the population of this homogeneous riding, which includes the former town of Saint–Michel, its parishes, recreation services, health care institutions and community groups, has been moved to the riding of Saint–Léonard, a riding which practically coincides with the town of Saint–Léonard. We now have a situation where the population of the former town of Saint–Michel will be a minority, in the new riding.

The other half of Papineau—Saint–Michel has been moved to the riding of Saint–Denis, which will extend to Acadie Boulevard. People in Montreal realize how ridiculous this is. The community resources of two districts in Montreal's centre north will be disorganized as a result.

In my riding of Ahuntsic, the results are positively outlandish. Parishes are being cut in two and communities divided, just to align the riding on the Laurentian Autoroute. For the sake of geographic convenience, part of the northeast corner of Ahuntsic is transferred to another riding. This area, which is isolated from all other areas with the exception of Ahuntsic, has a large Italian community, which in the process would also be isolated from its natural centre, the Italian parish of Notre–Dame–de–Pompéi. This community would no longer enjoy integrated federal representation. Between this area and its new riding lies the vast Miron quarry dump.

Saint–Sulpice, where I live, is faced with a similar situation. The parish is separated from its community organizations, and so forth. Yet, this neighourhood portion is isolated from its new riding by the Metropolitan Boulevard, a high–technology centre, schools and recreational centres. The government is destroying an integration process that has been patiently developed for the last ten years.

In the proposed project, we find the same lack of logic that appeared in the case of the riding of Laval–des–Rapides, between 1976 and 1989, when it overlapped Laval and Montreal. It had to be seen to be believed!

May I also point out that the numerous divisions of employment centres do not fit electoral boundaries, which undoubtedly contributes to maintaining the confusion among people towards services provided by these centres and by the federal government.

I would also wish to remind you that the very concept of a one–stop window implies harmonization, at all levels of government, of administrative divisions, so that we can provide services and grants from the same social, demographical and economic territories. That is a major demand by the economic and community development co–operatives, the CDEC of Montreal.

We cannot ignore the map of disadvantaged areas that was drawn by the Island of Montreal School Board, major social and economic data. It is more than desirable that Montreal be given, at the federal level, effective electoral representation which takes into account the indicators of disadvantaged areas.

In concluding, I would point out that the criteria for the division of these federal electoral maps have not been reviewed in almost 30 years. These criteria should be developed on the basis of social demographical and social economical data, rather than on the simplistic basis, should I say, of raw and blind mathematical data! On the basis of administrative and/or geographical convenience that has nothing to do with the real areas where people live.

• (1535)

Participating in public hearings on the basis of this redistribution would amount to saying that we view it as an acceptable basis for negociation while it is not.

Negociating on an individual basis, county by county, would cause other Montreal ridings to lose their homogeneity.

The overall proposal made by the commission is unacceptable. The parliamentary committee has to start from scratch again. Dealing with the same commission and doing all over again what has already been badly done would only lead to the same results.

The system has to be changed and this is why I will vote for the bill.

[*English*]

Mr. Julian Reed (Halton—Peel): Mr. Speaker, the riding of Halton—Peel was originally created by a gentleman many of us know: Gerrymander.

One would think with the proposed boundary changes the member would be quite thrilled that a new riding would be created. I believe the new dividing line was created by his brother for it splits a community right in two in a line that is anything but straight. Some of it does not even follow road allowances but travels through the middle of farmers' fields.

It is so ridiculous. Part of the farm on which I live is in the new proposed riding and the other part is in the other. There was immediate response from a returning officer, from a Chamber of Commerce and from a municipality exhorting an appeal of that line.

As a bit of an aside, it is also interesting to note the borders printed on the map in the book the commission released. You will see that the new boundaries are printed upside down on the map. It puts part of the land mass in the southern part of the proposed riding in Lake Ontario. It was cause for some concern. We will have to enroll fish I suppose.

Having said that I was prepared to launch an appeal trying to point out to the commission where changes could be made that might at least improve the situation.

I was very disturbed with the proposal to create new ridings at a time when we consider ourselves to be in a period of extreme restraint. When we want less and less government spending it seems this process is creating more and more.

In my region and others nearby school boards are considering reducing the number of trustees in an effort to save money. The last report I saw was that the region of Durham is proposing to cut five trustees saving $200,000 through that process. It does not really show a great deal of leadership to advance the cause of increasing the numbers in this House.

Other countries operate reasonably successfully with much higher populations per member than Canada. Australia is one of them with actually double the population per member in its House.

• (1540)

We have a lot of things to consider. If we are going to review legislation which is 30 years old, at least it is appropriate that we do it now if it has not been done in the past. As has been mentioned, it may be that it has outlived its usefulness and we have to reconsider what will be done in the future.

In terms of the argument my friends in the Reform Party put forward about time allocation, I would like to point out the reality to them. I do not think it is the intention of any government to impose time allocation for frivolous reasons.

Hearings were scheduled to begin in April on this proposal by the commission. We are now going into a recess for two weeks. I am not sure what the Reform Party would have preferred to do, whether it would have preferred to stay and debate this for another couple of weeks. We could have filibustered. However there is plenty of time in the time allocated to put the points of view across and make sure all of the arguments are on the table.

I am sure the Reform Party is as interested in the reform of this process as the rest of us. I do not think any hon. members would disagree with the fact that it is time for a change. We cannot go on filling up the House especially if we have a few guys my size. If we went on without any changes we would be forced to knock out the back walls, or put another row in the front, or only elect lean people.

I enthusiastically support this thrust. The time has come for change. The time has come to reconsider how the people of Canada are represented. The time has come to listen to those people and give them time to bring their views forward so we can truly represent the people of this country.

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, I rise today to speak against Bill C–18, an act to suspend the operation of the Electoral Boundaries Readjustment Act. I do that with some mixed feelings.

My own riding is disappearing in this change which is going to take place across Canada and very significantly in the province of Ontario. There has been only one call into my office regarding this change and perhaps that is because they were anticipating going to the hearings, as I was. However I anticipate receiving many calls when the people in my riding discover what is taking place in this House.

In no way was this a burning issue with the people in this country. There are far more important issues we should be dealing with. While I say I had mixed feelings about what was happening in the riding I represent, I was looking forward to making a representation at the hearings. We would have an opportunity to make representations again when the reports came back into this House.

In looking at the changes I realized there were some winners and some losers. There are going to be winners and losers no matter where this comes out. We will not come up with a plan that will please everyone. That just is not possible. There is no evidence in this bill that will approach anything near that.

There is the suggestion that politicians will be able to do a better job than Elections Canada. That is a leap of faith most Canadians would have a difficult time making. Our track record in the past has not been one of doing a better job.

• (1545)

The decision was made 30 years ago to take this process out of the political arena. That was a good decision that was made back then. I think it is even more appropriate today, given the mood of the Canadian voter.

We just have to reflect back to October 1992 at which time politics in the country took a dramatic turn for the better. The Canadian people said back then that they were no longer going to be led by the political parties. They were going to have a say in what was going on in the country. They sent out that very clear message.

That message can be ignored in the House at our peril. The former government ignored the message that was given to it by Meech Lake. The former government ignored the message that was relayed to it through the Spicer commission at a cost of some $27 million in taxpayers' dollars. The government was told what the priorities of the Canadian people were and that the Constitution was not number one. In spite of that the government ignored it, went on with its own agenda and suffered its fate in the last election.

The mood of the Canadian people that was evident in 1992 and 1993 is still there. They want to be heard. They want to have their say. The process we are about to embark on will be a denial of that.

We are not talking about process today. We are talking about product. We knew this was coming down the pike some time ago, but nothing happened until the proposed boundary changes hit our desks and hit the public. All of a sudden it became an issue. There was no secret about what was happening. It is not about the process. It is about the product and it is about self–interest: my fiefdom and what is going to happen to me. I think that is wrong.

The issue is not new. It has been there but it is in the forefront now because some people's ridings will be affected by it. The government is going to circumvent the public hearings that were to take place so that the public could have input into the process.

How do we justify wasting the $5 million in taxpayers' dollars that have been spent to this point? The suggestion has been made that the $3 million we might spend in hearing from the public would be a further waste of taxpayers' dollars. I do not find spending $3 million to hear from the taxpayers a waste of money. Again I go back to the mood of the voters. They want to be heard and $3 million to allow them to have input will be money well spent.

Time and time again I have heard from members on the other side about the number of seats. They are shocked that Reform would support anything that would increase the number of seats in the House. There is nothing in the bill that restricts the number of seats. Had that been in there, the Reform Party would have supported the bill. It is not there. I would ask members on the other side: Why is it not there? There is no intent. It is left out purposely so that avenue would still be there.

Hearings were due to start in days and the process is being cut off. People were preparing to come to these hearings to state their case. Again it is an example of government knows best: "We will decide what should happen here and we will let you know". That is not going to fly with the Canadian people.

I was shocked at what was taking place. Really I should not have been because the government has a track record of no faith in the Canadian people. When we think back, this is the government that did not have faith in some Canadian people to select its candidates. The government had to go in because it did not trust Canadian people to pick the right candidates. This is the government that does not believe in recall. It does not trust Canadian people to have recall at their disposal.

This party is led by a leader who finds referendum revolting. The thought of listening to the Canadian people on major issues is revolting. Those words will come back to haunt the government in years to come. The government can act when it wants to. When it has a self–interest it can get moving. There was something the Canadian people wanted it to get moving on. We wanted it to get moving on it and we were prepared to support it. I am referring to the gold–plated pension plans. This is something that we could have taken action on and should have taken action on, but nothing is happening. The words we hear are: "What is the hurry? We are here for four years". The government may not be in a hurry about that but the Canadian people are. The Canadian people want action. The government brought us action on this but not on the pension plan.

• (1550)

The question of the legality of the process was raised in the House yesterday. The answer given to that question bore no relationship to the question. I suspect because a legal opinion has not been sought the government does not have an answer as to whether the whole process is legal.

I see some similarities here between the cancelled Pearson airport deal and what we are about to do today. The Pearson airport deal was cancelled, not because the project was not a good project but because of the process.

Mr. Mifflin: Mr. Speaker, I rise on a point of order. Your Honour is well known for leniency on relevancy, but what do the points the hon. member is raising—he is covering the waterfront—have to do with the item being discussed?

The Acting Speaker (Mr. Kilger): I do not believe the member has a point of order, so I will resume debate with the hon. member for Simcoe Centre.

Mr. Harper (Simcoe Centre): Mr. Speaker, the point I was just about to make was on the similarity between the cancellation of the Pearson airport deal and what we are about to embark on here. The point I am making is that the deal was cancelled on the airport four months ago and nothing has happened. We are about to change this deal and I would suggest that nothing is going to happen. We will go into the next election with nothing having been resolved. That is one of the real dangers in this.

Just let me summarize with a few comments. The government needs to have more faith in the Canadian people to look at this matter and do what is right. There will be some very interesting comments coming out of the hearings that were scheduled. The government should not throw away the millions of taxpayers' dollars already spent up to this point. That is what will be done. It is going to throw away $5 million of our taxpayers' dollars.

This process does not belong in the political arena. With the vested interest that politicians have, how can they address the issue objectively and do what is best for the Canadian people? If we support the bill we will kill any chance for change before the next election.

With those remarks I will conclude. I thank the House for allowing me to make this presentation. I certainly will not be supporting Bill C–18.

Mr. Andy Scott (Fredericton—York—Sunbury): Mr. Speaker, I also rise to speak on the matter now before the House concerning the redistribution of the federal electoral boundaries.

It is clear from all indications that Canadians are not happy with how the review and the proposals for change have been handled. Further, Canadians are reasonably consistent in their message as to why. They will not take judgments from on high without more consultation.

The preliminary steps leading to the proposed boundary changes fail to include local level consultation. It is not enough to hold out the promise of public input later on, because people know how difficult it is to amend such proposals after they have been designed in the way they have. People have once again sent

out a clear signal that they will not accept another top down, arbitrary decision by government.

Within my own constituency when a map appeared in a special insert in the local paper I heard a number of consistent messages from constituents. First, they were shocked to learn that the boundary changes were even being discussed. For most of them seeing the map in the paper was the first time they had ever heard of the exercise. Another common expression was one of disbelief. After we had all campaigned so vocally about the need to be more inclusive and since the government has practised this agenda so consistently since the election, people find it hard to believe that we would revert to the old style of top down governing.

As members we have all worked hard to gain the trust of our electorate. I know many of us do not wish to see that trust jeopardized when the potential not to do so is so easily avoided.

Another sentiment I have heard from my constituents is one of anger. People are angry, not only because the government had not bothered to consult with them but also because of the incredible amount of dollars invested in the exercise. People were shocked, wondering where was the need for this use of their hard earned tax dollars. Where did it come from? People were wondering why nobody had bothered to mention it to them earlier and why nobody had asked for their opinion.

• (1555)

As the member for the riding of Fredericton—York—Sunbury I can assure the House that I felt the sting of this action when people questioned my involvement in and my responsibility for the proposed changes. People were not happy, and that is essentially why I feel compelled to rise today and encourage the government to have this process stopped.

I want to acknowledge that riding boundary redistribution is in many respects necessary, but I take issue with the way the process for determining changes has occurred. I further question some of the present assumptions about how boundaries should be redefined. I addressed my concerns about the process earlier. I continue to believe that decisions should have been made based on consultation with the many people affected. I question how many Canadians know the criteria upon which decisions for change were even made.

We must realize that decisions of this nature have an enormous impact upon the political culture of our country. People tend to feel connected to the regions and communities of which they are a part. We all belong to many types of communities, each of which has boundaries in its own way. In many respects we are defined by our professional communities, our religious and social communities, and for many we find comfort in defining ourselves by our political communities.

My most recent witness of this assertion was during the last election. I watched and worked with people from all parties who travelled considerable distances many times over and who put parts of their own lives on hold because of their commitment to the electoral process. Last October became their focus.

We do people an injustice when we suddenly tell them that they no longer need to feel committed to the region they have always known and that now they must suddenly align themselves elsewhere. Making such a transition is not difficult. In fact it is embraced when those who must make the change participate in the decision making that moves them from one location to another.

If anything, commitment and investment are firmly entrenched from the start. It is this kind of stake in the social and political consciousness of our citizenry that we want to promote among Canadians. Imposing arbitrary political boundary changes upon people works counter to the fundamentals of inclusion and affiliation.

I accept that redistribution becomes necessary when there are major demographic shifts. Sometimes this may mean that the entire country must face reoganization, or it may simply mean that certain regions must change.

The changes proposed for New Brunswick in many respects fail to make any sense at all. With my own riding, for instance, all the rural areas have been disconnected from the constituency and given over to my colleagues' ridings. Were I selfishly motivated I would support the changes proposed since it would make my job much easier. I would not have to travel the considerable distances to reach the borders of my riding. I would only have to deal with concerns pertinent to an urban setting rather than worry about both rural and urban problems as the distribution now requires.

That is not what being an MP is about. I do not want to lose the rich blend of rural and urban that makes our riding a most unique and inviting place to live. It is obvious that my reasons for supporting the motion to suspend the operation of the Electoral Boundaries Readjustment Act are not personally or politically motivated. I know this to be true of my colleagues with a view similar to my own.

I know the people of my riding just as other members are familiar with the citizens in their ridings. We work hard to build communities with our constituents. The people of their respective ridings know the intricacies and peculiarities of their places as well. These are the people who should be deciding where boundaries should be drawn and on what basis changes should be determined.

I do not question the competence or intentions of the commissioners but outside experts do not know our political regions or the people who live there. They cannot make informed decisions

about changing the lives of so many citizens without starting with the involved people first.

I worry as well that by following through with electoral boundary reform the government will not be seen as acting on its primary agenda of job creation and economic development. I also think the government will find it difficult to convince Canadians that it is acting prudently in its acknowledged need to practise sound financial management.

I fear spending millions of dollars to redefine electoral boundaries is indefensible in the light of the economic trials faced by so many Canadians. The government is recognized as honest, hard working, concerned about citizens and known for practising sound fiscal management. We are not known for excessiveness. We are the ones with the plan to help Canadians through the difficult period in order to make this a strong, united and able country prepared to meet the 21st century.

• (1600)

We need to remind ourselves of our own priorities and in keeping with that, we should recognize our error without singling out anyone or pointing fingers in any direction. Simply put, we should cut our losses and move on from here. Canadians are tired of governments trying to justify their errors or failing to admit that a mistake has been made. We are bigger than that. We must move on.

I join others in this House who have spoken against boundary redistribution at this time and I support the call to suspend the act until such time as Canadians have a greater opportunity to be a part of the process from the front end.

[*Translation*]

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, it seemed important to participate in this debate on a legislation which would postpone for 24 months the process initiated by the federal electoral boundaries commission. It seemed important to do so since the redistribution of electoral boundaries is not an operation one does for statistical purposes; it is not an exercise for an apprentice geographer who would like to practice his trade and increase his skill and knowledge. Redistributing could change the habits of the citizens and of the decision–makers in a given living environment.

In my riding of Mégantic—Compton—Stanstead, if the proposed reform were to be implemented, it would have disastrous effects. That is why, before we proceed with such a redistribution of boundaries, we must determine the basic criteria for changes which might be necessary under certain circumstances.

In the present legislation, one of the main criteria is equal representation for each and every constituent. This is basically commendable since in a democracy, we must ensure that no group of individuals has more power or better representation than others. But we must also consider other principles; I am thinking here more specifically of respect for the living environment, in other words communities of interests, as mentioned in the documents presented to us.

When one undertakes such an exercise, one has to take into account the sense of belonging of the people, instead of separating them and creating a situation where it will be many years before this feeling emerges again. That is why I would like to take the next few minutes to explain in graphic details the impact the proposed changes would have in my riding of Mégantic—Compton—Stanstead.

I will first remind the members that, for the time being, as we speak, the Mégantic—Compton—Stanstead riding has a population of 75 000. It is nearly entirely located in administrative district No. 5, that is to say in the Eastern Townships, in Quebec. In this riding, there are two regional county municipalities, structures that were created about 20 years ago now with a view to planning the social and economic development of some communities. Presently, the riding is made up of two whole RCMs and part of four others. I am talking about the RCM of Granit, which includes the Lac–Mégantic area, of which nearly all of the municipalities are in the Mégantic—Compton—Stanstead riding.

• (1605)

There is also the RCM of Sherbrooke, two out of eight municipalities of which are in my riding, as well as the RCM of Memphrémagog, of which more than half the municipalities are now part of my riding, and some municipalities of which are part of the provincial riding of Beauce, next to Lac–Mégantic.

According to the proposed reform, the Mégantic—Compton—Stanstead riding would be split into two new ridings, one called Mégantic—Frontenac and the other one, Compton—Stanstead. As for the district of Mégantic—Frontenac, this new district would be primarily comprised of the municipalities of Lac–Mégantic and the vicinity as well as municipalities around Thetford Mines.

This would effectively jeopardize what I mentioned a minute ago, that is to say this sense of belonging developed over the years within the Lac–Mégantic area and the Eastern Townships as a whole.

Let me give you a very concrete example. Recently, two RCMs from my district, namely the RCM of Haut–Saint–François, which encompasses East Angus, Cookshire and La Patrie, and the RCM of Granit which, as I said earlier, includes the Lac–Mégantic area, have agreed on a major economic development plan based on tourist activites around Mount Mégantic which straddles the two regional municipalities.

It took years of discussions to get these people to see their economic development as a common venture and come up with a joint action plan to develop this fabulous tourist site, thus contributing to economic growth in that area. If boundaries were to be readjusted as planned, Lac–Mégantic would end up in the same district as Thetford Mines and would be split between two administrative regions: on the one hand, the Quebec administrative region and, on the other hand, the Eastern Township administrative region, which includes Sherbrooke and Lac–Mégantic.

This would make the political channels that much more complicated, with more members having to meet to promote issues and more officials having to learn to work together, and that, as I said earlier, is very important and takes years.

This concrete example illustrates the effects a decision to make two new districts out of this one could have. Decisions made by electoral boundaries commissions do affect people in their everyday life.

This kind of decision should never be made without proper consideration and not by officials alone. Time should be allowed to consult the people involved, the general public, to ensure that the result of the readjustment will truly be in the interests of these people.

I spoke more specifically about the riding of Mégantic—Compton—Stanstead, but as chairman of the Bloc's Eastern Townships regional caucus, I must mention that the same exercise would considerably modify the ridings of Brome—Missisquoi, Richmond—Wolfe and Frontenac.

I come back to what I said at the beginning: what is the main reason for making this change? It is to ensure that the number of people represented in each riding is more nearly the same.

• (1610)

I would like to give you some eloquent figures in this regard. If you compare the present situation to the one proposed in the reform, the riding of Frontenac now has 61,000 people; the new riding of Mégantic—Frontenac would have a population of about 72,000, so a balance is being restored here.

In the riding of Brome—Missisquoi, the difference is barely 8,000 and in Richmond—Wolfe, it is 10,000 at most. In the riding I represent, the change would be scarcely 2,000, so this argument does not hold for ridings in the Eastern Townships.

That is why I will support Bill C–18, which would delay this process and provide for time to consult the people and involve the representatives and elected members of each of the ridings so that the change we finally come up with will benefit all the people we represent.

[*English*]

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, I rise to speak in opposition to the closure or time allocation motion introduced today by the government.

This motion refers to Bill C–18, an act to suspend the operation of the Electoral Boundaries Readjustment Act. It is not good to have the government move to cut off debate so that this bill can receive approval quickly.

I wonder if this is the tip of the iceberg, the arrogance and lack of respect for debate in Parliament. If it is this will be an all time record because even the previous Conservative government took longer than five months to reach these heights of disrespect for this institution.

I am speaking in opposition to Bill C–18, an act to suspend the operation of the Electoral Boundaries Readjustment Act. I believe we should allow the process which began some time ago under the old legislation to continue until it is completed. I submit that there has been sufficient time, energy and money invested in the process to date to make it irresponsible on the part of the government to suggest that the process be halted.

I am aware of the criticisms of the present process which are contained in the report of the Royal Commission on Electoral Reform and Party Financing in relation to the boundary readjustment legislation. I am also aware that the present boundary readjustment process was delayed in the last Parliament with the idea that a new process could be put in place prior to the call of the general election in 1993.

What happened was that the special committee of the House of Commons on electoral reform ran out of time and was unable to deal with this subject. Therefore, the process which we are now involved in began and has run until we now have boundary proposals from the provincial commissions before us and public hearings are set to being shortly.

What will happen if Bill C–18 is passed? We know that the Standing Committee on Procedure and House Affairs will be charged with reviewing the whole process and making recommendations for change. However, can we be assured that the process which will result from this study will be put in place prior to the next general election? I do not think so.

We have a process in place now which if allowed to go to completion will bring into effect new boundaries before the next election. We are assured of that fact. Therefore, the next election will be fought under boundaries which are representative of the population distribution as presented in the last census. Doing anything to jeopardize this process does not make sense to me. At this time I want to endorse the position taken by the Brampton Board of Trade in a letter dated March 22, 1994 to the Prime Minister where it states: "It is not appropriate nor

necessary for a review committee to step in at this time and shut down the public process".

• (1615)

We as members of this House do not have ownership of our ridings. We should not feel threatened by changes proposed if these changes recognize representation by population. This is one of the main reasons for having our 10 year census so that boundaries can be drawn which accurately reflect population distribution.

If Bill C–18 is approved we may be fighting the next general election on the boundaries which reflect population as it was distributed in 1980. If the government is so vitally concerned about the process of redistribution and whether it creates ridings which accurately represent rep by pop then there is nothing to prevent the procedure and House affairs committee under its mandate and under the new rules to study the matter at length and bring in a bill in due course which would replace the existing boundaries readjustment act.

Why suspend the process of redistribution under the present act while this is being done? Surely the government is not thinking that it won a majority under the existing boundaries, so let us make sure there are no changes prior to the next election. Surely this is not the new politics described in the red book.

If Bill C–18 passes and the process of redistribution is held up once again due to political manoeuvring and if as I suggest there is not enough time after the procedure and House affairs committee reports to put new boundaries into place, then we will be party to the kind of politics which the Canadian people rejected at the last election.

Surely this is not the wish of the government. It is not the wish of the Reform Party of Canada. Therefore let us go forward now with the system we have presently in place. Let the public hearing process begin. If we do this we are assured that new boundaries will be in place prior to the next election. Money already spent will have been spent for results.

However if the government is adamant that the boundaries readjustment process is flawed, and it may very well be, then the government members know what they can do. They can utilize the new rules, have the procedure and House affairs committee study the issue, report back and bring in a bill which we would consider. If it is reasonable, we could look at agreeing to it so that a new procedure will be in effect to accommodate the results of the next census.

In closing, I again want to reiterate my opposition to the closure motion. We have not had a full debate on this motion. This is vitally important. It is a matter of principle for this House and for Canadians. Do we allow the government to limit debate so that Liberals have a chance to fight the next election with the boundaries unchanged since 1980 or do we take costs and work done into account and public pressure on politicians to clean up their act?

Obviously the government is willing to ignore the wishes of the people. Well, we are not. That is why we oppose this motion and why we oppose the bill.

This morning a government member found it incomprehensible that Reform would support a process that would see the House continue to grow in numbers. I find it incomprehensible that the member was not aware that this was one of the very reasons Reform could not support Bill C–18. There is not, I repeat, there is nothing in this bill that puts a cap on or limits the number of seats. Had it done that, the government might very well have had the support of Reform on this.

I am concerned about one other thing. The member I believe from Waterloo mentioned that he and his constituents were very comfortable with their riding as it is and I can understand that, but I wonder, has his riding not grown in numbers. My riding of Mission—Coquitlam was 116,000 in 1991, having grown 26 per cent from the previous census and is now approximately 125,000. Do I just forget that because I am comfortable with the way things are? What about representation by population?

It is far past time that we started to be accountable as politicians.

• (1620)

Mr. Brent St. Denis (Algoma): Mr. Speaker, I am quite amazed at some of the things I have been hearing today. It is quite incredible that we see the opposition to this legislation that we are seeing from the Reform Party.

Significantly, one of the first phone calls I got on this matter some weeks ago was from the Reform Party Association in my riding which was quite concerned that the changes that were proposed would so change the riding of Algoma that neither the present member nor any future member could adequately serve the constituents in a way that they have become accustomed to.

It also was amazing to hear the Reform Party argue for continuing the process as it has been put in place. There is an expression in business and more than most, business influences Reform like no other group.

There is an expression that says "cut your losses". Yes, several millions of dollars have unfortunately been utilized to start this process but what about the untold millions of dollars of mistakes that might occur should we allow this process to proceed? I say that we should cut our losses.

We could ill afford to allow this process to proceed given a set of rules that do not adequately serve Canadians nor adequately serve Parliament. I do not mean that we should have rules that serve individual members of Parliament. I would be pleased in the new riding of Algoma—James Bay to serve communities in

the far north like Hearst and Kapuskasing, Dubreuiville, Chapleau and so on.

I would be pleased but I am not sure they would be best served by a member of Parliament who in a new proposed riding has to serve an area that stretches from Lake Huron all the way through to James Bay.

The changes proposed just for my riding alone are reason enough to quash the whole process. I am aware of many problems across this country. One only has to look at Algoma riding to see what, with all due respect to the commission—it did the best it could given the resources available to it—changes have been proposed and to see how frankly unrealistic and ridiculous they are.

It would not serve the people of my part of northern Ontario to continue this nor would it serve Canadians at large. I respect that there are urban centres that have seen their ridings bloom to great numbers. We have to do something about that.

It is just as difficult to serve a large geographic area as it is to serve a large population. I have in the neighbourhood of 40 communities right now in my riding with 40 reeves, mayors or Indian chiefs. They need as much my personal attention in terms of my being available to visit with them and talk to them as the constituents in a large urban centre.

I argue that notwithstanding the importance of representation by population, representation by geographic area is equally important. If one has 100,000 or 200,000 citizens in a confined geographic area one needs a lot of staff, I argue, to support the needs of those people. The member of Parliament can travel within that confined area relatively easily.

If one has a riding such as in the case of the current Algoma riding, it is seven and a half hours drive from one end to the other. No amount of staff can take the place of the member of Parliament visiting the communities in that riding.

If one would increase rural ridings because one is devoted mindlessly to population only representation, one forgets that individual communities spread out by great distances will lose access to their member of Parliament. In a way that does not happen in urban centres. It is a different kind of representation. If we do not stop this process and revisit seriously the subject we will never have a recognition that there is a shift that is going on from rural areas to our urban centres and an inexorable shift because of the current rules.

• (1625)

In northern Ontario we currently have 12 ridings if we include the riding of Parry Sound—Muskoka. The proposal would reduce that to 10. We have lost seats in the past and if the trend continues next time it could be nine or eight. Where do the people who live in cities come from? Unless they are born there they come from the country. Why are they coming from the country, in rural areas? It is because of the economy of this country. When there is no work in the rural areas people go to the city even if there is no work in the city.

We have seen a shift in the population from our rural areas to our urban centres partly because of the economy. Should we allow shifts in the economy to so gravely affect shifts in the way our ridings are distributed.

We could have good times again and we will under a Liberal government. In fact I think the red book should be called the well read book because clearly the opposition parties have read it. I am sure we have done more for literacy in this country with the red book than any other document published in recent history. I encourage everyone to read it again because our commitment is to rural Canada. If we allow this bill to go through then we are recognizing that rural Canada is important. We are allowing Canadians the opportunity to have a serious say on how our boundaries are drawn and to get away from this notion that we can only have representation by population.

Again with all due respect to the commission, I think it makes a lot more sense—and I will make this argument to the Standing Committee on Procedure and House Affairs—that not only do we have to revisit the subject of representation, but it makes more sense that the first draft of new maps be generated with some public consultation. At the very least, the representatives of the public at the federal level, the members of Parliament, should have some say. I have no problem with input not only coming from sitting members of Parliament but from candidates who fought the last campaign. It is not a partisan issue. Boundaries for ridings is not a partisan issue and should not be.

All of the parties that fought the campaign in Algoma understand the need to have fair representation for the rural areas of this country. There is no argument that the urban areas need full representation too. If we have a riding that all of a sudden because of economic reasons and so on has grown to 200,000 would it not make more sense simply just to carve a new boundary down the middle of that riding and make two ridings of 100,000? Rather than have a domino effect throughout an entire province why not simply look at the problems.

We may want to add seats to Parliament but that is something we can debate later on. We cannot cap the number of seats here forever, but we want to consider how quickly the number of seats rises. However, if we are going to make corrections it is much better to look at the problem areas and do some fine-tuned adjustments.

If we look at northern Ontario, the changes that have been proposed are so strange and so massive that it does not seem logical. I use the riding of Algoma and the proposed riding of Algoma—James Bay as classic examples of why this system does not work. I say to my Reform friends, and I have a lot of respect for my Reform friends, to consider what they are doing

here in arguing against rural Canada. We need a system that works.

On that note, I would just say that this is not an issue of limiting debate. We want to give Canadians adequate time to consider new rules. The less time we take here the more time Canadians will have.

• (1630)

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, I welcome the opportunity to speak today on this bill to suspend the operation of the Electoral Boundaries Readjustment Act and to voice my support for the proposed legislation because, in my view, we are not prepared to make the changes that have been recommended by the electoral boundaries commissions.

Several years ago, following a recommendation from a provincial electoral boundaries commission to eliminate a riding in the eastern part of the province of Quebec, we launched a study to determine the criteria by which a riding is defined. Our study took into account not only the population of the riding, but a number of other factors such as the overall size of the riding, the number of municipalities and regional municipalities and so forth.

It is important that we endorse this bill today and that we reject the amendment moved by the Reform Party so that we can come to a clearer understanding of what the electoral map of the future should look like.

Let me describe to you, for example, the situation in eastern Quebec. At present there are five ridings in eastern Quebec: the riding of Bonaventure—Îles-de-la-Madeleine which is represented by a Liberal MP, Mr. Patrick Gagnon; the riding of Gaspé which is represented by Bloc MP Mr. Yvan Bernier; the riding of Matapédia—Matane held by Mr. René Canuel, the riding of Rimouski—Témiscouata held by Mrs. Suzanne Tremblay and lastly, my riding of Kamouraska—Rivière-du-Loup. Under the proposed electoral boundaries reform, one of these ridings is slated to disappear.

Some notable differences can be found as far as the four proposed ridings are concerned. For example, according to the new electoral map, in the riding of Gaspé, more than 330 kilometres would separate the towns of Amqui and Gaspé. Or should I say a distance of 330 kilometres in the summer, and 1,000 kilometres in the winter?

Moreover, each of the existing five ridings has developed its own unique culture. These cultures have been in place for many years. They did not emerge suddenly when the ridings were created. They existed long before then. There is a certain homogenous quality to the social fabric of each riding, based on its socioeconomic calling, its distinctive geographical features and its history. The proposed redrawing of the electoral map, a process based solely on making a demographic calculation and on dividing the number of people by the number of ridings, in no way satisfies the development requirements of a region like ours.

In my opinion, other factors must be taken into consideration or else we will remain locked in a vicious circle where each time a region's population declines, the number of elected representatives will be reduced. A region represented by fewer MPs has less influence in government. Therefore, our regions will continue their downward spiral. An electoral map drawn solely on the basis of population would be a virtual insult to rural areas.

Therefore, it is important that we take the time to review the situation and find other criteria for determining electoral boundaries. All I can say is that we would prefer the status quo to a new electoral map which would wipe out a riding in eastern Quebec. If a riding was eliminated, future elected representatives would find themselves with ridings that are far too large. They would have to deal with new municipalities.

For example, in my riding of Kamouraska—Rivière-du-Loup which would take in the regional municipality of Témiscouata, there would be over 60 municipalities grouped together in four different regional municipalities: Basques, 11 municipalities; Rivière-du-Loup, 16 municipalities; Kamouraska, 18 municipalities; Témiscouata, 20 municipalities. Elected representatives might need longer parliamentary breaks just to travel to the various parts of their ridings.

• (1635)

For instance, the population of the riding would increase from 73,747 to more than 88,000 over a really vast area. But the disappearance of a riding like that one also has a negative economic impact because it would require additional financial resources. With the economic difficulties we are now facing, there is no guarantee that the four new ridings replacing the five old ones would get more money to pursue their economic development, which would in the end compromise representation for each municipality.

If more money were made available, we would have to determine if the increase is significant and adequately meets the demands of the municipalities. This reform of the electoral map would have all kinds of administrative repercussions. For example, in the areas covered by Canada Employment Centres, various such elements do not seem relevant to us at a time when the population is feeling insecure regarding the effects of reforms, as it does in Eastern Quebec with respect to unemployment insurance. The increase in the number of weeks of work required to qualify for benefits is already something the region

must respond to quickly and come to grips with, without us adding other contradictions like reducing the number of ridings.

The commission's proposals to readjust the current boundaries of Eastern Quebec ridings raise many questions. I speak as the member for Kamouraska—Rivière-du-Loup but also as chairman of the Bloc Quebecois caucus from Eastern Quebec. I also think all members from the East are surely aware of the impact such a decision would have. We would much prefer to maintain the status quo and, in that sense, the bill would allow the elections commission to gain time, maybe to think of other criteria to be considered in future, and to come up with much more reasonable solutions.

In conclusion, I would say that figures sometimes speak louder than words. Let us look at the geographical size of the existing constituencies: Bonaventure—Îles-de-la-Madeleine would go from 8,155 to 11,375 square kilometres; Gaspé would go from 12,268 to 17,783 square kilometres and would become part of the new Gaspé—Matane constituency; Matapédia—Matane would disappear; Rimouski—Témiscouata would go from 6,367 to 8,564 square kilometres. In the case of Kamouraska—Rivière-du-Loup, or Témiscouata, it would go from 6,367 to 8,564 square kilometres. Those are truly huge areas, which it would be almost impossible to represent adequately.

The Bloc Quebecois is pledged to protecting Quebec's interests. For us, that means promoting sovereignty, but we are also representing a population which will have to make a decision regarding its constitutional future. We certainly do not want to abdicate our responsibilities by saying that, according to our scenario, there will not be another federal election. We want to be totally honest and ensure that, regardless of their decision, those whom we represent will enjoy the best possible conditions, whether it is within the Canadian federation if they so choose, or in a different structure.

In conclusion, it is important to support this bill, especially considering the savings involved, since the amendment proposed by the Reform Party would result in hearings being held and in a postponement of the debate. We would end up wasting money on a commission with no specific criteria, and we would still have to look at the whole issue later on. Let us be clear with the public. They just voted in an election, they can wait a little for electoral reform to be completed. It may be that the definitions of RCMs were taken into account in establishing the criteria and that is interesting. However, as regards the rest of this process, let us give ourselves some more time. That way, if we have to use that electoral map again, Canadians will be ensured of the best possible representation.

• (1640)

[*English*]

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I am pleased to rise in support of the bill and the motion currently before the House.

I am not surprised to see a number of the opposition rising and joining what has been called around here from time to time the ranks of the perpetually indignant. I know of what they speak because it was not but a few months ago I sat in opposition myself.

They are upset or feign being upset because of the use of time allocation. I understand that too because I sat over there. There is a reason the government believes that the time should be allocated. I ask the members opposite, as we have debated this throughout today would the result be any different in the ultimate vote if we had extended the time for debate? Under all the circumstances I think not.

I want to explain why I support the bill. Notwithstanding that I have a riding with over 150,000 people, I could sure use a smaller riding, as could my staff. So could many other members whose ridings exceed the norm of 90,000 or 100,000 people. That is one reason I might want to see this redistribution process go ahead immediately.

I come from the province of Ontario which would get another four seats in the process. Therefore my Ontario colleagues and I would probably want to see the bill go ahead and we would have another four seats. Why do I not want that to happen?

The reason is that the process as currently constructed will increase the membership in the House of Commons to 301. That is a very significant item because a close look at the statutes indicates that growth continues. It goes on and on over the years. MPs have realized it is time to put a stop to that.

I want to correct one item. One of the members who spoke within the last half hour said the last time there had been a change in the electoral boundaries was in 1980. That is not accurate. The last electoral boundary change took place for the 1988 election. I know because I was elected in 1988 on the new boundaries. The process took place in 1986–87. It is not long ago that redistribution took place. I have nothing against redistribution, in fact I am in favour of it.

Getting back to what I was speaking on a few moments ago, I sit on the Standing Committee on Procedure and House Affairs. About a month ago the Chief Electoral Officer was before us describing the process.

At that time I and other members spoke on the issue of the increase in the number of members. For every new member we add to this House, it costs the taxpayer roughly half a million

dollars. Add six members and that is $3 million per year. That is an annual cost of $3 million forever. That is the financial issue.

I have not even mentioned the cost of renovating the House of Commons. Every time a piece of carpet, a wire or a pipe is installed it seems to cost us $10,000. There just is not any more room in this House. There would have to be a significant renovation.

In any event, 301 members is not what Canadians want. They want a Parliament that works. They want to see it work with 295 members and not 301 or 310 or 320 as time goes on. In my view the position the opposition parties are taking seems to be a desire to show blind submission to a process that was put in place about 30 years ago and keeps on growing, keeps on causing the numbers of members of Parliament to grow and the costs to grow.

• (1645)

A number of the interventions today were from members of the Reform Party. I would have thought there would be some element of reform in the way they are addressing this.

I accept that the redistribution process is calculated to be fair and that it is there for a reason. But lying behind that is the growth in the numbers of MPs and I want to put a stop to that.

Yes, $5 million has been spent on the current process. But how much more money would continue to be spend on the existing process if we did not stop it right now? If we do not stop it this month or next month we will continue to spend the rest of the $8 million and I suspect, as per usual, it would not be a surprise to see them go away beyond budget. The process simply has to be completed.

I will tell the House why I support this bill. It is because I want to cap the growth in the number of MPs in the House. The only way to do it is to grab hold of this process and stop it dead right now. Put it on ice because the changes to cap the growth in the number of members in the House involves a change in the Constitution. We do not make those overnight in this place. I do not think any country makes constitutional changes overnight.

This is the way to do it. The matter is to be referred to the procedure and House affairs committee, an all–party committee, not a Liberal mechanism as was alluded to earlier by one of the Reform Party members. It is an all–party committee and it will study the issue and report back to the House where the issue will be debated. I cannot imagine that the government would want to put closure on that debate when it comes back. However, at the moment we have to do this piece of business to stop the growth and the procedure. If we do not do this, within a year or two it is going to give us 301 MPs running in the next federal election.

I will end there. I hope the message is clear. I hope some of my colleagues opposite will understand it. We will redistribute the boundaries at some point. We have to. We certainly have to in my riding. However, let us get a handle on the number of MPs that are needed to serve the country as a whole, refashion that process, refashion that mechanism first.

* * *

MESSAGE FROM THE SENATE

The Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed certain bills.

ROYAL ASSENT

[*English*]

The Speaker: Order. I have the honour to inform the House that a communication has been received as follows:

March 24, 1994

Mr. Speaker:

I have the honour to inform you that the Honourable Beverley McLachlin, Puisne Judge of the Supreme Court of Canada, in her capacity as Deputy Governor General, will proceed to the Senate chamber today, the 24th day of March, 1994 at 4.45 p.m. for the purpose of giving royal assent to certain bills.

Yours sincerely,

Anthony Smyth
Deputy Secretary Policy,
Programming and Protocol

• (1650)

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

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, the Speaker with the House went up to the Senate chamber.

• (1700)

And being returned:

The Speaker: I have the honour to inform the House that when the House did attend Her Honour the Deputy to His Excellency the Governor General in the Senate chamber, Her Honour was pleased to give in Her Majesty's name, the royal assent to the following bills:

Bill C–3, an act to amend the Federal–Provincial Fiscal Arrangements and Federal Post–Secondary Education and Health Contributions Act—Chapter No. 2.

Bill C–5, an act to amend the Customs Tariff—Chapter No. 3.

Bill C–14, an act to provide borrowing authority for the fiscal year beginning on April 1, 1994—Chapter No. 4.

Bill C-19, an act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending the 31st March, 1994—Chapter No. 5.

Bill C-20, an act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending the 31st March, 1995—Chapter No. 6.

GOVERNMENT ORDERS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION ACT

The House resumed consideration of the motion and of the amendment.

Mr. Grant Hill (Macleod): Mr. Speaker, I wanted to rise in the House today and do something unusual. I wanted to compliment the Liberals across the way. I wanted to compliment them on the red book.

In my view the red book is an unusual process in Canadian electoral politics. The red book is a departure from the standard fare of Canada's process. The red book actually lays out in front of all Canadians some promises which the party said was its platform and upon which its members would present their issues.

I wanted to compliment them as well on their motives. I believe theirs are pure motives. They do have the best interests of Canada at heart.

• (1705)

While we may have philosophical differences, the fact is we basically want the same things for our children. We want a good education and good jobs for our children. We would like safe streets for our kids and we would like safety nets if our children have serious problems in their lives.

The government has a role to play in those goals. Our government probably has lost some popularity in Canada. I reflect upon some poll results I read the other day. In terms of occupations, politicians were on the bottom rung just being beaten by lawyers. I wondered how we could improve the image of politicians.

I actually explored the red book wondering what my colleagues were attempting to do in terms of improving the image of politicians. I found that a Liberal government would take a series of initiatives to restore confidence in the institutions of government. That is on page 92 of the red book. I went a little farther and found that MPs would be more able to draft legislation. There would be a parliamentary review of some senior Order in Council appointments. I thought that was good stuff. My compliments for those things in the red book.

I did find some inconsistencies. I am sure members did not think the compliments would last forever. There is a disadvantage to first being in opposition and subsequently occupying the government benches. The disadvantage is there is a visible and vocal record. That record is on the use of closure by time allocation.

I refer to some documentation that expresses what the members opposite said not so very long ago: "This government is trampling on the rights of Parliament. A Liberal government would never do such a thing. This is a complete breach of parliamentary practice. It is a shocking display of the inability of the government to come to grips with the fact that it was elected to be responsible to this House of Commons. It was elected to do so and it is not being responsible. It is trampling all over this House".

It goes on: "One thing we are labouring under tonight is a closure motion. I could not go along with that bill without expressing my distaste at the activities of the government. It is a disgraceful performance. The government is obviously fearful of bringing its legislation before Parliament and having it exposed to the light of public scrutiny. If I had introduced legislation of the kind the government has, I would be embarrassed as well. I want to again say in the strongest terms that by using closure in this debate the government has shown complete contempt for democracy".

This is quite a fat document. I could go on but maybe I should stop.

An hon. member: More.

Mr. Hill (Macleod): I hear a cry for more. That is the way the hon. member was talking about closure then, referring to another comment. He sits here deadly silent now. He does not dare discuss this issue now because he knows what he said then was right. This is talking about someone else from the other side who had crossed and had the same problem with closure.

I want to make it very plain, the use of time allocation and closure is wrong. It is draconian. They both limit the debate on issues to a time period convenient to the government. They are like a calm and beautiful sea: very appealing to the senses, but a rocky reef lies just beneath the surface. I wonder what it is about crossing from this side to that side of the House. Suddenly the issue seems to be very different.

• (1710)

I also have a great deal of difficulty listening to some of the arguments from members opposite saying that we should swallow the soup of this bill because in it the bill allows us to limit the number of parliamentarians. That one part of the proposal I wholeheartedly endorse. I do not think Canada needs more than 295 parliamentarians. I promise if my colleagues brought a bill to us which said that one thing, they would have wholehearted concurrence from this group of Reformers.

However when it is brought with a soup full of other things, one does not get concurrence. Referring to that one issue in this bill does not make the soup palatable because the soup contains the strychnine of closure. That is not correct. I repeat: Bring to us a bill that says Parliament will not need to grow. Bring to us a bill that says Parliament can shrink and support will be immediate and forthcoming.

This brand new Parliament gives us the opportunity to change the way Parliament functions. We have the opportunity in this Parliament to say no to things like time allocation. We have an opportunity in this Parliament to say no to party meddling in boundary changes. We have an opportunity in this Parliament to say no to wasting $5 million of taxpayers' money on an exercise that need not be stopped completely. It could be modified. We have an opportunity with new parliamentarians to say no to this type of politics.

In my riding there are problems with the boundary adjustments which are fairly major. However I would rather lose the next election because of boundary changes that were not proper. I would rather lose that election than be saddled with a parliamentary process like this one.

I take this opportunity to express these things in the strongest way I can. If the issue of closure and time allocation was right when they were on this side of the House then it is right when they are on that side. You cannot change the colour of your underwear when you cross the floor. You have to have some basic principles. You cannot change the colour of your hat because you have gone from this side to that side. You have to have basic principles. It is not good enough to just espouse vocally from this side of the House to that side of the House. There must be some principle. We cannot have it both ways.

I speak against this bill, this closure and this process and I do it as strongly as I can.

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton): Mr. Speaker, I am pleased to have the opportunity to participate in this important debate on the motion for second reading and reference to the Standing Committee on Procedure and House Affairs of Bill C–18, an act to suspend the operation of the Electoral Boundaries Readjustment Act. It is for several reasons that I have a special interest in the process of redistribution of electoral districts in our country which is now under way.

First, the electoral district of Bramalea—Gore—Malton which I have the honour to represent in this House lies within the cities of Mississauga and Brampton in the regional municipality of Peel, one of the fastest growing areas in Ontario between the 1981 and 1991 census.

• (1715)

Second, on the basis of the 1991 census, the combined cities of Mississauga and Brampton are entitled to two of the four electoral districts which are to be added to the total for Ontario, raising that number from 99 to 103.

Third, Bramalea–Gore–Malton would, in my view, be changed without good reason by the current proposals of the Federal Electoral Boundaries Commission for Ontario.

As all hon. members are aware, the Constitution Act of 1867 requires that there be a readjustment in the number of members of the House of Commons after every 10 year census. The procedure for calculating the number of members of the House of Commons to which each province or territory is entitled is set out in sections 51, 51(a) and 52 of the Constitution Act of 1867. The procedure for establishing the boundaries of the electoral districts which will be represented in the House of Commons is set out in the Electoral Boundaries Readjustment Act.

I will not go into details of the procedures to be followed but would refer hon. members to the clear summary of those procedures provided by the hon. government House leader in his speech on Monday, March 21, 1994 which opened the debate on second reading and reference stage of Bill C–18. I would also refer hon. members to the excellent booklet entitled *Representation in the Federal Parliament* which has been prepared by and is available from Elections Canada.

For the purpose of clarity of debate, it should be emphasized that the calculation of the number of members of the House of Commons and the establishment of the boundaries of electoral districts are based on the number of people in a given area, never on the basis of the number of voters.

I would now like to turn from the general to the particular and describe how the electoral district of Bramalea—Gore—Malton would be affected by the current proposals of the Federal Electoral Boundaries Commission for Ontario.

Let us start with the facts that as a consequence of the 1991 10 year census it has been determined that the province of Ontario is entitled to 103 members of the House of Commons and that the electoral quota for Ontario is 97,912, the ideal population for each of the 103 electoral districts assigned to the province.

The population of the cities of Mississauga and of Brampton have increased dramatically in the 10 year period between the 1981 and the 1991 census. In 1981, the population of Mississauga was 315,056 and that of Brampton was 149,030 for a total population of 464,086 for the two cities. That population entitled the two cities to the five electoral districts established under the 1987 representation order, namely Mississauga East, Mississauga West, Mississauga South, Brampton and Brampton—Malton. The name Brampton—Malton was changed to Bramalea—Gore—Malton in 1990. The 1987 representation

order provided for the first division of the city of Brampton between two electoral districts. Brampton had previously always been entirely within one electoral district, either Peel or Brampton—Halton Hills or Brampton—Georgetown.

The 1991 census disclosed that the population of Mississauga had grown to 463,388, and that of Brampton to 234,445, for a total combined population of 697,833. That population now entitles the two cities to two additional electoral districts, for a total of seven.

As I stated earlier, the electoral quota for Ontario is 97,912. If one calculates an electoral quota for the combined two cities by dividing their total population of 697,833 by the number of electoral districts to which they are entitled, namely seven, the resulting quota for the two cities is 99,690.

• (1720)

At page 13 of its proposals, the Federal Electoral Boundaries Commission for Ontario in the course of its comments with regard to Metropolitan Toronto, Etobicoke states that three districts within the city of Etobicoke would average about 103,000 which is close to what the commission believes appropriate for urban districts. The city of Etobicoke lies immediately to the east of the cities of Mississauga and Brampton.

The population of Bramalea—Gore—Malton according to the 1991 census was 103,589 which is 5,677 above the electoral quota for Ontario and 3,899 above the electoral quota for the combined cities of Mississauga and Brampton. However the population of Bramalea—Gore—Malton is only 589 above 103,000 which is close to what the commission believes appropriate for urban districts.

It would therefore appear that there is no urgent and pressing necessity to alter the existing boundaries of Bramalea—Gore—Malton.

However the commission was not satisfied with the situation. After deciding that the electoral district of Mississauga South should remain unchanged with a population of 96,208 and that Mississauga East should be altered in area to reduce its population to 101,300, the commission decided to perform major surgery on Bramalea—Gore—Malton to cut its population back to 96,360 from 103,589.

The commission accomplished this feat by removing an area of Brampton lying east of Dixie Road and having a population of 36,593 from the northern part of the electoral district and adding a piece of the northwestern corner of Mississauga with a population of 29,364, most of whom live south of Highway 401 to the southwestern edge of the electoral district, for a net population reduction of 7,229.

This exercise seems to me to resemble cutting one end off a blanket and then sewing most of it back on to the other end in an effort to make a small reduction in the size of the blanket.

In addition the commission appears to have clearly violated one of its own operating principles. Highway 401 forms the entire southern boundary of Bramalea—Gore—Malton. In the course of its comments with regard to metropolitan Toronto, the area north of Highway 401, the commission states at page 15 of its proposals that "the commission believes that Highway 401 forms a physical barrier and should be used as a boundary wherever possible".

The proposed addition of the populated area south of Highway 401 to the rump of Bramalea—Gore—Malton runs directly contrary to the commission's view on the role of Highway 401.

The commission's proposal would create a distorted electoral district resembling a reversed letter *L* of which both extremities would have less in common and be further apart than is now the case within Bramalea—Gore—Malton, thus diluting the community of interest or community identity in the electoral district. Hon. members will thus understand why I have serious concerns as to how the Federal Electoral Boundaries Commission for Ontario is carrying out its mandate.

Inequality of representation in this House has also been encouraged by the provisions of section 15(2) of the Electoral Boundaries Readjustment Act which provides for a maximum deviation of 25 per cent above or below the electoral quota for an electoral district in a province. In other words, if the electoral quota for Ontario is 100,000, meaning that each resident of the province would have equal representation in this House if the population of each electoral district was 100,000, it would still be perfectly possible and legal to have some electoral districts with populations as low as 75,000 and others with populations as high as 125,000.

• (1725)

The Acting Speaker (Mr. Kilger): Order. It is with reluctance that I rise but the member has used up his full 10 minutes. If the member is going to be just a little longer we might ask the House if there is unanimous consent that he might conclude his remarks.

Would there be unanimous consent to allow the member for Bramalea—Gore—Malton to conclude his remarks?

Some hon. members: Agreed.

Mr. Malhi: Mr. Speaker, the subject of what shall be an appropriate number of members of Parliament has been referred to frequently in this debate.

At this point I would simply raise for consideration the possibility that perhaps this House would operate more efficiently and effectively if there were dramatically fewer members of Parliament than at present and that there be a fixed number. Those fewer members would have more extensive

staffs and research facilities but I believe the long term savings could be significant. Such a proposal would certainly merit consideration by the Standing Committee on Procedure and House Affairs.

The Acting Speaker (Mr. Kilger): I thank the member for his co–operation.

[*Translation*]

Mr. Antoine Dubé (Lévis): Mr. Speaker, it is with pleasure that I rise to take part, as member for Lévis, in this debate on Bill C–18 to suspend for 24 months the operation of electoral boundaries readjustments across Canada.

You know it is not always easy to speak in a debate so late in the day without repeating what our hon. colleagues from both sides of the House have already said. I will speak anyway, because I think it is important to talk about democracy and its operation. We can never talk too much about democracy and truly democratic rules in this House. So, this bill gives me an opportunity to raise this extremely important issue.

Like my fellow members of the Official Opposition, I support this bill. I will not go over all their arguments, although I agree with the points like the savings to be made by deferring this readjustment for one thing. Members opposite also mentioned it would give more time to do a more thorough job and to better target readjustments to the democratic reality. I will simply insist on one point.

As you know, provincial elections are to be held this year and, normally, within 12 or 14 months of the elections, we should have a referendum in Quebec. So, if all goes well—and I honestly think, along with my colleagues, that it will—we are going to find ourselves in a totally new political context. Under the circumstances, what is the use of redesigning the electoral map when it may not be used by Quebec in future elections? It is therefore wise and perfectly advisable to wait and to defer the readjustment—

Some hon. members: Oh, oh!

Mr. Dubé: Perhaps the hon. member would like a drink of water? He would then be less disruptive.

An hon. member: Give him something to drink!

Mr. Dubé: As I was saying, it would be appropriate to await the outcome of this referendum before making changes.

Personally, as member for Lévis, I would like to point out another reason why I think it should be deferred. Basically, to keep changing the electoral map all the time is counterproductive in terms of fostering a sense of belonging within a region or a community.

• (1730)

Some countries tend to keep the same electoral boundaries, despite shifts in population. This is done in France and other countries as well. There is evidence that it provides a certain stability and allows local communities to strengthen their feelings of solidarity and work more effectively to promote their economies.

We should not make changes as a matter of course, every other election. We live under a federal system, which means federal elections, usually every four years, and provincial elections as well. Generally speaking the provinces adjust their electoral boundaries as well, before every other election, as in Quebec. Unfortunately, there may be a lag, so that some voters, especially in the urban ridings I am familiar with, do not know to which riding they belong. In some cases, they do not even know their members. That may be because the members are not always very efficient—I am referring to the past because there are more and more Bloc members in Quebec, and people know us and will get to know us even better, because we are going to be very active. Why do people have problems? Because things change so often.

In terms of electoral boundaries, we have the territory covered by federal ridings and the territory covered by provincial ridings. Administratively speaking, voters want to identify with a territory. And what happens? Administratively speaking, although this may not be directly relevant to today's subject, the individual needs to identify with a given area. That is very important. It is very important for the individual to know to which area he belongs.

In the riding of Lévis, we have the Lévis Regional County Municipality, the territory covered by the provincial riding, school boards and LCSC areas. Provincial departments usually provide maps indicating which areas are covered by various services. If we add to all that the areas covered by federal services, by all the departments, the local employment centre and the rest, we could look at all the departments, and we would find as many ways to divide the area as there are departments.

Furthermore, there are a substantial number of federal government agencies and Crown corporations which also have their own areas. Imagine an individual trying to cope with these constant changes! People can get very confused—

[*English*]

An hon. member: There is a problem with the hon. member's microphone.

[*Translation*]

Mr. Dubé: I will not start all over, Mr. Speaker.

Briefly, this is a very important issue. We have a federal electoral map, a provincial electoral map, and there are various what I would call administrative maps provided by provincial and federal departments.

Mr. Bellemare: Mr. Speaker, on a point of order. Since the microphone used by the hon. member for Lévis was turned off, we missed part of his speech. I wonder whether he could repeat the missing part.

The Acting Speaker (Mr. Kilger): This is not a point of order as such. The hon. member has no text, so I think we will have to rely on *Hansard*.

Mr. Dubé: Mr. Speaker, at least the hon. member for Carleton—Gloucester will be able to read my speech tomorrow in *Hansard*, and I appreciate his interest. Speaking in the House is interesting when there are members who are interested in what one says, so I commend them for that.

• (1735)

Nevertheless, in the two minutes I have left, I do not want to appear to be opposed to change. On the contrary, those who know me in my community find that I am usually someone who identifies with change and who agrees with change. But I think that the commissions should consider two changes. The first change, which seeks a certain fairness in the number of electors represented per riding, is laudable. It is right in a democracy, but I was just talking about the disadvantages it causes when there are too many changes.

Some countries have a system of proportional representation. I think this is something to consider. I looked at what the latest commission dealing with it had to say and it did not look into it much. Major reports have been written and we could review them.

There is another change, Mr. Speaker, and I think it is the most important one we should make here in Canada or in any democracy, namely financing of political parties. It would be a better way to strengthen and improve democracy than to change electoral maps left and right, I think.

In 1977, Quebec passed Bill 2, as a result of which political parties are financed by individuals and not by corporations, unions, companies and businesses. What has this achieved? It has eliminated a lot of—in politics, often perception is what counts. Since then, people feel that their government is less subject to undue pressure from business. I think that this is an improvement that the people in the Reform Party would also want to support. It would improve election practices, improve government management and finally free the members elected from the various ridings from the pressures to which they may be subject on the basis of party financing.

I think that it would be tremendous progress and I still do not understand why, although people dealt with it as part of that royal commission on electoral reform and party financing. Although the general public was heard on this subject and agreed with this reform, it got nowhere.

If I have one suggestion to make, and I conclude with that, we really should look into the financing of political parties by the people.

[*English*]

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, it is my honour to rise to speak on second reading of Bill C–18, an act to suspend the operation of the Electoral Boundaries Readjustment Act and refer it to the Standing Committee on Procedure and House Affairs.

I do not want to engage myself in a certain tone of debate which talks about issues that are not really pertinent to the act or to the substance of the issue because of the limited time and because it is not my style to engage in that kind of debate.

I want to have a look at why I am supporting the bill. I am going to restrict it to my riding of Bonavista—Trinity—Conception to try to give all sides of the House an indication of how it is viewed by my constituents. I have received many phone calls, and quite frankly the constituents who have called me are dumbfounded. That is the best word to describe them. They are dumbfounded by what is going on.

Let us look at the chronology from their viewpoint. There was a comment made in the House that I will correct. The last change did not take place in 1980. It took place in 1988. As I was entering politics the change was made, and let me say what it did to my riding. The name of the riding of Bonavista—Trinity—Conception has been around for a long time. It describes and rightly so the three bays on the east coast of Newfoundland: Bonavista Bay, Trinity Bay and Conception Bay. Before the present boundaries were set the southern part of my riding took in the northern half of Conception Bay, almost a straight line down through the bay. The previous boundary took in the northern part of Conception Bay and all of Trinity Bay but only the southern part of Bonavista Bay, not including the well–known Terra Nova Park.

• (1740)

After the last census and the study of the commission that we are now trying to put on hold it was argued, and rightly so, that the riding of Bonavista—Trinity—Conception should include all of Bonavista Bay because there was a similarity with communities with respect to issuing fishing licences and the consideration of the community of interest, geographical reasons and similarly aligned issues.

It was argued that all of Bonavista Bay should be included. It was also argued that for the southern part of the previous boundary certain communities—I think there were seven of them including Brigus, Collier's, Whitbourne, Georgetown and Markland—should not be included because they were closely related to St. John's and had more of an urban interest. Their community of alignment was with the riding of St. John's East.

The third major reason was that Bonavista—Trinity—Conception as it was then comprised pre–1988 only had a population of around 75,000 or 76,000 whereas Gander—Grand Falls or Gander—Twillingate as it was then called had more than Bonavista—Trinity—Conception. It was felt that including the upper half of the northern half of Bonavista Bay would balance it more reasonably with other ridings in Newfoundland.

Considerable debate took place and the changes were eventually made. My constituents understood all the rationale that was used. After only one election the same rationale that was used to result in the present boundaries is being applied to revert to the old boundaries, except the rationale is used in reverse. It is said that the alignment of the northern part of Bonavista Bay is not in with the southern part of Bonavista Bay and the five or six communities that had an alignment more with the urban thinking of St. John's East really should belong to the district of Port de Grave because that really should belong to Bonavista—Trinity—Conception.

This is very difficult to understand for constituents who are only now getting used to a change that was made six years ago. Now they are being told that within two months they have to appear in four different locations in the riding either to agree or disagree, and the ones who disagree have to give some rationale why they disagree. That is very hard to understand.

What is also very hard to understand is that the population of Newfoundland from 1981 to 1991 had an increase of 793 people in 10 years. For this we are to realign what was realigned before, just take the rationale and use it in reverse. We will have 36 hearings in Atlantic Canada for 32 seats. That is about one per seat, except in Newfoundland where we have seven seats and there we will be 15 hearings. I am not sure what rationale was used there. I would not want to speculate for the members of the House.

The point I am making is that the changes that were made in 1987–88 were quite acceptable. The total population of the riding has not changed. The population of centres in the riding has not changed. People have not realigned themselves to my knowledge, so that has not changed. Why all of a sudden do three commissioners draw lines and find some rationale for those lines? I do not understand it.

• (1745)

What is more important is my constituents. Not only do they not understand it and have difficulties with it, but they are saying to me: "You are going up to preach restraint, you are going up to lower the deficit, you are going up to balance the budget. How can you possibly, apart from the ridiculousness and the timing of this measure, support it from the viewpoint of expenditure?"

I come up failing, Mr. Speaker. I cannot answer their questions.

Not an old but a wise mentor of mine once told me: "You know, Fred, being in politics is very simple; if you can't explain it, you really should not be doing it."

Well, I cannot explain this, Mr. Speaker, and therefore I am not so sure we should be doing it. Because of that, I am a very strong supporter of this bill to delay this ludicrous action that is taking place, so we can refer it to a committee, study it and come up with some reasonable recommendations.

The Acting Speaker (Mr. Kilger): Before resuming debate I will take a moment to make a comment to an earlier intervention by the member for Bonavista—Trinity—Conception on a point of order concerning relevance.

Some of his colleagues who shall remain unnamed from his great province would be the masters I might say of making a discourse on how it might be relevant. But it always amazes me in the short five years that I have been here that members always are able to make a relevant point to the motion or the bill being debated, and certainly I appreciate the member's participation in today's debate and his relevance to the subject matter.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I will try to find a germ of relevance in my representation as well.

I have listened with a great deal of interest to this debate today. We are talking about closure, redistribution and political interference or non–political interference in the political process in Canada. That is one of the things that we can treasure.

When we look at other countries in the world and reflect on the tragedy that happened in Mexico yesterday, we think of the very real and very great political discourse that goes on in the country. We see our colleagues from the Bloc who are here and while we are at completely different poles we are able to discuss these things rationally and without fear of personal harm. That is something we really need to treasure in our country and to hold very dear. I guess that is one of the reasons that I wanted to speak to this motion.

When this bill was first introduced I really did not feel all that strongly about it. My riding of Edmonton Southwest is affected very little. We lose a little bit to the northwest but as members would know, Edmonton Northwest is represented by my colleague who shares the same last name. So we do not win or lose on that one. In the south we lose a little bit and we gain a little bit so that the effect on our constituency is not all that much.

What we do have is a sense of fairness that when we get into a political debate or into an election here in Canada most of us do not have to go to bed at night thinking that there has been any gerrymandering going on with our electoral boundaries. This is something that I think is particularly important.

In the last election I was running as a rookie. The people from Elections Canada who were looking after things were all appointed by the Conservative government that preceded this government. I must compliment all of the people that I was associated with at Elections Canada. They were impartial and fair to everyone. In particular, I would use this occasion to compliment our returning officer, Patricia Collins, who went out of her way to be fair to me.

When we as a political institution start to change the rules that are established, whether we like them or not, we are treading on fairly thin ice. That is the reason that I am standing to speak against this motion today. If we do not like the rules then we have the privilege of changing them any time we want. However, there is no reason to suggest that the electoral boundary change cannot go forward as it would normally have done.

• (1750)

I am not in favour of changing the number of seats in the House. It could have been frozen at substantially less years ago. However the very people who are now making the case for freezing the number of seats, during the Charlottetown accord when the number of seats in this House were going to grow amazingly, not one word was raised against it. Different times make different priorities.

When I thought I wanted to speak to this and the new wrinkle of closure was added to the soup that an earlier colleague described, I thought why not phone the Library of Parliament and ask them to send over a few topic headings under the term "closure" and then I would glean from that a few examples of members' opposite when they were in opposition railing against the government of the day on the issue of closure.

There are three pages. So we just grabbed one to use as an example. Then I thought I had better be a little careful because I am sure that when members opposite were railing against closure when they were in opposition they had no idea that these words would be coming back at them in such a short time.

However, I must use one example and this is from *Hansard*, May 29, 1991, the hon. member representing Ottawa—Vanier:

> Since I began my remarks on the government's heavy-handed motion to reinstate certain bills, for which it could not receive unanimous consent because they are indeed not very good bills, a new element has been introduced into the debate—closure. It is now using its majority, the tyranny of the majority, to impose upon the rest of us its will.
>
> That is far from being democratic.

Therefore, I am a little nervous about introducing this because I know that if we are as successful as we hope to be, we will be sitting on the other side of the House.

An hon. member: Not to worry about it.

Mr. McClelland: Not to worry about it? Fine, not to worry about it.

An hon. member: Do not worry about it.

Mr. McClelland: No, you worry about it. That is right.

Lo and behold I am having my corn flakes this morning knowing that I am going to speak to this today and from today's *Globe and Mail* I would recommend to hon. members and to those of you watching these proceedings on television a very worthwhile article called "Debasing the Franchise". This is part one of three articles. I recommend it to everyone so they can catch a bit of the flavour and a bit of the history of just what we are talking about here. It is in today's *Globe and Mail* and there will be another article tomorrow and then the next day. If I may I will read just a small bit from today's *Globe and Mail*. It has to do with representation by population and distribution.

In any event in 1947 they had a pretty good idea that what they were going to do was base the number of seats by the representative population that Canada had and then divide that by the number of provinces and presto, you have the number of seats. As one province increases they get more seats and as another province decreases it gets less seats, except in the case of Prince Edward Island which was guaranteed four seats. That seemed like a pretty good idea at the time but it did not last.

I would like to suggest a way out of this muddle. I would suggest that we have a limit on the number of seats. There certainly will not be any problem from this side of the House in saying that we should not be increasing the number of seats in the House of Commons. Let us freeze it at 295. Let us have a strict representation by population in the House. Every province will be represented strictly in its proportionate number of seats by its population with no floors; no floors for Quebec and no floors for Prince Edward Island. Then how do we go about representing the regions or the provinces in Canada?

• (1755)

Let us have a Senate that represents the provinces. Let us have a triple-E Senate. That will get us out of this mess. We can have a House of Commons that will be strictly representation by population. That is magic, is it not? Then we have a Senate that represents the provinces.

A member opposite said they had not heard of this before. There may even be a few people out there in television land who

have not heard of this before. It is called a triple-E Senate. Through representation by population in the House and a triple-E Senate in the other House, we achieve what we want to achieve.

We achieve representation of all provinces equally in Canada and we achieve representation by population in this House without it growing forever. There, I submit most humbly, is my answer to the dilemma that our honourable House faces. How do we go about achieving it? It is simple.

Let us get on with it now. We know how to achieve it. We need to do something about the Senate. We are all in basic agreement with that. We will get representation by population in this House and we can get a triple-E Senate in the other House and we can all go home happy.

Mr. Andy Mitchell (Parry Sound—Muskoka): Mr. Speaker, I rise today in support of Bill C-18 because I believe the present system is detrimental both in general terms to Canadians as a whole and certainly detrimental in specific terms for northern Ontario and for the riding of Parry Sound—Muskoka which I represent.

I do not believe that the present system fulfils the mandate that it was given. I would like to read from the terms of reference. It says that "in fixing the electoral district boundaries, they must take into consideration the community of interest or community of identity in or refer to historical patterns of an electoral district and a manageable geographic size for districts in sparsely populated rural or northern regions".

The present system does none of these things. It was simply a mathematical exercise and then a drawing of lines on a map. This does not serve the interests of Canadian people and it certainly does not serve the interests of people in northern Ontario.

I cannot believe that the Reform Party is not supporting this bill. By not supporting this bill and by encouraging the present system, it is encouraging that we will have more members in this House. That is something that it has railed against time and time again.

It is certainly not something that I have heard from my constituents, that they want to expand government and have more government spending. The opportunity to take a second look at this is probably pretty good idea.

I certainly do not think it makes any sense to change approximately 80 per cent of the electoral boundaries that we have in this redistribution process. It seems like we are throwing the baby out with the bathwater. It is far too extensive. It is costing far too much money and causing far too much disruption.

We need to develop a new system that has public input at a far earlier point. The present system, having redrawn all the boundaries and coming out with a fait accompli and then asking the public to comment on it, is not the appropriate way of doing it. We need to study it. We need a system that is going to allow the public to have input at a much earlier stage.

• (1800)

I certainly think that history speaks to the problem. The hon. member who spoke before seemed to think that we had been doing okay with the present system and asked why we were trying to change it. I would like to read from John Courtney's book *Parliamentary Representation* wherein he talked about the electoral system in the most recent history:

> Since 1964 Parliament has amended the Electoral Boundaries Readjustment Act seven times; suspended one redistribution in mid-stream; ignored, then replaced, another at the completion of its work; and accepted three different formulae (a different one for each redistribution) for determining the number of seats to be awarded the provinces and the territories. Five starts at electoral redistribution in little more than 20 years suggests that the process has yet to win the measure of support and confidence of parliamentarians needed to ensure its long-term institutional independence.

With all those changes and with all the difficulties that we have had with electoral redistribution in the last 30 years, I do not think support of the present system is appropriate. Indeed we need to go back to the drawing board and look at a better way of doing things.

In addition to the national concerns that I have addressed, I have some very specific concerns as redistribution relates to my area of the country, northern Ontario. It will result in the elimination of two seats in northern Ontario. We have little enough representation as it is now with only 12 seats, but this plan would reduce us to 10 seats. I believe this is unfair. We are a rural area in northern Ontario. We need strong representation. I cannot support a particular system that will see our representation reduced by two.

As the hon. member from the riding of Algoma spoke earlier he described an electoral system that would result in his riding going from Manitoulin Island all the way north to James Bay. It is totally impractical that a member of Parliament could be expected to cover such a large geographic area. The present system that simply divides population on a map and draws lines is totally inappropriate. The plan to reduce northern Ontario down to 10 ridings takes away the collective voice we have in northern Ontario. The system is definitely flawed and needs to be changed.

Then we get to my own particular riding of Parry Sound—Muskoka. It is an area that under this redistribution would be split absolutely in two, with the northern half of my riding going in one direction and the southern half of my riding going in a different direction.

This certainly does not fulfil the mandate of the electoral commission which was to take into account historical, social and economic realities of the situation. The riding of Parry Sound—Muskoka has existed for 60 years, and in one fell swoop of a pen on a map there is a proposal to destroy it and to split it in two. I cannot accept that.

There are the social concerns. We in Parry Sound—Muskoka have developed into a unique community of communities, one that has a cohesiveness of interests, and again a stroke of a pen on a map is going to take that away.

The third area they were supposed to take into account was economics. We have a shared economy in Parry Sound—Muskoka. We have the major industry of tourism which we share. We share the same major transportation links of Highway 11 and Highway 69. We share the same character of rural Ontario. Again these social considerations under the current system will simply be thrown out the window as a result of the stroke of a pen on a map.

I do not believe the system serves the interest of Canadians. I know it does not serve the interest of northern Ontarians. I certainly know it does not serve the interest of my constituents from Parry Sound—Muskoka. I support the bill so that we can go back to take a look at the system and redesign it.

• (1805)

[*Translation*]

Mr. Ghislain Lebel (Chambly): Mr. Speaker, the riding of Chambly I represent has an area of 384 square kilometres. In the last election, it had 76,204 voters; today, that number is down to 76,203, since I spend most of my time here. It was and still is a mostly urban riding that straddles the Richelieu River from Beloeil—Saint–Hilaire to Chambly, including Saint–Bruno, a beautiful city we are proud of.

In my riding, the proposed electoral boundaries readjustment would add 14 small, rather rural municipalities and remove a large one, Saint–Bruno, that would be integrated into the riding of Saint–Hubert. The riding would gain 14 municipalities, and would extend almost as far as Granby in the Eastern Townships.

The problem is, first of all, there is no rush. We can take the time to debate these issues and to understand what is behind the changes proposed by the elections commission.

In my case, I go from 76,200 voters to a new riding with 110,000 voters. But my neighbour from whom I took 14 municipalities goes from a riding of 110,000 voters to one with about 76,000 voters. We merely exchange voters without gaining anything at the administrative level. On the contrary, I think we stand to lose.

What will it be like for the member representing that riding the day after the new electoral map comes into effect? In my riding, which has an area of only 384 square kilometres, all my predecessors had their offices in the middle of the riding to avoid long–distance charges. But after readjustment, the member for the new riding will need at least two offices and will be practically unable to make calls without incurring high long–distance charges.

Some would reply, "The government pays for that". Yes, when the member initiates the call, but when it is the voters who call, they complain that they cannot reach their member. They can reach him but only if they pay charges that can be quite high depending on their complaints. If only for that reason, I think it is a bad idea.

Furthermore, what is proposed does not take into account, I think, the communities' desire to live together because they are used to living together. Over the years, places like Saint–Bruno, Saint–Hilaire, Beloeil, Chambly—the smallest communities have a population of 15,000 or 16,000, while the largest have between 30,000 and 35,000 residents—have developed trade links as well as cultural and other exchanges involving volunteers, regional county municipalities, etc. These municipalities have learned to live together and have become very good at it. And just for the sake of it, we are now going to change riding boundaries to no one's benefit.

As I said earlier, my constituency will increase to 110,000 voters but that of my neighbour will go down to 76,000. What did we gain from all this? I would have understood how, if my neighbour had encroached on someone else and so on, we would have fiddled with the ridings to distribute the population more or less equally among the ridings, but that is not the case.

• (1810)

So I have some trouble understanding why the electoral commission is so eager to impose on us new boundaries that do not reflect local realities and the desire of people to live together, as in the riding I represent; that said, of course, with respect for the people who will join our riding. Shifting riding boundaries around just for the fun of it was not the main purpose of the electoral commission.

As for Quebec, we cannot talk about redistribution without talking about Quebec and its future. This morning, a poll published in the Eastern Townships, on which the riding of Chambly abuts, reports that the idea of sovereignty is supported by a strong majority in the Eastern Townships; the survey says 53 per cent.

At the beginning of my speech, I told you that the house was not on fire and I think that the Liberal Party of Canada has understood that and said to itself: "Better not go ahead too quickly with those changes. Quebec will probably separate in a year or a year and a half, so we would have done all this boundary adjustment for nothing. Better soft–pedal it, if not stop it, and we will see later". I think that is wise on the part of the government. I commend it for that and I thank it for saving the taxpayers in my riding and all Canadians a fairly considerable amount of money.

This morning, we voted against a motion. I hope that you will understand what we on this side of the House were against was the rather high-handed way in which they decided to end this debate. Certain parliamentary principles are dear to us, whether we are independentists or angry federalists, and wanting to cut off discussion and debate on a subject like redistribution which is important for many people is something that my party and I could not support, you understand, and that is why we voted against it. But tonight, for the reasons I explained to you, of course we will support the motion of the party in power, which is a motion from a party that understands things, which sees the obvious and knows that the Canadian federation as it now exists probably does not have much longer to live.

Based on the poll I have here, which is encouraging for my political option, we realize that the strongest bastions of federalism in the Eastern Townships have been shattered like toothpicks, so that is encouraging for my party and me.

With that, I tell you that I will vote on second reading of this Bill C-18 for extending the mandate, that is for postponement, like my colleagues who spoke before me.

[*English*]

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, it is a great pleasure to take part in this debate. I found it very interesting. All the various parties contributed to it. I would like to take it though in a slightly different direction, in a media direction that reflects my background somewhat.

Let me first describe my riding very briefly. My riding is Hamilton—Wentworth. It is a large, rural, suburban and urban riding that surrounds Hamilton. It follows the old historic lines of Wentworth county. It has a basic shape, a community centre and a community of interest going back well over 100 years.

● (1815)

There is one corner of my riding, the far southeast corner, Binbrook. It is a village with some farms immediately around it. After the writ was dropped I did a door to door campaign in Binbrook, about five days into the election. I was surprised to discover as I went from door to door that many people did not know who the candidates were. They did not know my name. They did not know the name of the Reform Party candidate. They did not know the name of the Conservative candidate.

I was quite surprised by this. I reflected upon it and asked questions. I discovered that the problem in this one small corner of my riding was that they were not served by a weekly newspaper. They are on the far edge of the circulation of the major daily newspaper which is the Hamilton *Spectator* which is in the centre of downtown Hamilton.

Again they are on the fringe of radio coverage. Finally, their basic interest was directed not toward Hamilton but directed toward another community outside of my riding, Stoney Creek and down toward the peninsula.

I realized then how absolutely essential it is for a politician to have a media which serves him because no matter what we do in this House or what we do in our lives for that matter, we have to reach the public. The public has to know what we do, whether it is good or bad, and I certainly hope that if it is good it does know. So the media is very important.

The rest of my riding is very well served. There are three weekly newspapers in various blocks of the suburban and urban portion. Of course the majority of the riding receives the Hamilton *Spectator* and there are two AM radio stations and some FM stations as well. I am very well covered as far as the ability of the media to follow my actions.

This redistribution however changes this picture entirely and it is a great problem. What has happened to my riding under the new redistribution proposal has taken out the urban component. As my riding is presently constituted I have about 30,000 people in Hamilton Mountain. They are completely eliminated. Instead what I have are two new blocks added, one a rural block next to Cambridge and another block between Cambridge and Brantford. To be more precise the one block is near Guelph.

Let me just visualize it for you, Mr. Speaker. You have Hamilton, Guelph, Cambridge and Brantford and the new rural blocks are in between those two areas.

These new blocks would be a great problem for me if this redistribution were to go ahead because they do not receive the Hamilton *Spectator*, they do not have weekly newspapers that serve them in the same way as my immediate community newspapers and they are out of range of the television and radio stations that are based in Hamilton.

Instead they turn to other communities. Naturally being rural communities they look to their nearest urban centre. So the block called Puslinch looks to Guelph. The block called north Dumfries looks to Cambridge and the block I would call south Dumfries looks to Brantford.

I am sure that you can see, Mr. Speaker, the problem that is presented here. If I say something in this House that is of some importance my chances of getting reported not only in the community and daily newspapers centred on Hamilton, but also in the Cambridge *Reporter*, the Guelph *Mercury* and the Brantford *Expositor* are very difficult.

In fact, those three newspapers that serve the rural areas that we are talking about only form a very small portion of the circulation of those newspapers. There is a great difficulty for me to get any kind of message out into these rural areas by the news media.

It is the same with the radio stations. These three rural areas that I would get in redistribution do not pick up the radio stations centred on Hamilton which would have the greatest interest in what I do. They instead are served by radio stations in Brantford, Cambridge and in these other areas.

Again the difficulty and the reality of the media is if they are going to do a news story on someone and that someone is of importance to perhaps only 5 per cent of their listeners the chances of them actually doing a news story is very limited.

• (1820)

That is the dilemma. The chances of people hearing what I do in these two rural blocks is very, very limited.

There is another side to the coin which is equally difficult. I have a responsibility as an MP to serve the people in my riding, and I have to serve those people community by community. At present I can follow what happens in my community by again turning to the local media. I have three community newspapers, I have the major daily paper and I also have the television station and radio.

The difficulty is that I have to now follow three more communities through the media. That means I would have to pay attention to these three other newspapers, I would have to pay attention to the radio stations and I would have to follow the local governments in three additional cities and municipalities.

I just do not think it is possible for one MP to cover that large a territory successfully, to be up on the news and be up on what concerns people over that vast area. Consequently I find that the kind of redistribution I am looking at is very flawed.

It is a question in my mind of philosophy. The reason we have to bring in a bill like Bill C–18 is not to interfere with a body outside of government that has been appointed to do a particular task. Our job as legislators is to give them the philosophy to operate. We have to define for them when they make this redistribution what they are doing and why they are doing it. It would appear from what I see now that in the past they have looked at the numbers purely and they have not given due attention to the question of community of interest, how our information comes from the politician to the people and how the politician gets the information from the people.

I would strongly support the intent of this bill because I think we are in the business here in this 35th Parliament of looking at reform of institutions in the sense of how better we can serve the people of Canada and our constituents. I think if we re–examine the philosophy of redistribution we may indeed find that numbers are not the last word of this issue, that it is how best the MP can represent perhaps a geographic entity.

Some of my colleagues have mentioned that in northern Ontario, for example, the numbers are sparse but the community of interest is based on history and geography. If you do it straight by numbers of course you are going to skew our historic responsibility to the people of Canada whom we serve regionally.

In concluding, I think this is a very fine move by this government. I really do wish that the members of both parties, particularly the Reform Party, would reconsider because I think this is the kind of reform that all of us in this House wish to see.

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, I rise in opposition to Bill C–18. My riding of Kootenay West—Revelstoke is very adversely affected by the proposed boundaries adjustment act. The riding is currently made up of two specific geographic areas which have much in common. Virtually all of my riding is located in a valley setting on or near one of three waterways.

There are some notable exceptions in this for mountainous communities such as Rossland and Warfield. The entire riding is involved in forestry, hydroelectric power generation and tourism. The Columbia River treaty affects all communities on or near the river from Trail in the south of the riding to Revelstoke in the north.

Many people travel between towns for work and recreational purposes. In the interests of economy we have learned how to share. For example, in 1996 Trail and Castlegar are jointly hosting the British Columbia Summer Games. Either community is too small to host this by itself, but by working together the 1996 games should be a spectacular success.

In short, we are a riding consisting of commonality of both geography and concerns. The proposal under the current Electoral Boundaries Readjustment Act effectively dismantles this riding that has so much in common.

The West Kootenay portion of the riding is split down the middle with Trail and surrounding communities being placed in a riding that would find its centre in the Okanagan, 200 miles to the west, an area that has nothing in common with its new addition. The rest of the West Kootenays would find itself in a riding with its centre 200 miles to the east, again with little in common with its new addition.

• (1825)

Revelstoke would find itself in a new riding made up of parts of the north Okanagan where it would likely centre. This riding would then proceed east past Revelstoke and the Rogers Pass, all the way to the Alberta border and include the northern portion of the former Kootenay East. Kootenay East would have to give up this portion of its old riding to make up for receiving the chunk that came from Kootenay West which no one asked for. Revels-

toke has little in common with any of these geographic areas and would be poorly served by the change.

With these changes Kootenay West—Revelstoke would cease to exist and, yes, I would be an MP without a riding. Given all these problems for the riding and faced with the loss of my own seat, one might ask why I am not supporting the motion by the government. Indeed many have asked that very question.

The reason is as follows. In the early stages of the drafting of the bill the government was looking for consent from all parties. Aside from the problems created for individual ridings like Kootenay West—Revelstoke, there were two main areas of concern regarding the current boundary readjustment. One of these is the fact that it creates six new ridings in Canada, two of which are in B.C. The B.C. ridings would most likely end up Reform ridings, but we still oppose this because we feel the last thing Canadians want or need is more MPs in Ottawa.

Each MP adds about half a million dollars in direct costs plus untold costs for offices, printing services and supplies, not to mention the cost of refurbishing the House which has no additional capacity at this time. A condition that would have been necessary for us to support the bill would have been an assurance that no new seats would have been added to any future boundary adjustments. We did not get this assurance.

Another condition we would have required is more public input and control. One of the problems with the current system is that it does not consult the public until the plan is complete, the maps are drawn and it is almost a done deal. The government was not prepared to offer any assurances on this concern either.

Given that we believed these requests were reasonable and in the public's best interest, we had to consider that the government had a hidden agenda. The hidden agenda we suspected was a great increase in the number of seats and the removal of public input into the process.

Following the passage of the bill to suspend redistribution and disband existing provincial boundary commissions, it is expected the government will make a motion to assess continual increase in the number of members of Parliament and to review the selection methods of the commission members, public involvement and the commission's powers.

This assessment will be carried out by a committee of MPs on which the Liberal government would have an absolute majority. In actual fact the government by virtue of its majority can operate in a manner of dictatorship for the next five years. The invoking of closure which the Liberals have strongly opposed in the past is the most recent example of business in the usual style of the former government.

While we have heard of one famous name from the past receiving a dollar a year to advise the Liberals, we cannot help but wonder if Brian Mulroney was also in need of a dollar.

The current process has now reached a point at which public input is heard. As devastating as the current proposed changes are for my riding, I would prefer to deal with it through the public hearing process than take a chance on the government accepting or even increasing the number of seats in Parliament or removing the public from the process.

The Acting Speaker (Mr. Kilger): It being 6.29 p.m., pursuant to order made Wednesday, March 23, 1994 in accordance with the provisions of Standing Order 78(3) it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the second reading stage of the bill now before the House.

• (1830)

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

(The House divided on the amendment, which was negatived on the following division:)

(*Division No. 24*)

YEAS

Members

Althouse	Brown (Calgary Southeast)
Chatters	Cummins
Duncan	Forseth
Frazer	Gilmour
Gouk	Grey (Beaver River)
Hanrahan	Harper (Calgary West)
Harper (Simcoe Centre)	Hayes
Hermanson	Hill (Macleod)
Johnston	McClelland (Edmonton Southwest)
Meredith	Mills (Red Deer)
Ramsay	Ringma
Schmidt	Scott (Skeena)
Silye	Speaker
Taylor—27	

NAYS

Members

Adams
Allmand
Arseneault
Augustine
Bakopanos
Beaumier
Berger
Bernier (Mégantic—Compton—Stanstead)
Bethel
Bhaduria
Bonin
Brien
Brushett
Bélisle
Campbell
Catterall
Chrétien (Frontenac)
Cohen
Cowling
Crête
Daviault
Dingwall
Dubé
Duhamel
English
Finestone
Fontana
Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gauthier (Ottawa—Vanier)
Gerrard
Goodale
Guarnieri
Harb
Harvard
Hubbard
Iftody
Jackson
Keyes
Knutson
Lalonde
Langlois
Lavigne (Verdun—Saint-Paul)
LeBlanc (Cape Breton Highlands—Canso)
Lee
MacAulay
Malhi
Marleau
Massé
McKinnon
McWhinney
Mifflin
Mills (Broadview—Greenwood)
Murphy
Nault
O'Reilly
Pagtakhan
Payne
Peterson
Pickard (Essex—Kent)
Pomerleau
Péloquin
Regan
Rideout
Robichaud
Scott (Fredericton—York Sunbury)
Shepherd
Simmons
Speller
Steckle
Stewart (Northumberland)
Telegdi
Thalheimer
Tremblay (Rimouski—Témiscouata)
Vanclief
Volpe
Whelan
Zed—155

Alcock
Anawak
Assadourian
Baker
Barnes
Bellemare
Bergeron
Bertrand
Bevilacqua
Bodnar
Boudria
Brown (Oakville—Milton)
Bryden
Calder
Cannis
Chamberlain
Clancy
Collins
Crawford
Culbert
Dhaliwal
Dromisky
Duceppe
Easter
Fewchuk
Finlay
Fry
Gagliano
Gallaway
Gauthier (Roberval)
Godfrey
Gray (Windsor West)
Guay
Harper (Churchill)
Hickey
Ianno
Irwin
Jacob
Kirkby
Kraft Sloan
Landry
Laurin
Lebel
Leblanc (Longueuil)
Loubier
MacLellan (Cape Breton—The Sydneys)
Maloney
Martin (LaSalle—Émard)
McCormick
McTeague
Mercier
Milliken
Mitchell
Murray
Nunez
Ouellet
Paré
Peters
Phinney
Pillitteri
Proud
Reed
Richardson
Ringuette-Maltais
Rompkey
Serré
Sheridan
Skoke
St. Denis
Stewart (Brant)
Szabo
Terrana
Tobin
Ur
Verran
Walker
Wood

PAIRED MEMBERS

Members

Anderson
Axworthy (Saskatoon—Clark's Crossing)
Bachand
Bernier (Beauce)
Canuel
Cauchon
Collenette
Copps
DeVillers
Deshaies
Dumas
Eggleton
Flis
Godin
Guimond
Lastewka
Lefebvre
Lincoln
MacLaren (Etobicoke North)
Marchand
McGuire
Mercier
Ménard
Parrish
Picard (Drummond)
St-Laurent
Tremblay (Rosemont)
Venne
Young

Asselin
Axworthy (Winnipeg South Centre)
Bellehumeur
Bouchard
Caron
Chan
Comuzzi
Dalphond-Guiral
Debien
Discepola
Dupuy
Fillion
Gagnon (Québec)
Graham
Hopkins
Lavigne (Beauharnois—Salaberry)
Leroux (Richmond—Wolfe)
Loney
Manley
Marchi
McLellan (Edmonton Northwest)
Minna
O'Brien
Patry
Plamondon
Torsney
Valeri
Wells
de Savoye

● (1855)

The Speaker: I declare the the amendment lost.

[*Translation*]

Mr. Gagliano: Mr. Speaker, I believe that you will obtain unanimous consent to have the result of the vote just taken applied in reverse to the main motion.

The Speaker: Does the House agree?

Some hon. members: Agreed.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 25*)

YEAS

Members

Adams
Allmand
Arseneault
Augustine
Bakopanos
Beaumier
Berger
Bernier (Mégantic—Compton—Stanstead)
Bethel
Bhaduria
Bonin
Brien
Brushett
Bélisle
Campbell
Catterall
Chrétien (Frontenac)
Cohen
Cowling
Crête
Daviault
Dingwall
Dubé
Duhamel

Alcock
Anawak
Assadourian
Baker
Barnes
Bellemare
Bergeron
Bertrand
Bevilacqua
Bodnar
Boudria
Brown (Oakville—Milton)
Bryden
Calder
Cannis
Chamberlain
Clancy
Collins
Crawford
Culbert
Dhaliwal
Dromisky
Duceppe
Easter

English	Fewchuk
Finestone	Finlay
Fontana	Fry
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gallaway
Gauthier (Ottawa—Vanier)	Gauthier (Roberval)
Gerrard	Godfrey
Goodale	Gray (Windsor West)
Guarnieri	Guay
Harb	Harper (Churchill)
Harvard	Hickey
Hubbard	Ianno
Iftody	Irwin
Jackson	Jacob
Keyes	Kirkby
Knutson	Kraft Sloan
Lalonde	Landry
Langlois	Laurin
Lavigne (Verdun—Saint-Paul)	Lebel
LeBlanc (Cape Breton Highlands—Canso)	Leblanc (Longueuil)
Lee	Loubier
MacAulay	MacLellan (Cape Breton—The Sydneys)
Malhi	Maloney
Marleau	Martin (LaSalle—Émard)
Massé	McCormick
McKinnon	McTeague
McWhinney	Mercier
Mifflin	Milliken
Mills (Broadview—Greenwood)	Mitchell
Murphy	Murray
Nault	Nunez
O'Reilly	Ouellet
Pagtakhan	Paré
Payne	Peters
Peterson	Phinney
Pickard (Essex—Kent)	Pillitteri
Pomerleau	Proud
Péloquin	Reed
Regan	Richardson
Rideout	Ringuette-Maltais
Robichaud	Rompkey
Scott (Fredericton—York Sunbury)	Serré
Shepherd	Sheridan
Simmons	Skoke
Speller	St. Denis
Steckle	Stewart (Brant)
Stewart (Northumberland)	Szabo
Telegdi	Terrana
Thalheimer	Tobin
Tremblay (Rimouski—Témiscouata)	Ur
Vanclief	Verran
Volpe	Walker
Whelan	Wood
Zed—155	

NAYS

Members

Althouse	Brown (Calgary Southeast)
Chatters	Cummins
Duncan	Forseth
Frazer	Gilmour
Gouk	Grey (Beaver River)
Hanrahan	Harper (Calgary West)
Harper (Simcoe Centre)	Hayes
Hermanson	Hill (Macleod)
Johnston	McClelland (Edmonton Southwest)
Meredith	Mills (Red Deer)
Ramsay	Ringma
Schmidt	Scott (Skeena)
Silye	Speaker
Taylor—27	

PAIRED MEMBERS

Members

Anderson	Asselin
Axworthy (Saskatoon—Clark's Crossing)	Axworthy (Winnipeg South Centre)
Bachand	Bellehumeur
Bernier (Beauce)	Bouchard
Canuel	Caron
Cauchon	Chan
Collenette	Comuzzi
Copps	Dalphond-Guiral
DeVillers	Debien
Deshaies	Discepola
Dumas	Dupuy
Eggleton	Fillion
Flis	Gagnon (Québec)
Godin	Graham
Guimond	Hopkins
Lastewka	Lavigne (Beauharnois—Salaberry)
Lefebvre	Leroux (Richmond—Wolfe)
Lincoln	Loney
MacLaren (Etobicoke North)	Manley
Marchand	Marchi
McGuire	McLellan (Edmonton Northwest)
Mercier	Minna
Ménard	O'Brien
Parrish	Patry
Picard (Drummond)	Plamondon
St-Laurent	Torsney
Tremblay (Rosemont)	Valeri
Venne	Wells
Young	de Savoye

The Speaker: I declare the motion carried.

(Motion agreed to, bill read the second time and referred to a committee.)

[*English*]

The Speaker: It being seven o'clock p.m., this House stands adjourned until tomorrow at ten o'clock a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7 p.m.)

HOUSE OF COMMONS

Friday, March 25, 1994

The House met at 10 a.m.

Prayers

[*English*]

PRIVILEGE

LANGUAGE USAGE—SPEAKER'S RULING

The Deputy Speaker: Colleagues, the Chair is now ready to take up the matter of gender neutral language raised on Thursday, March 17 of this year by the hon. member for Ottawa West, the Parliamentary Secretary to the President of the Treasury Board.

[*Translation*]

I wish to thank her for her comments and I would also like to thank the hon. members for Glengarry—Prescott—Russell and for Surrey—White Rock—South Langley for their presentations.

There is no doubt a strong movement in society to eliminate the occurrence of sexual stereotypes in all forms of communication.

[*English*]

Concerning the word "chairman" specifically, the current trend seems to be to remove any gender connotation, although there is no clear consensus on the most satisfactory alternative. For example, since the beginning of this Parliament the practice has emerged whereby the chairs and vice–chairs of committees have been identified using the terms "chair, chairperson or chairman" as desired, in the publications in the House. My colleague, the hon. member for Saint–Laurent—Cartierville, refers to herself as Deputy Chairperson of Committees of the Whole.

In our standing orders we have eliminated any reference to Mr. Speaker. At the end of each issue of our *Votes and Proceedings* the Speaker is referred to simply as Speaker. As well, any reference to a member or a minister is gender inclusive; that is, the references are to "he or she" and "him or her".

[*Translation*]

However, as the hon. Member for Glengarry—Prescott—Russell rightly noted, the Standing Orders still contain a number of words and phrases which could be considered gender–biased. This is also the case in a number of other parliaments and provincial legislatures. In some of these legislatures, just as in the House of Commons, the terminology used in their Standing Orders is not necessarily the same as that found in their publications.

[*English*]

This is an issue which has been raised many times over the years both in the House and in committee and the Chair continues to be deeply concerned about it. Given the inconsistencies in the use of language in the publications and in the House and its committees, perhaps it is time for a committee of the House to examine the matter with a view to recommending standardization of terminology.

I agree with the hon. member for Glengarry—Prescott—Russell that this is a matter which should be pursued or might be pursued by the Standing Committee on Procedure and House Affairs. I would urge that committee to address it during its current review of the standing orders.

GOVERNMENT ORDERS

• (1005)

[*English*]

BUDGET IMPLEMENTATION ACT, 1994

Hon. Arthur C. Eggleton (for the Minister of Finance) moved that Bill C–17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994 be read the second time and referred to a committee.

Mr. Stephen Harper (Calgary West): Mr. Speaker, I am rising on a point of order to make a procedural argument concerning the omnibus nature of this piece of legislation.

This is a new Parliament which I think has been working reasonably well in spite of our recent difficulties. I really would like to call the attention of the Chair to the nature of this particular bill and to urge the Chair to re–examine a practice we have fallen into.

The particular bill before us, Bill C–17, is of an omnibus nature. I put it to you, Mr. Speaker, that you should rule it out of order and it should not be considered by the House in the form in which it has been presented. I would hope that in making your decision on the acceptability of Bill C–17 in its present form you

will refer to the famous ruling by Mr. Lamoureux of January 26, 1971 in which he said:

> However, where do we stop? Where is the point of no return? The hon. member for Winnipeg North Centre, and I believe the hon. member for Edmonton West, said that we might reach a point where we would have only one bill, a bill at the start of the session for the improvement of the quality of the life in Canada which would include every single proposed piece of legislation for the session. That would be an omnibus bill with a capital *O* and a capital *B*. But would it be acceptable legislation? There must be a point where we can go beyond what is acceptable from a strictly parliamentary standpoint.

Even though the Speaker in that case went on to rule that this point had not been reached, I submit to you that it has become a standard practice with governments to bring in omnibus legislation following every budget under what we might call the kitchen sink approach.

Beauchesne's sixth edition, citation 626 bears directly on this aspect of the matter. It states:

> (1) Although there is no specific set of rules or guidelines governing the content of a bill, there should be a theme of relevancy amongst the contents of a bill. They must be relevant to and subject to the umbrella which is raised by the terminology of the long title of the bill.

Mr. Speaker, I would argue that the subject matter of the bill is so diverse that a single vote on the content would put members in conflict with their own principles.

In this present case, the drafters of Bill C–17 have incorporated in the same bill the following measures: public sector compensation freezes; a freeze in Canada assistance plan payments and Public Utilities Income Tax Transfer Act transfers; extension and deepening of transportation subsidies; authorization for the Canadian Broadcasting Corporation to borrow money; and changes to unemployment insurance with respect to benefits and the payroll taxes.

First, there is a lack of relevancy of these issues. The omnibus bills we have before us attempt to amend several different existing laws.

Second, in the interest of democracy I ask: How can members represent their constituents on these various areas when they are forced to vote in a block on such legislation and on such concerns?

We can agree with some of the measures but oppose others. How do we express our views and the views of our constituents when the matters are so diverse? Dividing the bill into several components would allow members to represent views of their constituents on each of the different components in the bill.

The bill contains many distinct proposals and principles and asking members to provide simple answers to such complex questions is in contradiction to the conventions and practices of the House.

• (1010)

As well this will cause fairly serious difficulties in committee. This bill will ultimately go to only one committee of the House, a committee that will inevitably lack the breadth of expertise required for consideration of a bill of this scope. Furthermore, the workload of that committee will be onerous and it will be very difficult to give due consideration to all relevant opinion.

In concluding my point of order, I would like to quote the hon. member for Windsor West, the government House leader who said on May 30, 1988: "For all the reasons I have given, I respectfully submit that this bill is of improper omnibus nature. This is consistent with what I consider and I respectfully submit to be, the relevant precedents. This is consistent with the traditions of the House and, more important, the purpose of those traditions in terms of the relevance of this House to the life of the country now and in the future".

This is a new Parliament. I do ask that we take a new approach to this in spite of previous rulings on this matter. I would ask that you give consideration to this, Mr. Speaker. I would also ask the government members, particularly those who have spoken on precisely this question in the previous Parliament with precisely the same concerns, to give serious consideration to this issue of democracy and the functionality of this Parliament now.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I am surprised that the hon. member has raised this point today in the House. The bill has been before the House for a period of time. I am surprised that if he had objections to the format of the bill he would not have raised them in a procedural way before.

However having done so, it is only fair for the hon. member to bear in mind this is not a particularly onerous bill in terms of the material contained in it. It is actually quite short. It is only 21 pages and by any standard in this House it is not a thick bill. There are ones with many more pages which have been introduced in this session already.

I also note that all the provisions in this bill are ones that arose out of the budget presented by the Minister of Finance a month ago. As such they were debated in the House for four days in the course of the budget debate. All the issues were discussed during those four days and those same issues will be discussed again on second reading of this bill.

The issues are exactly the same as those raised by the minister in his budget address and which have been debated by the House

already. I do not think there is anything unusual about lumping these together for the purposes of debate. The hon. member suggests they are totally disjointed and I suggest they are not. They are part of the overall economic plan of the government as announced in the budget.

There are many different acts involved in terms of amendments because of the freezes imposed on various parts of the public service, including members of Parliament, judges and so on. All those amendments to the various acts that are involved in those freezes are part of an overall freeze on payments made by the government.

Similarly the changes to the Unemployment Insurance Act fall into the same arrangement. The changes with respect to the Canadian Broadcasting Corporation deal with freezes that were put in place in previous legislation and previous budgets and allow for some borrowing authority.

While the subject matter may be diverse, I suggest to the hon. member that given the fact they were all introduced in the budget, they form a whole, unified policy thrust which the government has put forward and which it will be defending in the course of the debate on this bill. Therefore in my submission, the bill is entirely in order.

In support of my position I refer to Beauchesne's, sixth edition, citation 634. I recognize the hon. member for Calgary West quoted a citation from Beauchesne's and quoted from a ruling of the Speaker in 1971 which is quoted in citation 634 of Beauchesne's. Notwithstanding his very able argument, I think he has missed the point. Citation 634 reads:

> Speakers have expressed deep concern about the use of omnibus bills, and have suggested that there must be "a point where we go beyond what is acceptable from a strictly parliamentary standpoint". Nevertheless, the practice of using one bill to demand one decision on a number of quite different, although related subjects, while a matter of concern, is an issue on which the Speaker will not intervene to divide the bill.

• (1015)

I do not know what the hon. member is asking, if he is asking Your Honour to divide this bill or not. The authority in Beauchesne seems to be that the Speaker will not intervene to do that. I suspect he is really raising this matter this morning as a bit of a red herring.

I point out citation 635 of Beauchesne sixth edition. It says:

> In the case of an omnibus bill, the Speaker has encouraged the use of motions to delete a clause at the report stage, pursuant to Standing Order 76(2) to permit the House to decide a specific issue contained in an ominbus bill, even though the motion might offend the principle of the bill.

If the hon. member genuinely believes that this is an omnibus bill that involves too many subjects for him to deal with in the committee or for the committee to deal with in a reasonable way, he has a remedy. He may propose amendments at the report stage to delete sections of the bill that would constitute obviously a one policy thrust if indeed he regards this as a series of different policy thrusts and have the House make a decision on that at report stage.

I suggest that is a fair and reasonable remedy, certainly in this situation. I do not think this falls in the category of a bill that deals with a host of subjects that are massive in their import. This is a relatively modest bill by any standard. As I have indicated it follows from a major policy thrust, namely this year's annual budget from the Minister of Finance.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to add very briefly a few points to what has been raised by my colleague the parliamentary secretary.

The member across the way invoked the fact, and I believe I am quoting him accurately, when he said: "We may be in favour of some articles and against others". That is precisely why committees of Parliament exist. Clauses can be deleted from the bill at committee.

There is a second remedy as well as was quoted by my colleague the parliamentary secretary for those members who do not sit on a particular committee. Of course that is the report stage of the bill where motions can be introduced to delete sections of the bill.

Finally, the member opposite indicated something to the effect that the bill was disjointed or did not fit the criteria of omnibus bills. He indicated that the subjects were diverse.

If that argument stands then surely it should have been made on the budget itself. After all this is a bill to implement the budget. If the bill has that disjointed characteristic that was ascribed to it by the member opposite, surely the argument would have also stood for the ways and means motion that was debated in the House and the budget itself.

If that was not true or if it was not invoked at those stages, and it has not been invoked since the bill in question was introduced on March 16, may I suggest that the argument has no more value today.

Perhaps I could add one last point. The Speaker ruled in the last Parliament that a bill which was far more comprehensive than this one, this bill only having some 20 pages, was not deemed to be offensive and against rule 634 of Beauchesne. That bill was at least 10 times the size of the one that we have now. If a bill 10 times the size was not deemed to be so omnibus that it offended this House, surely a bill one tenth the size of the previous one would not be any more offensive.

Mr. Harper (Calgary West): Mr. Speaker, if I could just comment. Of course I am disappointed that the government cannot see the merit of its own previous arguments on matters such as these.

I would ask you to consider one point that has been raised by both of my colleagues on the government side. That is to acquaint the scope of the bill with the size and the length of it and the number of pages. I think that is an entirely inappropriate consideration. We all know that the scope of the bill is not necessarily related to the volume of paper it contains. A bill could be of the absolute maximum scope conceivable and be extremely short. Likewise we had a very thick bill in this Parliament on the income tax amendments which was actually quite narrow in scope. It is the scope of the bill rather than the size that is important.

• (1020)

I put it once again that this bill touches on a wide range of areas of public policy, what would normally fall in the purview of several House committees to look at.

I would also point out to you, Mr. Speaker, that if you examine carefully the arguments of the government members on the tests of the relatedness of these subject matters that the only relation the government has really pointed to is the fact that they are, broadly speaking, all part of the government's legislative agenda. I submit to you that that is not an adequate test of their relationship and their relevance to each other.

The Deputy Speaker: The Chair would like to thank all three members for their thoughtful interventions on this matter. In fact, the severance issue as it is called has been argued in courts many times. The lawyers in the House will know that. We have all argued it often in court, usually in matters of criminal charges. It is an issue which is most important.

The references that were made by the various members with which this chair occupant is familiar and the matters will all be considered carefully. Unfortunately it is going to take more than an instant to give a proper ruling on the matter.

We have had many omnibus bills in the past in this House. The bill will therefore have to proceed and if close examination is made a ruling will be made on it further down the trail, so to speak.

For the time being the bill will proceed and I would call on the hon. President of the Treasury Board.

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, one of the many groups of Canadians that are affected by Bill C–17 is the Public Service of Canada. When we came to power we found the public service under considerable stress. We have already started the rebuilding process and by the end of our mandate we expect the public service will have recovered its full ability to serve Canadians.

The wage and increment freeze which was announced in the budget is a difficult but necessary measure. The freeze which ensures that $1 billion can be booked in the fiscal framework to be reached in the year 1996–97 is something I recognize that public service employees will not welcome with open arms. But, frankly, we are freezing salaries to save jobs.

This government also announced in the budget an efficiency in program review aimed at reducing the cost of government. How that is connected is that if we find enough savings to meet the reduced departmental expenditure targets, we can apply the additional efficiency savings to reducing the length of the wage freeze.

Though the cool reception of many union leaders to the freeze of wages and increments announced in the budget is certainly understandable, I want to place our actions in perspective and show that we have been as fair as we could be to the public service in the present circumstances. I am confident that public service employees will accept this budget, especially when they understand the sacrifices that we are asking all Canadians, other groups of Canadians, to accept as well.

[*Translation*]

Most Canadians do not suspect how much they owe their quality of life to the employees of the Public Service of Canada. Let me give you three examples of the contribution of public servants to Canadians' welfare.

[*English*]

For more than 150 years members of the Geological Survey of Canada, using them as an example, have mapped the mineral resources of this country. This year and in future years commercial exploration will take place and new mines will open because of the work that is being done now by these public service employees.

• (1025)

Canada, as we well know and appreciate and as I have said many times, has just about the most respected police force in the world. Indeed, it is a national symbol. Everywhere Canadians are safer because of the work of policemen and policewomen of the Royal Canadian Mounted Police.

Every Canadian who flies in this country as we all do benefits from a network of services that the Government of Canada has developed and maintains. The maps used to fly the planes, the air traffic controllers that guide them through the air, the weather warning systems, all come from the public service.

The organizations and people working for government are too diverse for any less to do justice to them. In addition to the people I have just mentioned, the examples I have given, are

peacekeepers, scientists, postmen and postwomen, grain inspectors, trade negotiators and on and on.

The purpose of this list is not just to catalogue the jobs that government employees do but, more important, it illustrates the real and substantial value of these jobs. The people of Canada are getting a good deal from the people who serve them.

Public service employees have long accepted the notion that although they would never get rich working in the public service, they would at least feel more secure in terms of job security than perhaps in some other sectors.

The main source of employment security for our employees is this government's policy to preserve jobs for Canadians. The main instrument of this policy in the public service is the workforce adjustment directive. In essence this directive says that no employee will be laid off because of reductions in the workforce unless he or she has received another reasonable job offer, provided the employee is mobile and willing to be retrained where necessary.

The previous government made it clear that its intention was to legislate unilaterally an end to the employment security features of workforce adjustment. It was saying to affected employees that it was only a matter of time before they would be out the door. Remember that phrase pink slips and running shoes?

Mr. Speaker, I am sure that you can realize the effect that this would have on the morale of the public service and its capacity to deliver quality service to Canadians. That is why the government will make no changes to the employment security features affecting workforce adjustment without agreement of the public service unions. In other words, it is subject to negotiations. They may want changes, we may want changes. We are not going to act unilaterally as the previous government had suggested it would do.

This government has no dogma about downsizing the public service. Our priority is and will continue to be to provide quality service to Canadians in the most efficient way possible. Of course some departments will shrink, others may even grow.

[*Translation*]

Our objective will therefore be to help employees affected by the cuts in some departments to obtain another position in the public service or elsewhere. Specific measures are provided for this purpose.

[*English*]

First, we shall continue to limit external recruitment and improve the management of the priority staffing process for employees whose positions are being eliminated.

Second, we shall ensure that departments have access to the incremental funds that they need to train for new jobs those employees who are affected by the workforce adjustment. When departments have additional training requirements because of this program the Treasury Board will provide central funding to complement departmental budgets for that purpose.

I would like to turn to the measures in this bill and explain their origins. The measures are a realistic combination of two elements. First, the budget recognizes that it is necessary for the attack on the deficit to book savings from the operating funds of departments through a wage freeze.

Second, it creates an opportunity for public service managers and employees to find more efficiency savings in an effort to shorten the duration of the wage freeze. Bill C–17 extends for a further two years the wage freeze for the Governor General, the lieutenant governors, federally appointed judges, members of Parliament and senators, members of the armed forces, RCMP as well as the employees of the public service. Why are we freezing salaries and suspending pay increments? Why are we taking these measures when the existing freeze still has another year to run? Public service employees deserve and need the answers to these questions.

• (1030)

The Minister of Finance gave the most evident and compelling reason for the freeze in his budget address. Simply put, there is no money for increases. The total salary costs of the government amount to $18.5 billion, thus making salaries a very important part of federal expenditures.

Though the government would rather proceed by negotiation than by legislation, I am convinced there really was not a reasonable alternative. In my consultations with our unions—and I did have prebudget consultations; other people engaged in them as well—they made it absolutely clear they had no interest in negotiating concessions. I understand that point of view.

If we had waited until the 1995 budget, a year from now, several bargaining units would have already been eligible to start negotiations and could have been off seeking third party arbitration by that point in time. Rather than let those processes begin under false premises we decided, albeit most reluctantly, to act this year in the budget and in this bill.

Bill C–17 also suspends normal pay increments. These increments, which are the pay increases automatically awarded to employees as they gain experience in new jobs, are common in both the public and private sector. We have chosen to suspend them because they were allowing a substantial number of public service employees to continue to get pay increases while their colleagues' salaries were frozen. The freeze on increments will put everybody in the same boat for the next two years. At the

same time this two–year measure on increments will reduce costs by some $400 million.

I might add that even in the years where there were zero increases in the existing legislation for wages the actual wage bill was going up at about 3 per cent because of the increments.

Though Bill C–17 does not allow the government to shorten or lift the freeze—it is not in the wording that we see before us—the government has made a very clear commitment to do so if efficiency savings in operating costs by December 31 of this year warrant it. Therefore we will make the decision on the freeze and our opportunity to lift the freeze, if it can be done, in the run–up to the 1995 budget.

The government is initiating a review of its operations, I think it is important to point out, to generate efficiency savings, reduce overlap and duplication, and eliminate low priority programs. The review for which my ministry will be responsible is intended to produce results by the end of December for use in the planning of the 1995 budget.

The Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal will lead with one component of the review that will focus on government programs, the roles and responsibilities. It will determine what services the government should provide and what services the taxpayer can in fact afford. It will also seek to eliminate overlap and duplication both within the federal government and among other levels of government and to reduce or eliminate programs that are no longer a priority. The efficiency component of the review will concentrate on increasing the efficiency of government operations. The emphasis will be on how to deliver existing services more cheaply.

We have invited public service unions to contribute to the review with a focus on efficiency at two levels: national unions working on issues with the Treasury Board secretariat on governmentwide savings, and local components of the unions working with departmental management on efficiency savings in each department in each locale in the country.

My parliamentary secretary, the hon. member for Ottawa West, is meeting with union representatives this week to explore the most productive ways for them to participate in the review. We hope the review will generate savings over and above the restraint measures that this and previous budgets have put in place.

The added savings from changing government programs will be available for such purposes as reducing the deficit, reallocating funds to other major programs or shortening the length of the wage freeze. The government's decision on what to do with these savings will be part of the 1995 budget.

The government believes that unions, managers and employees share a common desire to serve Canada well. We therefore want to put before the public service unions and the employees a broad range of issues for them to consider at various times and in various forums. The unions have proposed several of these issues for joint resolution. Management will suggest others.

• (1035)

Here are some examples. For years the issue of contracted services has been a bone of contention among public service unions, managers and government. The unions see it as an attack on their members, while others consider it a cost effective way of doing business. We want to look at all aspects of the issue and make the best decisions for the people receiving our services and for taxpayers.

I have made a commitment to provide the Standing Committee on Government Operations with detailed information on contracting for services in the federal government. I have suggested to the committee that it undertake a broad review of the subject, here again opening to members of Parliament the opportunity to be involved in the decision making process.

In announcing the decision I wish to thank my parliamentary secretary, the hon. member for Ottawa West. Through the years of the previous government she and other members from the national capital region kept Parliament's interest in the public service alive. I know they are ready to make a strong contribution to the committee, as will members from across the country. After all, the public service is not just an Ottawa institution. I should point out that two–thirds of its members are located outside the national capital region in all parts of Canada.

The parliamentary committee may wish from time to time to examine other public service issues. The government remains committed to its employees and to their employment security. We intend to stabilize public service employment levels as much as we can. Nevertheless we must have the flexibility to make program adjustments as the needs of Canadians evolve.

Accordingly we will seek to make some modifications to the existing workforce adjustment directive, but we shall do so with the public service bargaining agents through the negotiation process that is now in place. They want changes as well.

Let me deal with pension management for a moment. There are compelling reasons for fundamental reform of major federal public service pension plans. The Public Service Superannuation Act, for example, is more than 40 years old and subject to criticism from several quarters. Plan members seek greater security of benefits. Taxpayers see the unlimited indexing of benefits as overly generous. The Auditor General has advocated changes to the plan's funding arrangements. Public service unions seek a greater voice in designing and managing the plan.

The government is determined to respond to these concerns with reforms that make the plan simpler, more affordable and easier to manage. We will develop the reforms in partnership with my advisory committee which comprises representatives of the plan's major stakeholders including the public service unions. We will renew the mandate of the advisory committee to develop a strategy for the complete overhaul of the program and to produce a framework for a replacement.

The Government of Canada and its employee unions have been unable to come to a full resolution on the issue of equal pay for work of equal value. Indeed the issue is now before a human rights tribunal where it could sit unresolved for another two years if no means are found to settle the matter through negotiation.

At the same time, to make it easier to resolve pay equity concerns in the long term we need fundamental changes in the job classification and remuneration structures of the public service. I am looking forward to trying to find a less confrontational way of ensuring that employees receive compensation that is in fact gender neutral. We are looking for ways to try to bring about a negotiated settlement of the matter.

The notions of what is a job and what is work are changing. We are moving away from the 9 to 5 routine, the old office and factory of the age of industry. For example, more work is being done at home under a policy that we have: Treasury Board's three–year Telework pilot project. Work schedules have to be adjusted to the needs of clients. We need to be more flexible. We need to change the structure of work. As the public service unions and managers have a big role to play in the evolution, this topic will be on the table for joint action.

I raise all of these matters, as I reach my conclusion, to illustrate that even though there is a wage freeze, which means we cannot go to the bargaining table on wages, we can go to the bargaining table to attempt to deal with a number of other issues. These are just examples. There are others that both we and the unions want to raise at the table. Through those means we will help to build the relationship between employer and employee over the years ahead.

• (1040)

I hope my remarks have made clear the main elements of the approach the government will take with the public service.

[*Translation*]

To begin with, we respect and are fully aware of the contribution to be made by employees of the Public Service of Canada.

[*English*]

We shall seek the broadest possible dialogue with public service unions and managers.

[*Translation*]

We will involve Parliament closely in all the major issues affecting the public service.

[*English*]

When necessary we shall act directly through legislation to ensure that the government's fiscal requirements are met. We shall respect the employment security of public service employees. I summarize these principles because they will guide all our actions. We expect to be held to them and I welcome that.

Let me conclude where I began. This is a responsible budget. A responsible bill flows from that budget. I look forward to working with the managers and the union leaders of the public service in implementing the budget measures that I have just discussed.

[*Translation*]

The Deputy Speaker: Since there are no questions and comments, debate is resumed. I will now recognize the hon. member for Mercier.

Mrs. Francine Lalonde (Mercier): Mr. Speaker, I would like to start by pointing out that the previous speech was made by the President of the Treasury Board, and with respect, I think it is a disgrace that this government wants to change substantially how unemployment insurance works without introducing a separate bill to do so. Something even the Conservatives would not have dared to do.

The figures released yesterday on the total value of benefits paid, which will be reduced during 1994–95 and 1995–96—and I may recall that for each year this will be $630 million in the Atlantic Provinces and $735 million in Quebec—these figures show that the Maritime Provinces and Quebec will be hit with nearly 60 per cent of the cutbacks, although together they represent only one–third of the population. In fact, the Maritimes are being hit even worse. The Maritimes, or should I say the Atlantic Provinces, with 8.5 per cent of the population of Canada, will feel 26 per cent of the cuts, while Quebec is also seriously hit, with 25 per cent of the population and 31 per cent of the cuts.

I wanted to make this point because this amendment to the Unemployment Insurance Act does more than change the rules and the number of weeks. It marks the end of the redistributional effect of unemployment insurance. This effect was needed because of the widely differing economies in some of Canada's regions. I do not think the workers in these regions should be penalized for the poor state of the economy, especially when a government gets elected by saying: jobs, jobs, jobs, vote for us!

By making these cuts, the government is passing judgment on the economy of these provinces and the Maritimes. It is saying: It is useless to do anything to help you. Move somewhere else! So workers will have to move, and if they do not, they will only have themselves to blame. One minister says we can give them

some hope for the future by letting them pick up trash when they are between the ages of 50 and 65.

• (1045)

This bill will endear the government to no one, especially in the Maritimes, where the Liberals were elected with a strong majority and where they never told the workers who voted for them and their promises of jobs, that all these people who were seasonally employed would soon see their benefits cut by an omnibus bill.

These cuts are substantial, Mr. Speaker. We saw the overall figures, but to the individual, it means a loss of thousands of dollars and a change of status. For the benefit of those who have never been unemployed, there is a world of difference between being on unemployment insurance between jobs and being forced to go on welfare and feel like a social reject.

Measures to provide that in some cases, people could be employed for a certain time and then go on unemployment insurance, were introduced by a previous Liberal government. The Liberals initiated this mechanism to provide for a measure of equity regions and between individuals.

Did the Liberals not realize that these cutbacks would come down harder on the Maritimes and Quebec? Was this a coincidence and were they convinced that this was the route they had to take? No. Were they unaware of the consequences? Not on your Nelly. In the unemployment insurance bureaucracy it was common knowledge that people with short term employment could depend on unemployment insurance to supplement their income and could apply again, if they had to, but not every year. They could have this security, this money to tide them over. They knew, because there are plenty of tables at Unemployment and Immigration Canada that say so. These tables show that repeaters, as they are commonly called, tend to be from the Maritimes and Quebec. Individuals with between 10 and 20 weeks of employment are from the Maritimes and Quebec. In fact, in 1991, the proportion of repeaters was 65 per cent in Newfoundland, compared with 4 per cent in Ontario.

If the Liberals wanted a debate on the redistributional effect of unemployment insurance, they should have tackled this issue head–on. If Ontarians are sick and tired of paying for the rest of Canada, let us be honest about it, instead of hiding behind an omnibus bill that is touted as a set of new mechanisms but in fact introduces only technical changes.

What does this government want? What is it drawn to? The American model? Is it adapting to the North American model? I ask the question but, as a well–known Liberal Prime Minister once said, to ask the question is to answer it. Is the government adapting its policies to those of the United States, where the norm is six months on unemployment insurance and coverage is 50 per cent of the average industrial wage? We are very close. We are almost there.

These are the same Liberals who fought against free trade and NAFTA, and they are going to make the workers, the victims, pay for the impact of these globalization policies.

On the basis of the figures for the Maritimes and Quebec, our conclusion is that economic problems experienced by individuals can only be addressed by helping the individual. It is economic policy which determines whether or not Quebec's regions can develop. That is the issue.

• (1050)

Since this omnibus bill is presented to implement the budget, let me talk about the economic policy underlying it. This week, during debate on the motion concerning job creation, I said that there are two kinds of countries. There are those where employment is the residue, the leftover, what remains when all the rest has been dealt with, when inflation, the debt and business subsidies have been considered. What else! In other countries, employment is the goal and it conditions all the parameters of a government's policy; it is part of an overall employment policy or strategy, not half–measures. We find half–measures not in what is done but in the promises. We are promised half–measures.

The government has refused to address fiscal policy. It rejected the Bloc's proposal to set up a committee to look at all budget expenditures. The government has pursued the same monetary policy as the Conservatives, unsuccessfully, since we see how threatened the rates are now. The government does not care; on the contrary, the Liberals have always been the natural governing party, especially in Ottawa, so they do not care about giving the regions what they need to develop.

Mr. Speaker, Alain Dubuc, the famous editorialist of *La Presse*—by famous, I mean well–known; I do not always agree with him—recently wrote something which I believe is very important, especially coming from him. Unfortunately, I do not have a copy of the newspaper with me, but I am not misrepresenting him with this quotation: "Lloyd Axworthy did not do what had to be done. He cut before putting measures in place to help workers".

The unemployment insurance measures which arouse the anger we see developing, understandably, will make the most vulnerable and the most disadvantaged pay for a reform that is still poorly defined, but whose outlines we can suppose. Before putting assistance measures in place, before implementing an employment–based economic policy worthy of the name, they cut. They cut and attacked those in the most difficult situation.

As a member of the Committee on Human Resources Development, I heard the testimony of people from Sydney who are completely discouraged. Just raising the qualifying period from 10 to 12 weeks in a region where unemployment is 15 or 16 per cent, there are no jobs and shutdowns are everywhere, throws many individuals and families into despair, because instead of having an adjustment period to find their feet, they are forced to

go on welfare. They are rejected. They feel downgraded, abandoned, left behind by this government which, I repeat, was elected by a very large majority of people who voted Liberal in the Maritimes on the promise of jobs.

By the way, I want to point out the complacency of the Quebec Liberal government as well, which is not speaking out strongly to say how much these measures will cost it in additional welfare payments.

• (1055)

A booklet released yesterday by Employment and Immigration Canada broaches the subject of social assistance. The following is stated: "The minister invited provincial officials to meet with those responsible for human resources development with a view to identifying estimates and developing a common agreement on the implications of social assistance". Representatives in Ottawa currently put the potential repercussions for the provinces at between $65 million and $135 million. This means roughly $40 million for Quebec, given the situation in which it currently finds itself.

Is the Government of Quebec complaining? No. Of course, there is an election coming and the Quebec Liberal government is a prisoner of its own political options.

Once again, it is the workers who are going to pay dearly very soon for this government's refusal to keep its promises. The least fortunate are going to have to pay for the complicity of other governments seeking only to settle their own structural problems by paying no heed to ordinary people.

I see that I must wrap up my remarks, Mr. Speaker. I would have liked to continue, but I have been told that my time is nearly up. When I speak from the heart, I can go on for quite some time. However, before concluding, I would like to table the following motion:

That all of the words following the word "That" be rescinded and replaced by the following:

"this House refuse to proceed with the second reading of Bill C–17, an Act to amend certain statutes to implement certain provisions of the budget

1) given that the amendments to the Unemployment Insurance Act do not reduce the inequities between have and have–not regions in the country and contain no specific measures to reduce youth unemployment;

2) given that the amendments to the Unemployment Insurance Act do not cancel the increase in premiums paid by workers and employers in effect since January 1, 1994."

Having tabled this amendment, may I now use the time I have remaining?

The Speaker: The hon. member may continue later. I will take the motion under advisement, examine it and make a ruling immediately following oral question period.

[*English*]

The Speaker: It being eleven o'clock a.m., pursuant to Standing Order 30(5), the House will now proceed to statements by members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

COMMEMORATIVE STAMP

Mr. Paul Steckle (Huron—Bruce): Mr. Speaker, I am very happy to inform hon. members of the issuing last week of a commemorative stamp to honour the 125th anniversary of the founding of Eaton's department stores by one of Huron—Bruce's favorite sons, Timothy Eaton.

Canada Post has issued a prestige booklet which includes stamps, photographs and a written text outlining the history of the T. Eaton Company.

Last week in London at the Galleria Eaton store there was a presentation of an enlarged commemorative stamp to the Kirkton–Woodham Community Centre and to Ray and Wendy Venturin, operators of the Kirkton market, the ancestor of Timothy Eaton's original business.

After coming to Canada in 1856 from his native Ireland, he settled and eventually opened his first store in the Huron—Bruce town of Kirkton, Ontario. In a small wooden cabin with his brother James, Timothy Eaton operated a small general store and post office.

Later Timothy Eaton left Kirkton for St. Mary's, Ontario, where he began a small dry goods store. In 1869 he headed for Toronto where he founded the store that eventually became the famous Eaton's chain, which prides itself on customer service, and quality merchandise for a good price.

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[*Translation*]

FIGURE SKATING

Mr. Antoine Dubé (Lévis): Mr. Speaker, I am pleased to congratulate Elvis Stojko, Isabelle Brasseur and Lloyd Eisler on their dazzling wins at the World Figure Skating Championships in Chiba, Japan. Elvis Stojko, the 22–year–old Olympic silver medallist from Ontario, won the gold thanks to a nearly flawless program. He won the gold after competing with the best in the world.

I also take this opportunity to point out the courage shown by Lloyd Eisler and Isabelle Brasseur, who won the silver medal at the same world championships in spite of a rib injury sustained by Isabelle Brasseur a few weeks ago. Congratulations to these athletes who make Canada and Quebec proud.

* * *

[*English*]

JUSTICE

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, tragic circumstances in my riding will now haunt a Calgary family forever.

A cold-blooded murder, apparently premeditated, tells a story that in Canada is becoming all too common. Something must be done as Canadians everywhere are demanding major criminal justice reforms.

The chairman of the justice committee stated on March 23 that the justice system should be more lenient toward first degree murderers. He suggested that the eligibility for parole be reduced from 25 years to 15.

My constituent died as a result of a shotgun blast to the back at point-blank range. Why should there be any leniency in a case like this? How can such a change, as suggested by the Liberals, make our streets safer?

It is time to strengthen parole mechanisms, not to weaken them. Despite what the Liberals want, I can categorically say that Canadians do not want leniency at this cost. Convicted killers indeed have a place: off our streets and behind bars.

* * *

HOCKEY

Mr. John Murphy (Annapolis Valley—Hants): Mr. Speaker, I rise today to resolve an ongoing controversy over the birthplace of hockey in this great country.

As documented by the Windsor Hockey Heritage Society, the game of hockey had its origins in Windsor, Nova Scotia in the early 1800s. It was first played by the students of Kings College School where it evolved from hurley, an Irish field game. In fact, hockey was played in Windsor for nearly a century before it was played in most other Canadian towns.

I am proud that in my riding of Annapolis Valley—Hants the Windsor Hockey Heritage Society continues to promote the history of this great game, both locally and across Canada. I would like to congratulate this organization for its dedication in preserving such an important part of our heritage.

ANNA PAQUIN

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, on behalf of the residents of the riding of St. Boniface, indeed on behalf of all Manitobans and Canadians, I rise today to salute and congratulate 11 year old Anna Paquin.

Miss Paquin was awarded an Academy Award this week for best supporting actress for her role in the movie *The Piano.*

Anna Paquin was only four years old when she left Winnipeg and according to her uncle, Dr. Wayne Paquin of St. Boniface, she was always "very precocious, very bright, very outgoing and very talented". Miss Paquin became the youngest Oscar winner since 10 year old Tatum O'Neil won in the same category for *Paper Moon* 20 years ago.

Anna's grandmother, Mrs. Agnes Tuckwell, watched with a great deal of pride from her St. Boniface home as her granddaughter made her way to the podium on Monday evening and with good reason.

Once again, I extend my warmest congratulations to Miss Paquin, to her grandmother and her family.

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JURY DUTY

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, government should not speak out of both sides of its mouth. A case in point is jury duty.

Unless excused for a very good reason Canadians when asked are obliged to do jury duty. Most people do not complain because it is a service to our country.

But consider what happened to one of my constituents. She was on unemployment insurance when called to jury duty. She met her obligation but discovered later she lost her UI benefits while serving as a juror. What we have here is one department of government ordering a citizen to carry out her duties to Canada while another department penalizes her for doing so.

• (1105)

That is government speaking out of both sides of its mouth. Is this hypocrisy? Is the law an ass? The verdict surely is guilty on both counts.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, the recent Liberal budget cut unemployment insurance benefits by $2.4 billion, $630 million of which comes directly from the Maritimes.

Demonstrators took to the streets to protest these inordinate cuts in a region hard hit by unemployment. Three large demon-

strations were held in Shippagan, in Bathurst and, just yesterday, in Sydney where over 1,500 protesters burned the Prime Minister, the Minister of Finance and the Minister of Transport in effigy.

Meanwhile, none of the 31 Liberal members from the Maritimes had the courage to denounce this situation. Did they forget those who elected them? Did they forget their first duty is to be loyal to their constituents? This new version of the Silence of the Lambs must be denounced.

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[*English*]

ELVIS STOJKO

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, I rise in the House today to pay tribute to Elvis Stojko for his tremendous performance last night in winning a gold medal for Canada.

Some hon. members: Hear, hear.

Mr. Harper (Simcoe Centre): This native of Richmond Hill, Ontario is a perfect example of what can be achieved through hard work and dedication.

There is a special feeling of pride in my riding since Elvis trains in Barrie at the Mariposa Figure Skating School under coach Doug Lee. No one attains a world championship without years of dedication and the support of family and friends.

I am sure all members will join me in paying tribute to this outstanding young Canadian.

* * *

AGRICULTURE

Mr. Wayne Easter (Malpeque): Mr. Speaker, the standing committee on agriculture has just completed hearings on whether to allow the use of BST in Canada. The entire committee process was conducted in public and open session, including the work on the recommendations and final report.

The work of the committee has confirmed the new role of parliamentary committees promised by our party during the last election. The decision to examine the BST issue, which one witness described as unprecedented attention to a veterinarian drug, was taken collectively by the committee.

Throughout the process members of the committee worked in a spirit of co–operation and commitment toward achieving a consensus report which will soon be tabled in the House.

Once the committee report is tabled it will be up to the government to respond with the appropriate legislation to implement the moratorium called for by that committee. I would hope that same spirit continues.

In that sense of co–operation, with a name like mine, I want to wish everyone in the House and everyone associated with it a very happy Easter.

* * *

FETAL ALCOHOL SYNDROME

Mrs. Anna Terrana (Vancouver East): Mr. Speaker, Ms. Dawn Gardner is a Saskatchewan health journalist who is concerned about alcohol abuse on the part of pregnant women.

Fetal alcohol syndrome is defined as a random pattern of mental, physical and behavioural defects which may develop in the unborn child when the mother consumes alcohol during the course of her pregnancy. A pregnant woman never drinks alone.

Canadian estimates of children affected by fetal alcohol syndrome are over 36,000 yearly. These statistics tell us that over 50 per cent of these children become wards of the state. The same percentage will need corrective surgeries while many will suffer from blindness, deafness, epilepsy and most frequently mental retardation.

The government must take some responsibility for this situation and make sure that measures are taken to educate people by labelling all bottles of alcohol, posting signs, introducing health programs in the schools, et cetera.

Our youth is our future. Our children are the leaders of tomorrow. Let us spare them.

A happy Easter to you, Mr. Speaker.

* * *

PARLIAMENTARY ASSOCIATIONS

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, I would like to draw your attention to an overseas exchange program that has proved to be of immense value to the country. I speak of the House of Commons parliamentary associations which enable parliamentarians from other countries to visit Canada and Canadian MPs to visit them. It is thus that we cement the ties of democracy while building lines of communication for international trade.

Therefore, I would hope that the House would acknowledge those MPs who are taking part in these very important organizations, especially the anglophone members who have joined the French speaking associations and the francophone members who have joined the English speaking associations.

• (1110)

It is when these members go abroad to France, to Europe, the Commonwealth that we show the world we are indeed a united Canada.

[*Translation*]

FRANCOPHONE AND ACADIAN MINORITIES

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies): Mr. Speaker, the income gap between francophones and anglophones, which keeps widening, is partly due to the fact that francophone minorities in Canada do not have management control of their elementary and secondary schools. This opinion is also shared by the hon. member for Ottawa—Vanier. After thirty years of futile struggle, half of the Franco-Ontarian students still attend English schools, and their parents are getting poorer every year.

Yesterday, in this House, the Minister of Canadian Heritage reiterated the government's intention to reestablish the Court Challenges Program.

Francophone and Acadian minorities in Canada do not need federal subsidies to pay for their lawyers. The Supreme Court has already confirmed their rights. These minorities need the same degree of generosity displayed by Quebecers toward their anglophone minority, which includes fair financing of their schools as well as control of these schools.

* * *

[*English*]

JUSTICE

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, members will know that just this past Tuesday hundreds of peace officers from across Canada gathered in Ottawa to dedicate a pavilion in memory of Canadian peace officers killed in the line of duty. The pavilion is 100 yards from this place.

I met with three widows of slain policemen. With tears in their eyes, they asked me to use my influence to repeal section 745 of the Criminal Code, a loophole that lets convicted murderers out of jail after just 15 years.

In 1971, the Liberal Solicitor General said that rehabilitation is a priority of the criminal justice system and not the protection of society. Life means life.

When will Parliament's bleeding heart Liberals finally get in step with Canadians and put teeth in our criminal justice system? Protection of society must be the first priority of the criminal justice system. Life means life.

* * *

THE ECONOMY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, it being the last day before the Easter break, it is time for a report card on the government.

House sales are up 14.3 per cent over the same period last year. Employment is up 66 per cent February over January. The composite leading index is up .8 per cent for one month. Car and truck sales are up 12 per cent over the same period last year. Merchandise exports are up 13.1 per cent over the same period last year. Inflation is only .2 per cent.

Finally let me quote the Governor of the Bank of Canada who said that the signs show that strong foundations are being laid for a sustainable expansion to our economy.

This government deserves an A-plus.

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SENIOR CITIZENS

Hon. Roger Simmons (Burin—St. George's): Mr. Speaker, our senior citizens are our most marvellous resource. They have made a great contribution to the country; whether it is risking their lives at war, building our infrastructure, designing our very enviable social safety net, preserving and transmitting our value system.

Everything we have, everything we are, everything we believe in, we owe to these men and women who are now seniors. Is it not time that we began to repay the debt we owe to these people, to begin watching out for those who have watched out for us for so long.

I am thinking particularly of the poor among them, the abused among them, the sick among them, the disabled. It is true that we have old age security and medicare, but it is time to go the extra mile, to reach out to those people really in need, those who want to stay in their homes, those who want to preserve and maintain their independence, those who want to live out their lives as they would choose to do it.

That is the challenge to us.

* * *

[*Translation*]

SEMAINE PROVINCIALE DU FRANÇAIS

Mrs. Pierrette Ringuette-Maltais (Madawaska—Victoria): Mr. Speaker, today marks the end of a very exciting week in New Brunswick. I am referring to the Semaine provinciale du français, which began last Monday under the theme "Fêter, c'est français", and concerns all of New Brunswick, that is both its French and English-speaking populations.

• (1115)

All week, activities took place across the province to promote French in New Brunswick.

On Monday, I was at the Cité des jeunes, where I met lively young francophones from New Brunswick who strive to preserve the French fact in that province.

ORAL QUESTIONS

[*Translation*]

INTEREST RATES

Mr. Michel Gauthier (Roberval): Mr. Speaker, the downward slide of the Canadian dollar, coupled with the fact that interest rates appear to be on the increase, is cause for great concern. This disturbing situation comes at a time when the dollar has fallen to its lowest level in eight years.

For the consumer preparing to renew a $100,000 mortgage, this could mean an increase of $80 a month, just at a time when the largest number of real estate transactions are made.

My question is for the Minister of Finance. Does the Minister recognize that the downward slide of the Canadian dollar and the upward pressure on interest rates are largely attributable to the actions of Japanese investors who are divesting themselves in mass numbers of their Canadian securities?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, I appreciate the hon. member's question and the tone in which it was put. However, as you know, international markets are extremely volatile and it is really not the Minister of Finance's place to comment on the reasons why this is the case.

Mr. Michel Gauthier (Roberval): Mr. Speaker, does the minister recognize that the falling Canadian dollar, which has tumbled even further than the US dollar, and the reaction in Japanese financial circles are directly attributable to the failure on the part of the Finance Minister to introduce strong measures to control public spending?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, perhaps I could refer the hon. member to an article in yesterday's *Le Devoir* by Mr. Sansfaçon who lists the reasons why markets are nervous and gives his own views about the Canadian dollar. He notes that a survey of the vast majority of foreign stock exchanges and a review of their reports has revealed one clear fact, namely that the reasons for the uncertainty surrounding our currency obviously have nothing to do—and these are his own words—with the February 22 budget.

Mr. Michel Gauthier (Roberval): Mr. Speaker, does the Minister of Finance not agree that his strategy, which consists in shifting the deficit onto the backs of the provinces, is being judged very harshly by foreign markets and that this strategy is the direct cause of the problems which the Canadian dollar is currently experiencing?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, when we were in opposition, we made it very clear that shifting the burden of the federal debt onto the backs of the provincial governments was extremely harmful. That is why we did not take this kind of action in our budget. In fact, we did quite the opposite.

A month and a half before the budget, we adopted our equalization program which, I must say, is very beneficial to Quebec and to the seven provinces which receive equalization. This was a program that the previous government had neglected to ratify, preferring instead to merely extend its provisions. We have signed a five–year agreement and even Quebec has said that we have been generous. Moreover, when the time came to move on social security reform, we provided a two–year period of predictability with respect to payments and we have indicated that we will work with the provinces. And I must say that the provincial ministers of finance, including Mr. Bourbeau of Quebec, have reacted very positively to our actions.

* * *

• (1120)

UNEMPLOYMENT INSURANCE

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Minister of Finance.

Confirmation was given to us yesterday that the poorest of the provinces, that is to say the Maritime provinces and Quebec, will be the hardest hit by unemployment insurance cuts. In Atlantic Canada and Quebec alone, cuts will total $1.36 billion a year for the next two years. Furthermore, these cuts will cause a substantial increase in provincial expenditures for social assistance.

Will the Minister of Finance confirm the statement made by his colleague the Minister for Human Resources Development to the effect that only 3 per cent of UI recipients will be affected by reductions in benefit rates, which means that, in Quebec, 3 per cent of our unemployed work force will foot the $735 million bill passed on to the provinces as a result of the minister's cuts?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, in terms of per capita UI benefits, Atlantic Canada will be receiving $970 and Quebec $739, as compared to a national average of $575. Following these changes to the UI system, Atlantic Canada and Quebec will continue to receive much more than the national average. So, there is no basis for saying that they are hit harder.

Mrs. Francine Lalonde (Mercier): Mr. Speaker, I am sure that this answer will sound incredibly cynical to all unemployed men and women in Quebec and the Maritimes, and the scale of the demonstrations held by people who are seeing more and more clearly what the government is up to should prompt him to act.

Here is my question. Is the Minister of Finance prepared to defer cutbacks in the unemployment insurance system at least long enough to put in place a real job creation strategy to help the jobless find work instead of forcing them onto welfare?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): I will answer the hon. member through you, Mr. Speaker. Our budget is a real job creation strategy. Atlantic Canada and Quebec stand to benefit the most, because these regions are unfortunately the most seriously affected by unemployment.

I must say that the rollback in unemployment insurance premium rates will benefit small business in Quebec and Atlantic Canada and thus foster job creation. I must say that our technology network will help small business, Atlantic Canada and Quebec. I must add that our budget will help those provinces where the unemployment situation is the most serious because it is designed to create jobs by calling upon one of their strengths, small and medium–sized businesses.

Allow me to quote this statistical data published today concerning Quebec. There are apparently real signs of an upward trend in employment in Quebec. This fact was confirmed by the Quebec manpower development agency. From August to January, the employment level in Quebec has grown by 51,000 jobs to 2,983,000, the highest level since October 1991. Last January, a net number of 23,000 jobs were created, as opposed to 13,000 lost in December.

* * *

[*English*]

THE ECONOMY

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, the dollar is falling, interest rates are rising, the government has stooped to writing its own report cards. Thank goodness it is Friday and thank goodness it is Easter break.

My question is for the Minister of Finance. Contrary to repeated assurances by the minister that he is not terribly concerned about interest rates, these rates continue to climb.

My purpose today is not to ask the minister why rates are climbing, whose fault it is or even whether he can do anything about it. My purpose is to get a straight answer to a specific direct question: Can the minister tell this House whether his department has developed any contingency plan to meet its deficit reduction targets if interest rates continue to climb.

• (1125)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, we are on track for our deficit targets. We have built into our budget sufficient room to manoeuvre given the number of variables which well could affect our targets. Let me simply say to the member that we are going to hit our target.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, not only are interest rates rising but the dollar is falling at a dramatic rate. The minister must realize that a falling dollar will increase the cost of imports and will inevitably cause inflation. The minister is counting on a low inflation economy and that is not a traditional characteristic of the Liberal government.

Can the minister tell the House if he has a strategy to maintain low inflation in Canada if imports begin to drive the inflation rate above 3 per cent?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, I know that this is not the case but the member seems to be almost rubbing his hands in glee at what is happening. I am sure that is not the case because all members in this House will seek the best for the Canadian economy.

An hon. member: Right on.

Mr. Martin (LaSalle—Émard): Before Christmas the Governor of the Bank of Canada and I sat down and set out our inflationary targets for the next five years. Those inflationary targets we did in a very short period of time, something that took the previous government two and one–half years to arrive at.

Those inflation targets are among the most disciplined of any of the industrial countries in the western world. They are a 1 to 3 target with mid–point 2. The Governor of the Bank of Canada testifying before the Senate the other day made it very clear that we are going to stay within those targets.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, certainly this boasting that the budget is a great success may impress backbenchers but it has obviously failed impressing those who finance Canada's $500 billion debt, namely taxpayers and investors.

For six weeks now the minister's promise of a strong medicine next year has been undermined by repeated statements by the Prime Minister that all cuts are already on the table.

In light of rising interest rates and the falling dollar, will the minister ask the Prime Minister to remove the handcuffs and

allow him to use the only available solution to the problem, deeper cuts in public spending and a revised fiscal plan?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, I have heard the Prime Minister repeatedly within this House in response to questions from the other side say exactly what I said in the budget speech. That is that the cuts in our budget in and of themselves are sufficient for us to reach the 3 per cent of GDP target that we have within three years.

The Prime Minister has gone on to say that within the budget reference is made to the review of government operations which is going to be undertaken by the Minister responsible for Public Service Renewal in which we are rethinking the role of government, rethinking the way in which we approach the economy. That is an essential part of our budget and it is an essential part of our ultimate plan to clean up this nation's finances.

* * *

[*Translation*]

JOB CREATION

Mr. Jean–Guy Chrétien (Frontenac): Mr. Speaker, my question is also for the Minister of Finance.

At the end of February, Hydro–Québec received the go–ahead from the Quebec government to start construction on the Sainte–Marguerite project, in the Sept–Îles region, where unemployment is very high. At the time of this announcement, Quebec had obtained political assurances from Ottawa that the federal government would support the project. But failing federal permits, the construction of the dam, scheduled to start next week, may have to be postponed.

While he is doing little to create jobs, could the minister at least have the decency not to create difficulties for those who do and will he give us the assurance that the federal government will issue the permits required to allow Hydro–Québec to implement this project which does not interfere with the regular flow of the rivers and will create—

• (1130)

Some hon. members: Put your question!

The Speaker: Order! The length of questions is becoming a little excessive. I would ask that questions and answers be shorter.

[*English*]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I thank the hon. member for his question.

When the government announced on February 24 that it had accepted the BAPE report on the Hydro Quebec project it also indicated at that time that there would be certain steps taken before a permit was issued.

As the member should know, the environment must and will be protected. The Department of Transport is working very closely with the province and all other parties to finalize the permit. It has only been a month since the government has accepted the project. It will not be issued until all the pieces are in place.

I can assure the hon. member that yes, we are concerned that jobs are at stake and yes, we want the project to go ahead; but there are conditions to be met before the permit is issued and we are working relentlessly to make that happen.

[*Translation*]

Mr. Jean–Guy Chrétien (Frontenac): Mr. Speaker, this is a fine example of how cumbersome the federal system is. Will the Minister of Finance give us today the assurance that, by the end of next week, Quebec will have received the necessary authorizations so that work can start in an area where unemployment is running rampant?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): On the contrary, Mr. Speaker. The negotiations that have taken place regarding the Sainte–Marguerite river are an excellent example of federal–provincial co–operation.

Complete agreement was achieved with the province with respect to project description, conduct and content. At present, a permit is to be issued by Transport Canada. Of course, this is a complex and detailed document and there are still a few pieces of information to be supplied by the Quebec government. The province assured us we would be getting this information shortly. It should be a matter of weeks before a permit is issued, given the full co–operation of the provincial government.

* * *

[*English*]

NATIONAL REVENUE

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, my question is for the Minister of National Revenue.

According to a poll released yesterday by Peat Marwick Thorne, one in six Canadians now describe themselves as tax anarchists and feel tax cheaters should be applauded. The main reason given for the attitude was out of control government spending.

Will the minister agree a major step toward resolving this problem would be to cut spending and thereby encourage Canadians back into the mainstream economy?

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, the government and I want

to acknowledge that the survey makes interesting points that we are taking quite seriously.

However we also want to point out that it is a snapshot. It does show changes in attitude over time. Therefore it would be difficult to draw certain conclusions, for example, that Canadians are either more or less disgruntled than at other times.

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, I have a supplementary question.

The budget projects an overall growth in the economy to be 10 per cent over the next three years, but it projects 15 per cent growth in government revenue during the same period. These figures seem to imply that Canadians will be coming back into the economy rather than opting out of it or going underground.

In light of the growing underground economy identified by this poll, could the minister explain how the 15 per cent growth in revenue will be achieved?

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I believe I just stated that this survey does not allow us to draw certain conclusions and that is one. It is a snapshot in time.

The minister has consistently stated in the House that we are continuing to strengthen enforcement in all aspects of revenue collection.

* * *

• (1135)

[*Translation*]

BIOVAC

Mrs. Monique Guay (Laurentides): Mr. Speaker, my question is for the Minister of Government Services.

In a surprising decision, the Minister of Supply and Services has terminated the contract under which the federal government buys influenza vaccines from BioVac, a subsidiary of Biochem Pharma and the only Canadian manufacturer of this type of vaccine. Curiously enough, after awarding only a one–year contract to BioVac for this vaccine, the government has now decided to award a new, five–year contract to an American manufacturer.

Why did the government decide to terminate its contract with BioVac and award a five–year contract to Connaught, when BioVac will put on the market within one or two years a revolutionary influenza vaccine costing only ten cents a dose? Is the minister determined at all costs to export Quebec high–tech jobs to the United States?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I thank the hon. member for her question. The paramount concern in all the deliberations must be and ought to be the health of Canadians, particularly young children.

Since 1973 the Government of Canada, in co–operation with the provinces, has been purchasing vaccines in bulk. No determination has been reached. The information the member has provided to the House is somewhat premature. No decisions have been made with regard to contracts which have been let. I am hopeful a decision will be made soon and I am hopeful we will have a Canadian solution to a Canadian problem.

[*Translation*]

Mrs. Monique Guay (Laurentides): Mr. Speaker, is the government, which claims to be so concerned about creating jobs, willing to review this shortsighted decision supporting a blatant case of dumping, since Connaught sells this vaccine for $1.40 in Canada and $3 in the United States?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I say to the hon. member again that the paramount consideration is and must be the health of Canadians, particularly young children.

No decision has been consummated by the Government of Canada that has bought this vaccine on behalf of provinces since 1973. I want to assure the hon. member the allegations that are being suggested by her will be reviewed. Hopefully we can have a Canadian solution to a very serious Canadian problem.

* * *

JUSTICE

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, my question is for the Minister of Justice and I begin by wishing him and his family a happy Easter.

However the chairman of the justice committee is widely quoted as saying that he believes convicted murderers like Clifford Olsen should not have to serve more than 15 years for their crimes. In fact the chairman of the justice committee believes the minimum murderers should serve is 10 years without parole.

Is the chairman of the justice committee articulating government policy, or is this merely a trial balloon on behalf of the justice minister?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am grateful to the hon. member for his expression of good wishes at this time of the year and I reciprocate them.

I have to respond very quickly to his suggestion about trial balloons. The chair of the justice committee is speaking for himself. The chair of that committee is one voice among that

very disparate group. The chair is perfectly entitled to express his own perspective on issues of the day.

For my own part I have already responded to that suggestion. I do not happen to agree with him, but I think the justice committee is just the place where that kind of discussion should occur. I am sure the justice committee is going to have all manner of controversial matters to deal with in the years to come and I look forward to that kind of discussion.

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, yesterday the president of the Canadian Police Association, Neal Jessop, called for the removal of the chairman of the justice committee. Mr. Jessop said that his association could not work with the present chair, that he was out of step with public opinion and that he was an embarrassment to the government.

In the interest of swift and co–operative action on judicial reform, will the minister recommend to the Prime Minister that the chairman of the justice committee be replaced as soon as possible?

The Speaker: The hon. minister may wish to answer that question even though it does not deal directly with his responsibilities.

• (1140)

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, may I take the opportunity to say to the hon. member and to the House that in so far as I am concerned the chair of the committee has my full confidence. If controversial positions or views were to disqualify us from holding positions many members would not be in the House.

As I said earlier, the fact of the matter is that the chair of that committee is entitled to express his view. He has done that and I see nothing out of order with that. He has my every confidence and I am sure he will stay on as chair of the committee.

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[*Translation*]

TRADE

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, the United States recently revived its trade "atomic bomb", its "Super 301". This measure, quite incompatible with the spirit and content of GATT and NAFTA regulations, is aimed at penalizing countries found guilty of trade practices deemed unfair by the United States. A list of such countries will appear in a few days in the *National Trade Estimates Report*, and Canada should be on it.

Under the circumstances, my question is for the Minister of Finance. Given the number of unresolved trade disputes between Canada and the United States, does the minister not think that the United States could use Super 301 against Canada, as it did in 1990 against Canadian beer?

Mr. Mac Harb (Parliamentary Secretary to Minister of International Trade): Mr. Speaker, with Canada–U.S. trade registering over $260 million a year, it is obvious that we will have trade disputes from time to time.

As far as Super 301 is concerned, senior Canadian officials have already conveyed our position on this issue to the United States. For now, we will continue to communicate with them in a positive way and we hope to reach a common solution.

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, the GATT General Secretary and several European countries are concerned about the threats to the international community posed by the United States' aggressive unilateral measures. What concrete actions does the government intend to take to prevent Canadian industries from bearing the brunt of the Americans' measures against all their trading partners?

Mr. Mac Harb (Parliamentary Secretary to Minister of International Trade): First of all, Mr. Speaker, the Uruguay Round to be signed by April 15 will resolve many of the difficulties encountered from time to time. We hope that the international community will find ways to settle all trade disputes between countries in a positive fashion, by keeping the lines of communication open, encouraging dialogue and avoiding controversy between the United States, Japan and the other countries.

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[*English*]

PUBLISHING INDUSTRY

Mr. Bob Wood (Nipissing): Mr. Speaker, I have a question for the Minister of Industry.

I would like to know what kind of support the government is giving to the publishing industry in Canada. Would the minister also give his impression of this particular support?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I thank the hon. member for his question. The government considers that the publishing industry is a vital sector of the Canadian economy. I would add that I am also convinced the strong culture or strong identity of Canada could not do without a strong publishing industry.

This is why the Canadian publishing industry receives over $120 million in government assistance every year or 5 per cent of the entire value of the industry.

* * *

BOARD OF REFEREES

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, on March 11, I raised a question with the Minister of Human Resources Development regarding the Board of Referees in my riding, the failure of his office to deal with our inquiries and an

apparent plan to appoint a wholly unqualified Liberal supporter as chairman of the board.

The minister assured me that if I provided details of the problem he would respond quickly. The same day I supplied the minister with a list of the number of calls made to his office and the persons who called. I also supplied the names of three highly qualified people recommended by community leaders to fill these positions. To date I have received no reply.

• (1145)

When will we get action to re–establish this very important board in the riding?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, the hon. member can rest assured that this government will only appoint people who are qualified to do their jobs. It is extremely important that we keep the confidence of the Canadian people. Every single appointment this government has made to date speaks to the fact that this government will only appoint people who are highly competent for the job at hand.

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, the board of referees normally has two chairs but now is shut down because the government chose not to renew the term of the only current chair.

Will the minister agree to extend the term of Rocco Mastrobuono so that the board can continue to function, given the length of time the government seems to need to deal with this problem?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, I will take that question under advisement. We will report to the member as soon as possible.

* * *

[*Translation*]

SOCIAL HOUSING

Mrs. Maud Debien (Laval East): Mr. Speaker, I would like to ask the Minister of Public Works a question. On February 24, the Minister of Public Works said in this House that the Canada Mortgage and Housing Corporation intended to save $120 million over four years and that this amount would be used for social housing.

Since the minister promised to use this $120 million to help the poorly housed, can he tell us how many social, co–operative and non–profit housing units will be built this year with these savings?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I thank the member for her excellent question.

I apprise her that we are attempting to achieve greater savings than $120 million over the next four years in view of the co–operation which is taking place between the Government of Canada and the different provinces. Until such time as we can identify for this fiscal year the amount of those savings it would be premature for me to announce on the floor of the House of Commons the exact way in which those expenditures are to be made.

I do want to assure the hon. member that we are consulting with the provinces. We will be consulting with various stakeholders across the country in order to try to achieve better value for the taxpayer's dollar.

[*Translation*]

Mrs. Maud Debien (Laval East): Mr. Speaker, in view of the information which the minister wishes to give us, even though we still lack quite a few details on this subject, I would like to know if he could also confirm that he intends to offer shelter assistance, that is, direct aid for tenants, instead of investing in collective housing projects like low–income housing and housing co–ops, in case he should change his mind.

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, it is not a matter of changing one's mind. It is a matter of getting the best value for the taxpayer's dollar.

All options will certainly be examined. There will be meaningful consultations with the provinces and various stakeholders. I want to assure the hon. member the suggestion she has made which seems to be coming not only from members of her party but also from other individuals in the province of Quebec and elsewhere is something my government and hopefully other governments will seriously consider.

I do not wish to raise false expectations that large sums of money will be readily available for that sector. However it is on the table. It is an option and we are considering it.

* * *

FISHERIES

Mr. John Cummins (Delta): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

Last Friday we complimented the Minister of the Environment on the proposed action on the *Irving Whale*.

We also suggested that a problem existed in the adjacent waters of Northumberland Strait. People who harvest lobster and other fish in these waters have expressed fears that the government appears prepared to agree to a proposal to discharge effluent from the Scott Maritimes mill via a two kilometre pipeline into spawning beds for lobster, scallops and other fish.

What assurances can the minister give these people that their fishery will not be harmed by a proposed new treatment facility? Does this insurance include an EARP assessment of the facility, a commitment made in 1991 by the Department of Fisheries and Oceans and Environment Canada?

• (1150)

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I thank the member for Delta for giving notice of his question.

I want to assure the hon. member exactly as I have assured the member for Central Nova. Neither the Department of the Environment nor the Department of Fisheries and Oceans under section 35 of the Fisheries Act has yet completed a full and proper assessment of the proposal that has been put forward for the effluent diffuser into the Northumberland Strait. No such decision has been reached nor will it be reached until a full and proper assessment is done and until a full consultation occurs with the fishermen from that region.

Mr. John Cummins (Delta): I appreciate the minister's answer, Mr. Speaker, and recognize he is concerned about these environmental issues.

However government officials have suggested that the designation of the boat harbour treatment facility be changed to allow some pollutants in the effluent to be increased by as much as 800 per cent.

Can the minister assure this House that present effluent regulations will not be gutted to allow Scott Maritimes to increase pollutants by 800 per cent?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I have an obligation under section 35 of the Fisheries Act to protect habitat. That is an obligation I have in law.

This government has not hesitated to take the most difficult decisions in the name of conservation of habitat. This is the government that took the decision to close down a food fishery, a basic hook and line fishery, in the name of rebuilding critical cod stocks. Decisions, like those to not allow pollutants contrary to the Fisheries Act into critical spawning areas, would be easy for us to take.

This government will not compromise conservation of habitat for any reason. We have acted forcefully and we will continue to act forcefully in the interests of conservation.

* * *

PRESTON AND AREA DEVELOPMENT FUND

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Minister responsible for the Atlantic Canada Opportunities Agency.

Recently there has been a lot of controversy over the future of the Preston and area development fund. This fund was established to address the real systemic obstacles to black entrepreneurs in Nova Scotia gaining working capital. The mandate of this particular program expires on March 31.

Is it the intention of the minister's department and his government to continue with this program? If not, will he be announcing a replacement program for black entrepreneurs in the Preston area in the near future?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I want to thank the hon. member for his unexpected question.

I assure the hon. member his analysis is correct. The fund will lapse on March 31, 1994. Through the efforts of the member himself as well as other community leaders we hope to be able to replace that particular structure and that fund in the foreseeable future in order to provide economic benefits to one of the most depressed areas of the province of Nova Scotia.

I want to thank the hon. member for his efforts in assisting the Atlantic Canada Opportunities Agency in that objective.

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[*Translation*]

PUBLISHING INDUSTRY

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, my question is directed to the Minister of Canadian Heritage. The minister still refuses to order a public inquiry into the circumstances around the sale of Ginn Publishing to Paramount. The minister would rather refer the matter for consideration to the Standing Committee on Canadian Heritage. However, in this morning's *Globe and Mail*, we read that the minister's Liberal colleague, the chairman of this committee, has made it clear he does not want to conduct an inquiry into this controversial matter.

Does this mean that the Minister of Canadian Heritage suggested referring the matter to the Commons committee, while he knew perfectly well his colleagues would refuse to consider the matter, probably because they also sensed the government had something to hide?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, the government has absolutely nothing to hide. I am very pleased to see that hon. members on both sides of the House are capable of making up their own minds and making their views known in committee, and I accept their decision.

• (1155)

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, since the minister is now aware of the fact that his colleagues have refused to examine this matter in committee, is he prepared to show his good faith and concern for transparency

by reversing his decision and agreeing to order a public inquiry, since the Liberal majority on the Canadian Heritage Committee will not let us investigate the matter in committee?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I think it would be advisable for me to consult my colleagues before making a decision, and I shall be delighted to do so.

* * *

[*English*]

HYUNDAI MOTOR COMPANY

Mr. Jim Silye (Calgary Centre): Mr. Speaker, my question is for the finance minister.

The federal government and the provincial government of Quebec have paid $46.4 million in government grants to Hyundai motor company to assemble cars in Bromont, Quebec. I understand the finance minister plans to spend another $32 million on this project in the name of job creation.

When is the finance minister and his government going to learn that regional development programs do not work, that injecting cash into the private sector distorts the marketplace and that these dollars ultimately dig our debt hole deeper? When will the finance minister learn something and stop wasting taxpayers' dollars on direct grants and subsidies to businesses?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, as has already been announced in this House, the respective ministers responsible for the development agencies, namely the minister responsible for ACOA, the minister responsible for western diversification and the minister responsible for FORD–Q, have all said the way in which regional development policies have been carried out in the past are certainly ineffective and really not in accordance with the needs of a modern economy.

As a result, all three ministers have said they are reviewing and in fact have either imposed or brought in substantial changes in the way government interacts with the economy.

Our position has been very clear on that and we are in the process of doing it. In fact a great deal of that is manifested in the budget and will be manifested in subsequent budgets to come.

In terms of the particular incident the member raises, first of all this agreement was signed prior to our taking office. It was also within the context of a larger overall agreement between Quebec and the federal government, as has been signed with many other governments. While there are numerous problems with that, we are going—

The Speaker: Order. The questions and the answers should be shorter. The hon. member for Calgary Centre for one final question.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, has the finance minister and his government even asked why Hyundai closed its doors and why this project did not work, before pumping another $32 billion of good taxpayers' money after bad? Does he know the answer?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Just to show you that I have learned my lesson, Mr. Speaker, yes we have asked those questions.

The Speaker: Colleagues, on two different occasions today I intervened in questions. I simply want to inform the House why.

When we have questions with regard to committees or chairman of committees, the ministers who would ordinarily be involved with those committees are not responsible for those committees. That is why I intervened on the two questions.

It being 12 o'clock, we will now proceed to the routine business of the day.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC SERVICE EMPLOYMENT EQUITY

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, pursuant to subsection 2.4 of section 11 of the Financial Administration Act I am pleased to table, in both official languages, the first ever annual report of the President of the Treasury Board on the state of employment equity in the public service. This deals with the fiscal year 1992–93.

* * *

● (1200)

WAYS AND MEANS

NOTICE OF MOTION

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, pursuant to Standing Order 83(1) I wish to table explanatory notes and a notice of a ways and means motion to amend the Excise Tax Act, and I ask that an order of the day be designated for consideration of the motion.

* * *

PUBLIC SERVICE

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, the first annual report on employment equity in the public service which I just tabled is a requirement of the Financial

Administration Act as a result of amendments that were passed in December 1992 as part of the Public Service Reform Act.

I would like to remind hon. members of the important role—those who were of course in the last House will recognize this—that my parliamentary secretary, the hon. member for Ottawa West, played in ensuring that this report would be tabled in the House.

Indeed, when the act was in committee she introduced an amendment that the government of the day accepted and that became the section on employment equity in the Financial Administration Act.

In speaking in the committee the hon. member for Ottawa West said that the amendment represented a renewed commitment to some very positive action to ensure that people in the four designated groups are no longer denied opportunities to be whatever they are capable of being in the public service of this country.

[*Translation*]

To return to the annual report that I have tabled, I should note that the Treasury Board has been publishing employment equity data since 1988.

[*English*]

These information packages which were made available to the public, although not tabled in this Parliament, have provided useful information on the state of employment equity in the public service.

However, they did not show the range of positive initiatives and activities that the Treasury Board and the Public Service Commission together with departments had been taking to advance the goals of employment equity programs.

The annual report that I have just tabled tries to fill that gap. As the act states, the purpose of employment equity programs and policies in the public service is to improve employment and career opportunities for four designated groups. They are women, particularly women in non–traditional and executive positions, aboriginal peoples, persons with disabilities and, finally, persons who because of their race or colour are in a visible minority.

How are we to achieve this result: By eliminating employment barriers against persons in designated groups; by introducing and supporting, as the legislation requires, positive policies and practices; and by trying to ensure that persons in designated groups are represented in the public service in proportion to their representation in the workforce of this country and of the particular communities they serve in. However, focusing on the number of designated group members in the public service is not enough. Public service managers and employees must value diversity and must show it consistently through their actions.

At this time I want to reiterate the government's commitment to employment equity and specifically its commitment to employment equity in the public service. It was in the red book, we made that point and we stick by it.

The numerical goal of employment equity may be more difficult to achieve in times when the public service has stopped growing. However, let me assure hon. members that the employment equity program is a high priority of this government and that we will do everything possible to ensure that its goals are met.

[*Translation*]

For example, just three months ago, we made a lot of changes to the Special Measures Program that was put in place by a Liberal government in 1983.

[*English*]

The report does not provide details of these revisions because it covers the period April 1, 1992 to March 31, 1993 which is before we came into office. However, I would like to inform the House that the Treasury Board has approved funding for a restructured special measures initiative program which will provide for pilot projects co–funded with departments that help increase our employment equity opportunities.

One of these initiatives aims to improve, for example, employment opportunities for persons with disabilities in the public service.

• (1205)

As of April 1, 1994, I am pleased to announce that a special fund of $500,000 will be created to assist employees with disabilities. This is replacing a program that was a mere $40,000 I might add. This assistance includes attendant care, modifications to computer equipment, materials and alternative formats and special telephone equipment.

Second, retention of aboriginal employees is of concern to the government. The Treasury Board is developing a guide for managers to help them create a work environment that will encourage aboriginal employees to join and to remain in the public service.

Furthermore, an executive development program for persons in a visible minority is being extended. Of course the recruitment program for visible minorities is also being continued.

The progress of women in the public service has been steady and we shall be putting more emphasis on the development of opportunities for women in the public service.

Courses on cultural awareness and diversity in the workforce are widely available to both public service managers and employees who are encouraged to take such training. It is important to set the right atmosphere in our public service and that kind of program helps a great deal.

Finally, the Financial Administration Act requires the Treasury Board to prepare annual employment equity plans. All departments and agencies are required to have employment equity plans ready by this coming April 1, 1994. Anyone interested may obtain copies of the plans from departments and agencies.

I also invite members of this House to make suggestions on how, since this is our first report, we might improve the annual report on employment equity.

[*Translation*]

Mr. René Laurin (Joliette): Mr. Speaker, first I want thank the hon. minister for tabling his report, although we have been waiting for it since June 30, 1992, in accordance with the Public Service Reform Act.

This document highlights, among other things, the representation profile of designated groups in the public service. It also provides the evolution of this profile from December 1988 to March 1993. It shows that, during those five years, female representation in the public service only increased by 3.2 per cent; aboriginal groups by 0.3 per cent; handicapped people by 0.4 per cent; and visible minorities by 0.9 per cent. In other words, the representation of designated groups barely changed over the last five years.

In its red book, the Liberal government stated its intention of doing something for these designated groups. Yet, the Employment Equity Act still does not apply to the public service, nor to federal commissions or agencies. What did the government do in the light of these findings and policy statements?

Today, the government announced pilot projects for the restructuring of special measures programs. It announced the creation of a special $500,000 fund for handicapped people which, divided by ten provinces, barely represents $50,000 for each province. There is certainly nothing extraordinary about this initiative.

The government also announced a development program for visible minorities which, for all intent and purposes, was already in place. Consequently, this is merely a measure ensuring the *status quo*. In the case of women, whose representation only increased by 3 per cent over the last five years, which means barely 0.6 per cent per year, the government announced development initiatives for administrative support positions.

• (1210)

There seems to be a significant gap between the government's avowed intentions, or at least its stated intentions, and the measures actually taken to correct the situation. Just to give you an idea of how inconsistent the government is, on the one hand it announces measures which will have a very limited effect while, on the other hand, it is going to court to challenge representations made by the Public Service Alliance of Canada in favour of pay equity. Moreover, the government tabled Bill C–17, which freezes salaries in the public service, prevents a reform of salary scales, blocks a reform of job classification, and also delays wage parity and prevents it for the time being.

What will be the real impact of Bill C–17 on the reclassification of groups of employees? What concrete measures is the government taking to ensure that the salary freeze will not jeopardize negotiations on wage parity? There is a gap between the government's stated intentions, the low–impact measures it advocates, and the real problem of pay equity in the public service. That gap has not been closed and nothing leads us to believe that it will be closed in the coming weeks or years.

I will conclude by saying that the tabling of this report highlights the obvious contradictions between the government's real intentions and the weak measures it is taking to correct the situation. The government would be well advised to state its real intentions quickly, so that those affected can have some hope and confidence. After all, some have been waiting since the 1980s to improve their plight, and they have to have some hope that things will finally improve.

[*English*]

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, this employment equity in the public service targets four designated groups: women, aboriginal peoples, persons with disabilities and visible minorities. It covers people in the federal public service and other sectors under the public influence such as banks of federal charter and certain businesses that do business with the government.

In so far as the employment equity in the public service has as its primary goals, one, the removal of barriers to employment and, second, to encourage and support those in the designated groups to apply for advancement, then we endorse these activities and we applaud the public service for taking a leadership role.

However, we would caution that it is one thing to remove barriers to provide encouragement and quite another to promote or hire because of ethnic or gender considerations. I would caution the public service not to practise reverse discrimination.

As to persons with disabilities, the Standing Committee on Human Rights and the Status of Disabled Persons tabled a report last year. That report clearly indicates that a primary barrier to employment of persons with disabilities is a catch–22 situation. That is when persons with disabilities get a job and gain income from employment they do so very often at the expense of the very benefits they have been receiving that allowed them to get the job in the first place.

This is an area that we already know the answer to which is one of taxation. The standing committee brought the report forward and it should be reviewed by the employment equity people.

Our position is that emphasis must be on individual achievement. Employers must treat people as individuals in all aspects of recruitment, training, hiring and promotion. The emphasis must be on the individual's experience, ability and performance. Putting the emphasis on individuals will ensure that women, racial minorities, aboriginals and the disabled are not held back by stereotypes or other discrimination.

• (1215)

Finally, there may well be those in the identified groups who need a helping hand and they should be encouraged. It is quite right that the public service would have this body to do just that, to encourage and to ensure that barriers do not exist.

However we should recognize that the vast majority of women, visible minorities, aboriginals and the disabled would resent being categorized as somehow disadvantaged and unable to compete on their own merit. That is something that needs to be understood, that many people have made tremendous strides in their achievements. They have done so and will continue to do so on their own merit, not because they have benefited by some special program.

We are, all of us, human beings with the same strengths, weaknesses, hopes and dreams as everyone else regardless of our defining characteristics.

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to present the 13th report of the Standing Committee on Procedure and House Affairs.

Your committee has considered Bill C–18, an act to suspend the operation of the Electoral Boundaries Readjustment Act and has agreed to report it without amendment.

I also have the honour to present the 14th report of the said committee on the membership of the various standing committees.

If the House gives its consent, I intend to move concurrence in the 14th report later this day and I would ask for the consent of the House to dispense with the reading of the report.

The Deputy Speaker: Is there unanimous consent among the members to dispense with the reading of the report?

Some hon. members: Agreed.

HUMAN RESOURCES DEVELOPMENT

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Human Resources Development.

[*Translation*]

Pursuant to the order of reference of February 8, 1994, your committee has considered the modernization and restructuring of Canada's social security system.

[*English*]

This interim report represents the first phase of your committee's consultation with Canadians on the modernization of Canada's social security system.

Your committee is already preparing its second phase of consultation in anticipation of the release by the Minister of Human Resources Development of the government's action plan and proposed changes.

In conformity with the House's reference on February 8, it is your committee's intention to table its final report with recommendations on or before September 30.

[*Translation*]

I want to thank most sincerely all members and staff of the committee as well as the hundreds of Canadians who have contributed to that phase of our work.

Mrs. Francine Lalonde (Mercier): Mr. Speaker, I would like to say that the Bloc Quebecois, the Official Opposition, is tabling a dissenting report that the Standing Committee on Human Resources Development has agreed to append to the majority report.

I would like to point out that the time frame set by the House in the committee's terms of reference is much too short to fulfil the obligation to consult all Canadians, in spite of outstanding and strenuous efforts on the part of the entire committee.

There is one major flaw in the report and it pertains to the respective responsibilities of Canada and the provinces. You will understand that this is a fundamental question, for Quebec in particular. In our view, this matter was dealt with much too quickly in the relevant section of the report for it to be acceptable. In the second phase of our work, we will give this matter all the consideration and attention it warrants.

* * *

• (1220)

[*English*]

RAILWAY SAFETY ACT

Hon. Douglas Peters (for the Minister of Transport) moved for leave to introduce Bill C–21, an act to amend the Railway Safety Act.

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

Routine Proceedings

DIVORCE ACT

Mrs. Daphne Jennings (Mission—Coquitlam) moved for leave to introduce Bill C–232, an act to amend the Divorce Act (granting of access to, or custody of, a child to a grandparent).

She said: Mr. Speaker, I move, seconded by my hon. friend from Nepean, for leave to introduce a private member's bill, an act to amend the Divorce Act, by granting access to, or custody of, a child to a grandparent.

In this year of the family it seems appropriate to recognize in statute the rights of grandparents to have access to their grandchildren or to be able to be informed of their well–being should the parents of the grandchild divorce.

At present the Divorce Act overlooks the rights of grandparents and this bill, should it become law, would put these rights squarely before the judge in the divorce matter so they will be taken into consideration when a divorce decree is granted.

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

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I move:

That the fourteenth report of the Standing Committee on Procedure and House Affairs presented to the House today be concurred in.

(Motion agreed to.)

[*English*]

Mr. Hermanson: On a point of order, Mr. Speaker. Which report is that?

The Deputy Speaker: The 14th report.

FINANCE

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I would also move:

That up to 10 members of the Standing Committee on Finance and up to 10 staff be authorized to travel to Toronto, Winnipeg, Regina, Edmonton and Vancouver between April 10 and 16, 1994 and up to 10 members of the said committee and up to 10 staff be authorized to travel to Quebec, Fredericton, Halifax, St. John's and Charlottetown between April 17 and 22, 1994.

(Motion agreed to.)

• (1225)

[*Translation*]

PETITIONS

TAXATION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, these petitioners ask for an overhaul of the Canadian tax system. They would like special attention to be given to spouses. Often wives stay at home to raise their family, so that those who have children with special problems, often called handicaped, face significant challenges.

[*English*]

The petitioners would like the government to look at the system of taxation in Canada and pay particular attention to people who stay at home, very often without choice, to raise their children.

They feel the system is not as sensitive as it should be to that situation, particularly when there are children with special difficulties that need to be retained in the home or go to special facilities.

VIOLENT CRIME

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, I would like to add these petitions and the thousands of signatures to the over 2.5 million signatures that I have already presented in the House in the last two years.

The petitioners feel there are serious deficiencies in the criminal justice system, that there are many vulnerable persons who have little protection under the current system; women, children and disabled persons are at particular risk.

The petitioners request that Parliament recognize that crimes of violence against the person are serious and abhorrent to society and amend the Criminal Code of Canada, the Bail Reform Act of 1972 and the Parole Act accordingly.

HOUSE OF COMMONS

Mr. George S. Rideout (Moncton): Mr. Speaker, pursuant to Standing Order 36, it is my pleasure to introduce a petition dealing with the prayer in this House.

I realize that we have already dealt with it but it is my obligation to present all petitions which are in proper form. I believe as well the response may correct some of the misinformation being distributed by the member for Saint John.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

[*Translation*]

The Deputy Speaker I wish to inform the House that in view of the ministerial statement, the time allotted to government orders will be extended 16 minutes, pursuant to Standing Order 32(2)(b).

GOVERNMENT ORDERS

[*Translation*]

BUDGET IMPLEMENTATION ACT, 1994

The House resumed consideration of the motion.

The Deputy Speaker: I should mention that the hon. member for Mercier told me that she had to leave and that she had completed her remarks. I must point out to the members of the Official Opposition that the amendment moved by the member for Mercier is in order and there is no procedural problem. In short, the amendment is acceptable.

[*English*]

Mr. Stephen Harper (Calgary West): Mr. Speaker, I rise today to speak on Bill C–17, the omnibus bill on the implementation of a number of measures in the recent budget. I am doing so on behalf of the hon. member for Lethbridge who is unable to be here. He has asked me to make a few comments on the general orientation of our caucus toward the bill and some of the measures in it. I will also take some time to comment further to that on some of our specific concerns with regard to the sections on transfer payments to the provinces, the area for which I am specifically responsible in the bill.

• (1230)

Before doing so I would like to take a moment to draw to the attention of the House that Ernest Manning High School in the south part of my constituency of Calgary West has been holding a model parliament this week where they are debating many of the same things. I had been scheduled to attend their model parliament today but due to this commitment and other commitments particularly with regard to Bill C–18 and the committee hearings we had last night, I was unable to depart Ottawa.

I have had the honour on many occasions in the past to attend model parliaments at Ernest Manning High School. If my experience is any example, I am sure the students would have much to recommend to the House in terms of not only the informed level of debate but also the democratic procedures that are in place in that particular parliament.

Having said that, let me move to Bill C–17. As I indicated in earlier remarks today when we were discussing a point of procedural order, our party would be opposed to this kind of measure, to an omnibus approach to government legislation. In my remarks today, specifically to start with, I will deal with the five general parts of the bill: part I which applies to public sector compensation considerations; part II, the cuts in the Canada Assistance Plan and PUITTA transfers; part III, the reductions in transportation subsidies of various kinds; part IV, the authorization of borrowing authority for the Canadian Broadcasting Corporation; and finally part V, the significant changes to unemployment insurance.

Our party has mixed views on these various items. It is unfortunate that the nature of the legislation itself would not allow us to independently support some of the more desirable aspects of the bill, at least at the voting phases.

In part I, public sector compensation, the effect of the measure as in the budget is to extend wage freezes that have been in place now to the end of 1997, saving the government up to $1.5 billion over the next three years. In the zero in three deficit reduction program Reformers ran on during the election, we supported general reductions to the costs of the federal bureaucracy, the civil service, and to some degree civil service compensation, although certainly we would prefer to see most of the savings in the public sector concentrated on non–wage overheads.

However it has been our experience that in the private sector—and, as members know, my area in particular is dominated by private sector activity—a general lack of raises in private sector wages has been the norm for several years now and downsizing in many organizations has been commonplace. In comparison, the public sector has been relatively lightly affected by the ongoing recessionary problems that we believe ultimately originate in the public sector through not only the expenditure practices of governments but also their taxation policies and taxation responses to deficit situations.

Public sector compensation has continued to remain generous during this period and downsizing relatively light compared to that experienced in many other areas of our society. It is only justified that the public sector would experience these kinds of wage freezes during the period in question.

• (1235)

I hope the committee will examine some of the specific measures and some of the broadness of the wage freezes which are actually very rigid across categories and do occasionally lead to some inequities or incongruities in application. There may be some specific things the committee could do to examine, while not violating the principle of freezing the overall wage bill, whether any more flexibility could be given.

We also would like to support the one–time adjustments involved in government policy for relocation and incentive payments to workers who are being displaced from the public sector, particularly in the military area. There may be disagreement with the specific programs proposed, but I think no one questions the principle that there is a need to provide interim relief to those affected by government cutbacks. In particular we compliment the government for beginning to encourage the use of these funds toward retraining and relocation rather than just

payments that encourage recipients to welfare when adjustment payments run out.

We strongly support the freezes we are applying to ourselves in line with this, freezes to senior people in government and to members of Parliament. We would also take this opportunity to urge the government once more to make substantial cuts in benefit related areas to members of Parliament that are out of line with standards the public expects.

I refer specifically to the MP pension plan. Even the contribution levels of members of Parliament to that plan exceed normal contribution to a plan. On top of that, the government is now matching our contributions on a six to one basis to preserve the soundness of the plan over the long haul.

This simply cannot be justified at this time. I call on the government once again to bring in serious measures to cut back the benefit of this plan. It should ensure that the tremendous liabilities which have built up are not simply the responsibility of the taxpayer and that some of the current recipients who quite unjustifiably and quite irresponsibly voted themselves this kind of defined benefit also share in the reduction of the costs of the plan over the long run.

In addition I raise the concern we have in this party about non–accountable expense allowances being used as supplementary pay. These allowances are substantial. I receive a cheque of $3,000 a month for my work here but then I receive an extra $1,775 for an expense allowance for which I do not have to account. I have absolutely no problem in saying that my expenses as a member of Parliament are high and I will account for them. However I know the total value of that particular money plus the additional expense accounts in our operating budgets exceeds the expenses I incur. I am certain they exceed the expenses incurred by members who live much closer to Ottawa. That is something the House should re–examine while it is looking at the compensation of ordinary public sector workers.

Part II of the bill concerns reductions in transfer payments to the provinces, specifically in the area of the Canada Assistance Plan and the public utilities income tax transfer arrangements. I will not comment on those at great length here because I want to do so when I am finished my more general remarks. Let me just say in summary that these measures in many ways are an extension of some existing policies of government.

Nevertheless we have concerns. We do support the fact—and we said during the campaign that the government was realizing it—that transfer payments to the provinces are substantial and will be affected by any kind of long term deficit reduction plan. We are seeing the government do that. Nevertheless it is doing it without a plan. We have some specific concerns with some of the proposals here and where exactly they are going. I will discuss that in a few minutes.

Part III of the bill concerns reduction in transportation subsidies extending and deepening some reductions in the area of subsidies both to Atlantic sectors and to western grain sectors of our economy. During the campaign our party had called for a general reduction in money spent in the area of subsidies to transportation.

• (1240)

We would prefer rolling together all grain transportation moneys for farmers along with other agricultural programs into a series of two or three programs. That would basically have the effect of giving individual farmers much more choice in how they utilize government assistance, particularly in the area of the type of transportation and the methods of transportation chosen to move their product. That is the direction in which we would like to go.

We emphasize, though, that we only support the continuation of these subsidies as long as there is not an equal playing field with regard to the farm situation internationally. We favour a multilateral approach through the GATT to reducing these international subsidies. In line with that we would see our subsidies drop as well.

I note that this question came up once before in the House of Commons. The government insisted that was everyone's position but of course it is not. There are people in this country and particularly in other countries who are opposed in principle to any kind of reduction in this area. We will not sacrifice our farm sector when other farm sectors are not experiencing similar reductions.

Part IV of the bill, as I indicated, is the part that perhaps gives us the greatest difficulty. The Canadian Broadcasting Corporation is being given its own borrowing authority for the first time in its history in the magnitude of $25 million. This is a thinly veiled attempt to give the CBC more money without increasing its direct grants. We have already seen the government restructure the downsizing, the subsidy reduction program to the CBC, and spread it over a number of years to allow it to be less costly to the broadcasting corporation and more costly to taxpayers.

What assurances do we have that in next year's request for moneys the CBC will not include the increased costs of paying back these loans as yet another financial need? In other words it could be a backdoor way for the CBC to get increased funding once again.

In our view there will have to be a thorough examination of whether we support a large or small reduction to the budget of the Canadian Broadcasting Corporation, a significant re–evaluation of its role and its mandate. Particularly as technology

advances and we see these tremendous changes in the world, we recognize that the CBC will have to be re–examined.

Whether or not the government likes it, shortly we will have the choice of hundreds of television stations for ordinary viewers. The CBC will be in a very different position than what it was when this kind of policy was first brought on to the stage. In recent years the CBC with this borrowing authority has been increasingly forced, like it or not, to compete, to go out into the market to raise revenues.

With the implied backing directly or indirectly of the Government of Canada, it is crowding out the efforts of private advertisers and private investors to fund their own activities, their own borrowing and expansion requirements, at a time where money is very tight in the markets. The complaint I hear constantly from people in the radio and television business, not only in Calgary but in other cities where I visit, is that the CBC is not on a level playing field.

It is a very tight and very competitive business right now. We know that a large percentage of private radio stations, for example, have gone out of business in the past several years. This is not the kind of competition they look upon favourably.

We need to decide whether CBC should be strictly a medium to promote and produce Canadian television or whether it is a market player just like other stations. If so, does it compete on a level basis or does it have an unfair advantage? Before we extend this kind of borrowing authority we should be asking what mechanisms are in place to ensure the investments made by borrowing this money are profitable. Ultimately the CBC is fully supported by the Government of Canada and may lack the necessary incentives to invest prudently.

• (1245)

Part V of the bill concerns the government's changes to unemployment insurance. As I have said in previous speeches on the budget, these are the most significant changes in the bill and we certainly support the general direction the government is taking.

In the second year of implementation of these changes, we will be saving the taxpayers in the order of $2.4 billion. This is a significant amount of money. It is certainly the most significant expenditure reduction in the budget. It is also a very significant reduction not just for the money saved but for the direction the government now appears to be mapping in this area which is very much along the lines of what Reformers have been advocating for a number of years.

These changes are an important signal to the marketplace. The government is hinging a great deal of faith on holding its budget through the first year to try to keep things on track, convincing the marketplace that this is the direction it is looking at and that it is looking at only less costly social programs in the future but much more responsibly structured ones.

It hopes the marketplace will buy this signal even though it is really the sole big dollar application in the budget and will be able to hold off any kind of precipitous developments in the financial markets toward the dollar and toward the Government of Canada in the next year.

As I said in my speech on the budget, that is the gamble the government has taken. I would note that except for this measure, the will is not in this budget. It is very unclear at the moment with the problems we have with interest rates and the dollar that the market is accepting this signal as the real direction of the government.

Let me mention the good things in this development with unemployment insurance. There are several. First, it shows the government is moving in a good direction by not only reducing expenditure but also reducing payroll taxes.

What is interesting is that the government claims reducing the payroll tax is one of the centrepieces of its job creation program. It is nice for us to see that the Liberals are acknowledging that decreases in these types of taxes are a real solution to the job creation problem and to the unemployment dilemma we have in the country. Certainly it is a more effective approach than things like the infrastructure program, an approach we hope they will expand in the future. We need to stimulate through tax relief sustainable private sector job creation. That really should be the focus of our economic strategy.

The second desirable point about this is that the change proposed by the government to unemployment insurance is making the program more of a true insurance program rather than simply a haven for seasonal workers to top up their income, in other words, an income support program.

The long run drift of the unemployment insurance program from insurance principles has been extremely costly in the number of dollars spent but also many economists would agree it has had a lot to do with the increase in structural unemployment and the distortion of the regional economies.

Through the changes the government is proposing in the bill and in the budget, it is taking us down the path of linking through contributory programs like UI, contributions to the program much closer to the benefits that one is eligible to receive. Of course that is really the justification on which such contributory programs should operate.

The third point in the government's proposed changes to unemployment insurance is that it is good to see the Liberals slowly crumbling their mantra of universality. I have already noted that while the government has attacked us on our proposed changes in these areas, for example changes to seniors' programs, the government itself has taken absolutely no steps to restore the clawback to old age security which it fought when it

was in opposition. In fact it has gone additionally in that area. It has now imposed means testing on some of the tax benefits to senior citizens. This is another example of getting away from universality. We could disagree with the specific mechanism but the drift is definitely there. In the case of unemployment insurance there has been an increase in benefits for lower income Canadians under some circumstances and a decrease for others.

• (1250)

The government is moving in all of these directions, and I repeat them: the reduction of payroll taxes, the return to a link between contribution and benefit in unemployment insurance, in other words, insurance principles and finally a move toward some targeting in this program and away from universality.

These are all positive aspects in our view. I also acknowledge they were difficult decisions. The changes will be significant for the people affected and this particular decision I am sure will not be an easy one for the government although it will have our support. I regret it is one of a very few difficult decisions contained in the budget.

I want to express one reservation. There is also a change which gives employees the benefit of the doubt when dismissed for misconduct. In our view it has the potential of encouraging employees to dispute all dismissals in the hope of collecting premiums. This could clog up the system and result in increased claims. We hope the government in committee will examine the direction it is going although I would acknowledge that some of the things the previous government did in that area were questionable.

Finally, we also acknowledge the need for the pilot projects that are part of the bill and we urge the government to keep the House current on the spending of this money and to report to the House evaluations of the success of these kinds of projects. Too often in the past we announce initiatives for the sake of lessening the impact of unpopular measures. These continue permanently, they are never properly evaluated and they end up being simply a way that we mitigate the effect of having tried to save money in the first place.

Having said those things, I regret we are unable to support the bill over all. There are many things we do support but do not support the bill over all because of its omnibus nature.

[*Translation*]

I would also like to comment very briefly on the position taken by the Bloc Quebecois regarding Bill C–17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994.

I may add that most of the measures in this bill concern specific cuts in the government's budget, especially the government's proposed cuts in unemployment insurance.

Apparently, the Bloc is opposed to this bill, as it is opposed to any major changes proposed by the Reform Party which concern major government programs, and I find this disturbing, because I see a party that is in favour of the greatest change of all, the break–up of this country.

When we talk about federal programs, programs created under the federal system, our party is proposing major changes, while the Liberals are proposing changes that are as significant as ours, but when the government starts to discuss issues that are vital to the future of our country, we see that the Bloc is always opposed to these changes.

I find it hard to explain to my constituents why a party that cannot abide the Canadian federal system still supports federal programs and in fact supports the status quo.

• (1255)

The Bloc Quebecois is always prepared to recognize the benefits of federal programs and it does so clearly and incisively, but when it talks about what is wrong with the federal system and especially about the programs we are discussing here, they tend to lack that incisiveness. I must say that I find it hard to understand why they are opposed to the system, to the program in general, while they are not to specific cases.

[*English*]

I hope that we will get a better understanding of these positions as we debate these things in the future.

If I could for a few moments turn specifically to Part II which is the area of my particular expertise, the fiscal arrangements section of this bill, I note that it affects two areas, the Canada assistance plan and the Public Utilities Income Tax Transfer Act.

The Canada assistance plan changes are in clause 12 of the bill and the purpose is to limit future federal CAP contributions to each province to the amount they received in the year ending March 31, 1995 until superseded by social security program reform in fiscal 1996–97.

Our position generally has been to recognize the need for reduction in the area of federal transfers and specifically in the area of welfare. I guess what we ask is why we are imposing targets for reduction in the absence of any particular policy for change and even in the absence of any particular policy direction that would indicate what the changes would be.

In our view there have already been inequities created through this situation. The previous government brought in specific caps to the payments that went to the so–called have provinces:

Alberta, British Columbia and Ontario, caps that reduced quite significantly the expected revenue of these provinces from federal transfers for welfare payments. This has been a big problem in the case of Ontario.

This seems to be happening without an overall plan and now we are asked to implement additional projected cuts. Once again we do not know where this is going. In fact, we have various committees studying these things at the moment.

I am concerned about the lack of restructuring of the program, the lack of overall financial direction, just these arbitrary reductions. What is interesting is they are done really on the basis on which the Liberal Party often criticizes us, saying we are slash and burn, we have no plan and we just cut the dollars. In fact, this is precisely what this bill does. It lays out some areas for reduction to a significant social program and provides absolutely no rationalization why that would be done or plan to implement it.

Just to give some idea of the money involved, Canada assistance plan payments have been a rapidly growing area of government expenditure. In the last 10 years they have grown from $3.4 billion in 1984 to approximately $7.7 billion in fiscal 1993–94. They are projected to grow by another 5.4 per cent this year. Obviously we can agree with the fact that there does need to be some reduction.

The social assistance case load in this period has grown from about 750,000 in March 1980 up to 1.6 million today. I would point out once again to hon. members that the period of massive deficits, structural deficits, ongoing deficits and accumulation of debt has not been a period in which we have produced jobs in economic growth but one in which we have restricted and stifled it. I once again would ask the government to re–examine its view of the link between financial mismanagement at the federal level and job creation.

The ministers often assert that there is a positive link between deficits and job creation. I think the evidence is increasingly otherwise. There are projected savings from the reforms here of $466 million up to 1995–96. These are significant amounts of money. However, once again I suggest that we do not know the direction and we are concerned about further penalization of particular provinces as we had in the past as opposed to something that may treat all provinces much more fairly.

• (1300)

Clause 13 of the bill is the changes regarding the Public Utilities Income Tax Transfer Act. What this really does is preserve the current 10 per cent reduction of transfers under that act for an additional period of time.

Just to inform the House, the Public Utilities Income Tax Transfer Act exists because in some parts of the country, particularly Alberta but not exclusively, utility companies are private sector whereas generally speaking they are public sector utilities. As a consequence the operations of these corporations are subject to taxation whereas crown corporations are not taxed in the same manner. This has given rise to an inequity that is compensated for by the Public Utilities Income Tax Transfer Act which transfers back to the provinces some of the corporate income tax revenues that are taken out of certain provinces because they are private sector companies but not out of other provinces.

The purpose of this program has been to create a level playing field in other words. This is obviously undone when we begin to freeze or reduce these kinds of payments.

By the way this goes back to 1948. We recognized this inequity a long time ago. From 1966 on we refunded to the provinces virtually all, about 95 per cent, of the moneys that were collected from private utility companies back to the provincial governments. It was only in 1990 that we began to effectively freeze these payments. It had been done in the past but was reversed. However, in 1990 we started the pattern of freezing payments at fixed levels and of reducing the percentage that will be returned to provincial governments. In our view that is not fair.

It has a particularly unfair effect on the province of Alberta which is the major beneficiary. These tax revenues in other provinces are generally retained by the province, but in Alberta the province rebates these tax revenues to the utility companies with the stipulation that they must be passed on to their customers. In other words the purpose here is not to allow the operation of the Income Tax Act to lead to higher utility prices in the province of Alberta.

I suggest that the purpose of the act is fair. The government proposes to continue the present reductions in freezes that the Conservatives implemented. It is certainly no worse than we have at the current time but it is not an issue of equity.

I come back to that time and time again when I speak about transfer payments and how we change transfer payments to the provinces, whether it is through the equalization formula on which we have already had a bill or through cap changes here or through PUITTA changes.

In all cases what we see are programs that proceed without a plan. We either give money with minimal restriction in the case of equalization or cap it in the CAP or in the case of PUITTA. We have no particular rationalization for these things. The common theme seems to be that certain provinces, of which mine is one, seem to always come out at the short end of these non–systematic changes and revisions to policies that transfer money to provincial governments.

I remain unclear of what my view is of these measures. I can support the philosophy of the CAP transfers but I do not know where they are really headed or what the public policy purpose is. In the case of the PUITTA transfers I do not support the philosophy but I do recognize that the government has not introduced additional cuts. Of course we would fight that quite strongly. Those are measures we are going to have to examine in committee.

I see your signal, Mr. Speaker. I believe there will be other speakers on some of the other matters. I say once again there are things in this bill to recommend it. I just regret that we are proceeding with this omnibus approach to legislation which, because it lumps in things we support and things we do not support, unfortunately deprives us of the ability to support the government in votes where that would be appropriate.

• (1305)

I appreciate very much your patience, Mr. Speaker. I believe we will hear later in debate from the hon. member for Lethbridge, who was unable to be here today, as well as other members of our party.

The Deputy Speaker: There are no questions or comments for the first three speakers on these matters, so the hon. member will have a chance with another speaker.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I noted the hon. member for Calgary West who just spoke was bemoaning his lack of opportunity to vote against segments of this bill, but I assure him that he will have that opportunity in committee and if he moves the appropriate amendments at report stage, as I indicated in my argument this morning. We will see how many of the clauses of this bill he supports and in fact would vote for.

I look forward to the support of the Reform Party for a large part of this package because this package of proposals I submit is a sound one.

Last month this government introduced its first budget and today we are considering legislation that will help turn the budget goals into a bottom line reality for the long term benefit of Canadians.

[*Translation*]

Just a week ago, the Minister of Finance and a few other ministers attended in Detroit the G–7 special Summit on unemployment. The G–7 members confirmed the view held by many that February's budget was exactly what Canada needed at this stage of its economic development. This budget promises no panacea. Instead, it restores confidence in our capacity to cope successfully with the economic, financial and social challenges we are facing.

We will succeed because our budget proposes innovative measures taking effect immediately to deal with three major concerns raised by Canadians in our pre–budget consultations. It contains measures to ensure job creation and stimulate economic growth. It reduces expenditures and brings them under control to enable us to substantially lower the deficit. Finally, the budget is laying the groundwork of an unprecedented reform and renewal of our social security system.

Each of these points is dealt with in one way or another in this bill before us in second reading. Together, these measures will help set the strong foundation on which the future of our country will be built.

[*English*]

I congratulate the Minister of Finance on the leadership that he has shown to Canadians in presenting this budget of which this bill is the obvious manifestation in legislative form. I congratulate him also on the consultation process that he engaged in that has resulted in a budget that is acceptable to so many Canadians.

Before describing the specific measures in this legislation we should remember the broader budget context that the measures reflect. In the lead–up to the February budget the Minister of Finance and his colleagues, as I indicated, listened to what Canadians told them.

Canadians wanted a government to set the stage for job creation and this government has done that. Canadians wanted action to restore our country's economic vitality. This budget does that.

The government responded with such important measures as the $6 billion shared cost infrastructure program, the restoration of the residential rehabilitation program, new programs for apprenticeship and youth service and support for technological innovation and for the small business sector in particular.

Canadians also told the government that they wanted to have the deficit reduced. They wanted to have the government stop pushing the tax burden constantly higher.

The February budget makes fiscal responsibility part of a job strategy for Canadians. At the same time it recognizes that getting the deficit down is important. It also means that getting economic growth up is very important. Increasing economic growth will result in a decreased deficit and increased economic growth will lead to greater employment for Canadians.

• (1310)

That is why this legislation contains key measures that will reduce the demands on the public purse and accordingly on the taxpayers' wallet. These are measures affecting Parliament, the public service, the private sector and Canadians in all regions of the country.

The measures in this legislation work to one clear goal. They will set us on the path to bring down the deficit to our interim target of 3 per cent of gross domestic product by 1996–97, as promised in the famous red book.

I note that members of the opposition delight in quoting from the red book. I am delighted to see that they have taken the time to read and study that work because as my colleagues know it represents a blueprint for action. Although it is a red book it is a blueprint for action by our government and one that we as candidates in the last election were proud to support. It represented, in my view, the standard by which all other parties' programs were judged and Canadians expressed a clear preference for the blueprint in the red book.

There should be no question about the government's ultimate objective, and that is to deliver a balanced budget. Equally important, over the next three years there will be $5 of spending cuts for every dollar of revenue increases on a net basis.

Under our budget plan, gross fiscal savings including the savings announced in previous budgets and secured by this legislation total $28.6 billion over the next three fiscal years. Net savings in that period after taking into account the cost of new economy boosting initiatives total $20.4 billion.

These measures will help shrink the deficit from $45.7 billion in the year just ending to $39.7 billion in 1994–95 and to $32.7 billion in the year thereafter. The measures announced in the budget will be supplemented with further initiatives next year as we reform major spending programs. The government is taking action now and will take action in the future to ensure that the deficit continues to decline steeply.

What I would like to do now, Mr. Speaker, is turn to the specific elements in the bill before us today.

First, the bill proposes amendments to the Unemployment Insurance Act. In making these changes the government had two goals in mind. First, it wanted to provide a concrete incentive to the private sector to create jobs and, second, it wanted to begin to deal in a fair way with the serious problem of dependency that the unemployment insurance system has created for many Canadians.

Payroll taxes are recognized as a significant barrier to job creation. To ease this burden the government will roll back the unemployment insurance premium rate for 1995 and 1996 to $3. As a result, by the end of 1996 the government expects there will be 40,000 more jobs in the economy than would be the case if the premiums were allowed to rise to $3.30. That is the level required by 1995 under existing legislation if the government takes no action.

This rollback must be done in a way that supports deficit reduction. That is why this legislation proposes measures to reduce unemployment insurance expenditures by $725 million in 1994–95 and $2.4 billion annually thereafter.

It must be stressed that we are taking these steps to encourage job creation while ensuring the financial integrity of the unemployment insurance program.

Members of the House can also be assured that the unemployment insurance changes in no way prejudge the social security form process announced by the Minister of Human Resources Development. Indeed, many of the provinces have undertaken their own work in this regard and of course the federal government will continue to work closely with the provinces to ensure stability for Canadians.

Second, the bill deals with the process of social security reform which will involve the federal government and the 10 provinces and the two territories.

• (1315)

The common goal of all will be to renew and revitalize Canada's social security system over the next two years. The government will preserve and protect those most in need in order to survive. The government will work to improve incentives for Canadians to work and the government will ensure that the social safety net remains affordable.

To help create a positive, co–operative climate for this challenging task the government is providing a two–year period of predictability and modest growth in social security transfers under the Canada assistance plan and established programs financing.

This means that in 1994–95 there will be no new restraint measures applied to either CAP or EPF transfers. The legislation before us today however will place a ceiling on subsequent CAP transfers to each province. As a result, these transfers will not exceed their 1994–95 levels. This ceiling will remain in place in 1995–96 pending social security reform in 1996–97.

Established programs financing transfers are not affected by this legislation. However existing restraints will be maintained. EPF will grow in line with the population in 1994–95 and then a GNP minus three percentage points for subsequent years.

[*Translation*]

The following part of this bill affects us all personally. It extends the present salary freeze for public servants, the Prime Minister, members of Parliament and senators, federal magistrates, the Canadian Armed Forces, the RCMP and other government workers for a two–year period. Also, pay increments will be suspended for two years.

We recognize that this measure will have repercussions. Some 391,000 people will be affected by this freeze. The need to take this action is explained by a simple inescapable reality: salary

costs make up much of the government's operating budget. Any measure to control the deficit must take these costs into account.

[*English*]

Many public servants in my riding are affected by this freeze. Like them I feel the pinch the government has applied in making this applicable to all members and to all members of the public service. I do not think there is a member in this House who has not had some comment from a constituent about the freeze. It is regrettable but it is a necessary part of the government's fiscal program.

Next, this bill provides for changes to regional transportation subsidies under the Atlantic Region Freight Assistance Act, the Maritime Freight Rates Act and the Western Grain Transportation Act. Some brief background perhaps would be helpful.

Under the first two acts, government payments defray part of the cost of certain freight shipments in the four Atlantic provinces and the Gaspé region of Quebec. Payments to the railways under the third act help reduce the transportation costs paid by western grain producers.

The budget proposed to reduce these subsidies by 5 per cent. This legislation takes that action. As well, it implements the 10 per cent reduction announced by the previous government for 1995–96 and subsequent years, a reduction not yet implemented in legislation.

This saving is in keeping with the overall reduction being made in most federal grants and contributions. It is important to remember that during the pre–budget consultations a constantly repeated suggestion was to reduce subsidies to business. This measure honours that advice. The 5 per cent cut to these subsidies announced in the February budget will save in the order of $40 million annually.

The bill also confirms a reduction in transfers under the Public Utilities Income Tax Transfer Act. These transfers return to provincial governments most of the federal business income tax paid by privately owned utilities.

• (1320)

In 1990 the federal budget established a ceiling on PUITTA transfers. Then in 1992 a 10 per cent reduction was imposed for 1993–94 and 1994–95. This legislation confirms last year's budget announcement which extended both of these measures beyond 1994–95.

Finally, this bill implements a measure to provide flexibility to the CBC. We propose to give the CBC authority to borrow up to $25 million subject to case by case approval by the Minister of Finance. As well the granting of this borrowing authority will be reviewed in two years' time.

This borrowing authority will allow the corporation to operate more efficiently. It will give the CBC the flexibility to take advantage of investment opportunities that promise a healthy return. It supports the government's pledge to provide this important national institution with a more stable funding environment.

[*Translation*]

Mr. Speaker, as you can see, the bill before us today is an essential element of this government's program to put Canadians back to work. This bill would ensure that our budget goals translate into concrete results. It is based on the advice we received from every region of the country. It outlines our overall socio–economic situation and meets the challenges facing us. In short, it proposes measures to create jobs and revive the economy, measures to reduce the deficit and bring the debt under control, and measures to overhaul and sustain a social safety net all Canadians are proud of.

[*English*]

By taking this action this bill, as with the budget announced by the Minister of Finance, builds a solid foundation for success. It is one based on frugality, on fairness and on a clear focus on the future.

With that in mind I urge all members of the House to join the Minister of Finance, his cabinet colleagues and members on this side of the House in supporting this bill.

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, in one part of the hon. member's speech he specifically mentioned a freeze on the general percentage grid increase.

There is a contract in place and the movement within the grid, the annual increments, should be honoured and the savings made elsewhere. We can support the broad general percentage increase. However we believe the increment freeze itself within that grid will increase disparities rather than relieve them. Will the hon. member comment more specifically on the rationale for the general freeze as well as for the freeze on the increments within a grid?

This is particularly disturbing to the RCMP. I understand there was a meeting in Surrey, British Columbia of over 800 members of the RCMP. They were very upset that promises were being broken. Certainly within its structure the RCMP is given a budget and rules to live by and therefore cannot do much about it.

We are saying that the breaking of a promise or a contract to honour the increments within an overall framework needs to be addressed even though we agree with the broad approach of a spending freeze.

Mr. Milliken: Mr. Speaker, I am surprised to hear my colleague from the Reform Party talk about the virtues of undoing any of the freezes the government has put in place, given that party's obsession with deficit reduction.

The government chose the freeze as the method of dealing with this problem. It was not because it was going to be a popular method or an easy sell to the public servants, the members and the senators who are affected by the freeze. The government chose this option because it was very concerned if it did something else, it would result in substantial layoffs in the

public service. We have witnessed that in the provinces, particularly in Ontario where there was a social contract put in place with rather disastrous consequences.

• (1325)

The purpose of the government in choosing this particular option was to ensure that as many members of the public service as possible could retain their jobs. In spite of the significant cutbacks in funding that are available for all manner of government programs, by freezing we have avoided the necessity to eliminate jobs while others get an increase.

Even if the increments could be allowed to employees, as I am sure the government would like to do, that would result in an increased salary cost to the Government of Canada. That would have to be met out of the existing budget. Since the government has no additional funding to give to government departments for this purpose the only solution to capping the total salary cost would be to eliminate someone else's job. That is why there is a freeze on the increments and that is why there is a freeze on salary increases.

I do not think it is popular. I do not think it is the greatest thing by any means. However it is the best thing the government could come up with given the financial circumstances we are facing.

I know the hon. member and his party are very supportive of government cutbacks and government freezes. I am delighted to know he will be supporting this part of the bill.

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, I would like to follow up on the point my hon. colleague raised. Our party has very little problem with freezing salaries. However when we start talking about freezing increments it goes a little bit further.

With the RCMP constables the government is cutting into what was considered training advancement through an incremental process.

British Columbia has the largest number of RCMP. It is the largest division in the country. There are over 700 constables in the E division. A large part of the cost the member is talking about controlling is municipal. It is through the municipal taxpayers.

In the Surrey detachment 90 per cent is picked up by the municipality. Provincially, 70 per cent is picked up by the province. When the hon. member starts talking about saving real dollars for the federal government he is talking about minimal savings on the backs of low paid constables who are in training.

The Reform Party certainly supports the concept of freezing salaries. However it does not support freezing increments which are based on training that are part of an ongoing contract with these individuals and should not have been put into a collective package.

I do not think the government can make those kinds of decisions without looking at individual circumstances in different programs that fall outside the normal salary range. I would like the minister to give this further consideration.

Morale in the RCMP is at an all time low. There was a meeting of 800 members of the RCMP in my constituency last night. The deputy commissioner made the statement: "It would be futile for me to say that there is not a morale problem in terms of this incremental freeze". Would the hon. member please respond to this.

Mr. Milliken: Mr. Speaker, I am surprised to hear this from the hon. member for Surrey—White Rock—South Langley because she is a member of a party that keeps telling us there is only one taxpayer. It does not matter two hoots if the federal government raises the salary costs for these people but then recoups 90 per cent of the cost from her municipality which taxpayer is paying. It is the same taxpayer that is going to pay that cost. It is just that instead of the federal government paying it, the municipality or the province in which she resides is going to pick up the tab.

She nods her head that that is okay. Yet the other members of her party, and I am sure she has been part of this, keep telling us there is only one taxpayer and we have to cut costs. When we do it I am surprised we face criticism from the Reform Party on this matter.

Let me turn to the essentials of the question. She says it would not cost the federal government anything to allow the increments to go into place for a group of RCMP officers in the province of British Columbia. I do not know for certain but I would bet any money that the rates are the same across the country. If the federal government is to give that kind of increase in British Columbia, it will have to give it in other parts of Canada too. It will have to give it in parts of Canada where it does not receive a subsidy from a province for operating a police force such as all RCMP forces in Ontario and in Quebec. While there may be fewer, the cost would still be significant for the federal government.

• (1330)

Surely the hon. member agrees with me when I tell her that it would be unfair to give the increase in the provinces where the federal government picks up only a part of the share and not give it in the provinces where it is paying the full shot. I think she would agree with that. She must recognize the wisdom of the government's decision in this matter, given the regrettable circumstance that led to it, the very substantial deficit that her party said it would eliminate in three years.

The next time she asks a question, I ask her to tell us where she was going to make the cuts to eliminate the deficit in three years. She would not have only frozen the increments. She would have slashed the wages of these people and she knows it. She would face much tougher criticism then.

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, I have a short comment to make. The member opposite knows well where the Reform Party would makes its cuts because they were well publicized.

Would the minister be prepared to amend the bill so that the increments were paid if the Reform Party showed him how to save $2 for every $1 it costs without causing any job loss?

Mr. Milliken: Mr. Speaker, the Reform Party likes to talk about its steps to reduction plan. As I read the figures, it announced an $18 billion reduction in government expenditures and said that $18 billion would bring the deficit to zero in three years.

The deficit we now know is something like $45 billion or $47 billion. Whatever it is this year it is a very substantial figure, and $18 billion off that takes it down to about $28 billion. Where would the other $28 billion come from? That figure was a fraud. The whole paper put forward by the Reform Party during the election was a complete fraud. I invite hon. members to tell us the truth. Where was the $45 billion coming from? That is what the deficit is. We have never heard that figure from anybody in the Reform Party and we never will.

The Deputy Speaker: There are about three minutes left to be divided between the two members.

Mr. Gouk: Mr. Speaker, it will not even take me that long to expose the hoax of the question he posed.

The parliamentary secretary knows well that much of the reduction was coming through a growth in the economic situation in the country. Using a figure lower than the one proposed by the finance minister at that time, using a figure that was compatible with the one that the Liberal government is using right now, it was based on a real deficit, not one that was propped with non–recurring factors added to the budget to make it look worse than it really was.

Mr. Milliken: Mr. Speaker, the hon. member can argue that if he wishes. I will go back to Mr. Mazankowski's budget deficit figure last year which I think was $35 billion, if I am not mistaken. If the hon. member subtracts $18 billion from $35 billion, my arithmetic takes it down to about $17 billion. Where were the other $17 billion in cuts? The question is the same. It is only a matter of the amount. However $17 billion is $17 billion. Maybe it should have been $25 billion, I will not argue that. I still ask: Where are the other $17 billion in cuts?

The Reform Party had no idea where those cuts would come from. It still has no idea where those cuts would come from. We will never hear from them as to where those cuts would come from because I predict that when the time comes for the Reform Party to tell us those figures it will be a dead duck.

[*Translation*]

The Deputy Speaker: Resuming debate. I should perhaps tell the hon. member for Lévis we have about ten minutes of debate left.

Mr. Antoine Dubé (Lévis): Mr. Speaker, I will do my best in ten minutes.

Bill C–17, an Act to implement certain provisions of the budget, reveals this government's true identity. Liberal government members succeeded in getting elected by denouncing the unfair policies of the Conservative government which widened the gap between rich and poor, as well as the gap between anglophones and francophones. A study released this week showed this to be the case everywhere, except in Quebec.

• (1335)

However, once again we see today how the public's hopes for justice, dignity and equity have been blithely crushed by politicians who, when in opposition, denounced others for doing exactly what they are now guilty of.

Once again, the government is attacking the least fortunate in society. A recent analysis carried out by three experts from the economics department at the University of Quebec at Montreal showed that 60 per cent of the cuts to the federal deficit announced in this budget will be borne by Canada's unemployed. This is totally unfair since the government will be forcing the least fortunate to bear a bigger share of the burden of putting the nation's finances in order.

Lowering the number of weeks of benefit entitlement while at the same time increasing the number of weeks of work needed for benefit entitlement does nothing to address the problem of those who defraud or take advantage of the system. What this measure does above all is attack the vast majority of unemployed workers who have lost their jobs through no fault of their own and who must now face increasingly harsh economic conditions.

This unravelling of the social safety net on which workers depend will also affect regions and provinces already hard hit by the recession. By taking this action, the Minister of Finance is getting the provinces to foot the bill by forcing the unemployed onto social assistance sooner than necessary.

According to the figures provided by the Department of Human Resources, the federal cutbacks mean that the Government of Quebec will have to spend an additional $65 million to

$135 million on social assistance. Benefits paid to Quebec's unemployed in 1994–95 will be cut by a total of $735 million.

Meanwhile, the Minister of Finance still claims to promote job creation. How can he indulge such fantasies when he is about to take more money out of the pockets of a large group of consumers in this country, the unemployed?

Although it makes no sense at all, the Liberal government continues to apply the same policy as the Conservatives, in other words, it prefers to attack the unemployed instead of creating jobs. So far, the present and previous governments' mindless cuts in unemployment insurance have produced very unsatisfactory results. In 1989, 1 million Canadians were unemployed. In 1993, there were 1.6 million, an increase of 60 per cent.

On the subject of job creation, I think we must realize it will take more than a good old fashioned infrastructures program to improve the employment situation. Although this program invests federal funds, it also involves additional expenditures by the provinces and municipalities. In most cases, this money will have to be borrowed, which means additional debt.

In this scenario, I think reducing the number of insurable weeks will have no effect at all. In fact, this reduction will come down harder on regions and provinces where the unemployment rate is high, in other words, Quebec and the Maritime provinces. This measure will affect six regions out of thirteen in Quebec and seven out of thirteen in the Maritimes. The proposed amendments will not only affect whole regions, they will also have a devastating effect on the most vulnerable people in this group, and I am referring to claimants who work only for short periods. Unfortunately, the majority of workers in this category are young people.

In Quebec, youth unemployment is around 20 per cent, involving about 137,000 unemployed in this age group. The real problem, in their case and in the case of other labour market "rejects" is not that they have no incentive to work because unemployment benefits are too generous, but that there are no jobs available.

• (1340)

Here we have a perfect example of a government saying one thing and doing another. On the one hand, we have the government stating in its official discourse that the gap between the poor and the rich must be bridged and, on the other hand, implementing measures which shamelessly make the less fortunate bear the brunt of the federal deficit.

It is more obvious than ever today that this ship is sinking. Constant infringment upon provincial jurisdictions, particularly with respect to job training, has led the federal system to the brink of bankruptcy. And now the supporters of this system want the most vulnerable segment of our society to bear the brunt of a misguided policy of infringement, which prompts more and more Quebecers to say it may be high time we get out of that system.

It has become nothing more than a vast and expensive smoke screen for the financial abyss the Liberal government is leading us to. Much would need to be done in terms of administrative management and even about the way ministers carry out their duties.

As reported last Saturday in *Le Soleil*, following the Minister of Intergovernmental Affairs' example, the Minister of Human Resources Development also used a government jet, at a cost estimated, using the Auditor General's method of calculation, at $117,900, to go and talk about cuts in compensation to fishermen in Quebec and the Maritimes.

The minister has a lot of nerve to try to make the people of Quebec and Canada believe that they are going to be consulted concerning social programs reform. This is the kind of consultation I do not hesitate to call a sham because the minister did not even wait for the report to be tabled, which it was today, to start making cuts in the unemployment insurance system.

As we speak, the Standing Committee on Human Resources Development is releasing its report on the first phase of the consultations it has held on social programs. But by proposing, as it did, the adoption of Bill C–17, which deals mainly with cuts to the unemployment insurance system, that is to say one of the most important elements of our social programs, the government is actually going ahead and making cuts in that area without even waiting for the report from its own committee. What message is it looking to send to the public for the second phase of the consultation process?

The minister did not wait either for the rapport of a study group which held similar consultations in all provinces at the same time as the committee. I myself attended last Tuesday in Montreal a meeting organized for community organizations by the coalition of organizations for the development of employability, acting under a mandate only three weeks old.

Most of the organizations said that the time is too short; they did not have time to prepare, but were coming anyway; they have experiences to share; they will tell you what they think of it; employment should be the priority; maintain the level of social programs. But we did not expect this: the government consults but meanwhile takes measures attacking the most disadvantaged.

The second phase of consultations is approaching. I am a member of the human resources committee; the report is to come out in September. I think that it would have been wise under the circumstances—with a less improvised, less rushed consultation, with more serious briefs presented, further to the

options announced by the minister himself—to wait for the report from this consultation before passing Bill C–17.

No, when it comes to attacking the poorest people in our society, the Liberal government is in a hurry. To help those who need jobs, they propose measures and studies and suggest that those people wait for the result of these studies. They say one thing about jobs and another about cuts.

PRIVATE MEMBERS' BUSINESS

• (1345)

[*Translation*]

AUDITOR GENERAL ACT

Mr. Jean–Robert Gauthier (Ottawa—Vanier) moved that Bill C–207, an act to amend the Auditor General Act, be read the second time and referred to a committee.

He said: Mr. Speaker, today I have the honour to introduce Bill C–207 and to recommend that it be passed.

The purpose of this bill is to amend the Auditor General Act, in order to allow the Auditor General to report to the House upon completion of his report or as he deems necessary.

I am the adoptive sponsor of this legislation, since many other members of this House have thought of this initiative. As well, former colleagues in previous Parliaments have tried to have such a measure passed under circumstances which may have been different from those prevailing today.

This private member's bill was approved by nearly all of the Public Accounts Committee chairpersons of the last 15 or 16 years. The bill is also based on several recommendations from the Standing Committee on Public Accounts, the Standing Senate Committee on National Finance, and others. I am pleased to say that the Auditor General of Canada, Mr. Desautels, also gave me his support in a three–page letter which he sent to me last March 22, and which I will be glad to show to hon. members if they wish to take a look at it.

The Auditor General of Canada is a senior civil servant of the Parliament of Canada; he is an official of this House. This is a very important position. That person has the responsibility of reviewing expenditures authorized by the House, and must tell us if these expenditures are done in an efficient and effective manner, and if they meet the objectives.

So, the Auditor General's report, which is currently tabled annually—members are familiar with this thick document containing about 750 pages—is very important, since it allows us to evaluate the government's business and strategic management. This report provides essential data to help parliamentarians and government to better evaluate the relevancy of a program, and to correct within a reasonable delay administrative practices which are not sound.

At present, the Auditor General must table his report on or before December 31, in the year to which the report relates. Yet, the evaluation included in the report covers the fiscal year ending on March 31 of the previous year. Since the evaluation of a department or an agency can take up to two years, this means that the information contained in the Auditor General's annual report is sometimes more than three years old. This, in my opinion, hinders the efforts of the House to make the government and its management accountable to Canadians. The information is often not up to date and even less relevant.

Indeed, sometimes, after so many years, managers responsible for the activities scrutinized have been transferred, or the incumbent at the time the Public Accounts Committee conducts its review has no idea of what happened, or was not there at the time, or does not care about what happened or what was reviewed by the Auditor General.

Of course, a department's management team may have changed since the evaluation was done, since the department is informed during the evaluation conducted by the Auditor General. In fact, it even participates in the exercise and it is invited by the Auditor General to submit reasons explaining the situation which will be exposed in the annual report.

• (1350)

Generally speaking, however, it is only after the Auditor General of Canada has tabled his report in the House that we parliamentarians are informed that departments or agencies are under pressure to make the necessary changes to these bad administrative practices.

Delays cost taxpayers billions of dollars. I will give you just a few of many examples. In his assessment of programs for seniors, as described in chapter 18 of his last report, the Auditor General of Canada observed significant deficiencies in the management of the Canada Pension Plan program. For instance, pensions were paid to deceased beneficiaries. Systems and procedures were inadequate to identify, control and collect these overpayments.

According to the Auditor General, overpayments range from $120 million to $220 million. If the act had allowed him to, the Auditor General could have tabled his report four months earlier, thus helping to save a large part of the hundreds of millions of dollars lost.

The dividends paid to Canadian companies by foreign affiliates have deprived the government of hundreds of millions of dollars in revenues. I am not exaggerating, as close to $400 million have been lost.

Before the 1993 general election was called, the Committee on Public Accounts tabled a substantive report proposing measures to correct these practices costing money to the government. In the time available between the audit and the tabling of the report, the committee would have been able to ask the

Department of Finance, before the election, to submit its response to Parliament within the 150 days provided for in the Regulations for tabling a departmental response to a parliamentary committee.

The delay is frustrating for the members of the Committee on Public Accounts who worked hard to try to correct a situation that is very costly for the government. If we go back ten years, many of you will remember the scientific research tax credit, which cost the government some $2 billion over ten months.

In 1985, the Committee on Public Accounts sharply criticized the Auditor General of Canada for not bringing earlier before Parliament the results of his audit. But the act forbids him to do so. He may table only one report annually. That is where my bill comes in. I want to change this situation. Had he informed Parliament seven months earlier, the Auditor General might have allowed us to save over $1 billion.

[*English*]

In his last report the Auditor General of Canada devoted an important chapter, chapter 22, to airport transfers. The auditor might have easily presented his report in May or June 1993 when his evaluation was terminated. If so, the report could have had a great influence on the Pearson airport transaction, for example. Unfortunately the auditor's report was tabled after the event.

Chapter 15 in the same report indicated that $587 million was spent by the government on the northern cod adjustment and recovery program without clear legislative authority. The Auditor General of Canada raised grave doubts regarding some of the hurried allowances given to those ineligible persons who ought not to have benefited from that program. The auditor might have tabled his report in March of last year rather than wait for December thereby again saving Canadians millions of dollars.

Particularly in this era of budgetary restraints it is imperative to improve governmental management practices. It is imperative for us to have better accountability for public funds. Moreover, I say that we in the Liberal Party said in our red book during the election that we would exercise unwavering discipline in controlling federal spending and would reorder current spending priorities to make sure that maximum return was obtained on each investment.

I am of the opinion that punctual reporting by the auditor without being the only solution would give the Liberal government of today additional tools to allow cutting of waste while realizing valuable objectives. Therefore the adoption of my bill would constitute a step in the right direction.

• (1355)

Some would suggest that punctual reporting, and I have heard it, would possibly reinforce or feed the media hype over this annual report. As we all know it gets the attention of the media for maybe two or three days a year, possibly a week sometimes, but no more. After that it pales into oblivion and the public accounts committee is asked to look into some things that sometimes date several years and sometimes are frustrating for us to examine because we know the press are not interested.

Let us not kid ourselves. Some people want to eliminate waste. We as parliamentarians have an obligation to the people of Canada to do our best to try to meet that challenge. Canadians want to be assured that legislators have all the information to reduce wasteful spending in the government infrastructure.

Moreover, the last annual report of the Auditor General for 1992–93 contains 775 pages. As I said it is a huge volume. It is complicated. It is indeed technical sometimes and it is very important in my view. The report, in my experience having chaired the public accounts committee, is a source of invaluable information for members of Parliament who want to know how the government administers public funds.

It brings forth information to improve the management of public funds. It would make us more efficient. It would make the government certainly more effective in trying to come to grips with the huge administration of some $160 billion a year.

The public accounts committee, as we all know, has been a very non–partisan committee over the years. That is the way it should be. It should be able to plan and order its business in a more efficient and quicker way of doing business. It should be able to profit from the examples set in England, Australia, New Zealand and other parliamentary systems similar to ours where the study or the overview of public accounts is done on a more regular basis by Parliament.

I would be astonished, for example in my riding of Ottawa—Vanier, if a business person or somebody said to me that he had to wait a year and a half before knowing if he made a profit and that he had to wait another two years to figure out which corrective he had to use to reduce the losses. Nobody could operate a business that way. The government should not do it that way either. I would hope the House would see fit to support the bill which only presents a small amendment but in my view a very important change to the way we do business.

I mentioned at the beginning of my speech it is useful to note that the Auditor General wrote to me on March 22, 1994. I want to read into the record one paragraph of that letter if I have time:

> This office would benefit from efficiency improvements resulting from completing work in progress rather than having to put it aside and then pick it up again at the time of tabling of the annual report. This disruptive effect of the annual report tabling on the smooth and orderly flow of work through this office cannot be overemphasized.

Underlying this Mr. Desautels said: "Ultimately the taxpayers of Canada will be the main beneficiaries". Earlier reporting of audit results will lead to faster correction of problems. In my view this means greater savings for Canadians, reduced risk, better management and generally better government.

Therefore for these reasons I ask the House, in a spirit of better accountability to Canadians, in a free and open spirit, to assure the passage of the bill. By the way I am proud to say I have the support of many members of Parliament. I have at least 70 letters of support for this bill from this House. I am very proud of that. I think it is a good sign. It is a hopeful sign.

• (1400)

I hope the bureaucracy does not meddle in this issue, that it stays out of this debate and does not start trying to prevent this from happening. It did it before. I hope this time we parliamentarians keep our minds open, that we do it with an open and free will. Let us not have the bureaucracy tell us what we should be doing in this House.

The Deputy Speaker: Does the hon. member for Ottawa—Vanier wish the unanimous consent of the House to table the document? He did not move it at the end. I do not know whether he wants to or not.

Mr. Gauthier (Ottawa—Vanier): I would ask, Mr. Speaker, that this letter be tabled. I think it is an important letter and it should be appended to today's minutes.

[*Translation*]

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

The Deputy Speaker: Agreed.

[*Editor's Note: See Appendix.*]

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies): Mr. Speaker, let me begin by thanking my hon. colleague from Ottawa—Vanier for introducing Bill C-207. He explained very well the overall nature of the bill which is aimed at giving the Auditor General of Canada a little more room to manoeuvre so as to allow him to present the information the House truly requires as quickly as possible. The hon. member gave a good account of several great examples of totally outrageous spending. We had heard of these expenditures. He pointed out that the Auditor General's report was enormously useful to members, and I cannot disagree with this statement.

However, I would like to say that this report should also be useful to the people. The public can obtain copies of the report from the Auditor General of Canada. The published report is available free of charge. Many citizens would do well to read it. The Auditor General's Office will be happy to send them a copy if they request one.

To all those who are listening to us at this moment, let me say that the role of the Auditor General of Canada is to act as the government watchdog in matters of national finance. Each year, the Auditor General inspects a portion of the government's books and each year, as my colleague from Ottawa—Vanier said, he releases a report anywhere from 600 to 700 pages long describing some administrative horrors of which the government is guilty.

Very often, and that is something that my colleague also stressed, the media jump on this report and it makes headlines for two or three days, a week at best, and then it is shelved. I believe my colleague was right to mention it.

Naturally, the Bloc Quebecois will support this bill, but I must say that ever since we arrived here, we have asked for something much larger than this. We believe that the role of the Auditor General is not wide enough. We have been asking the government to open its books to the public, so it can review, item by item, all government spending, including fiscal spending. By the way, we know that fiscal spending is beyond the reach of the Auditor General, he is not suppose to review that, it is nor part of his mandate, and I talked about that with Mr. Desautels during a meeting we had with him.

For those who would like to know what fiscal spending is, I recommend a book published in Toronto I believe, a couple of year ago. It is called *The Lion's Share*, by Linda McQuaig, and it describes how people who control Canadian fiscal policy could grab it for their own profit.

Unfortunately, the way things are now, I believe that government operations are not fully transparent since some elements which should be audited are not accessible to the Auditor General of Canada.

• (1405)

That is the case for tax expenditures; that is also the case for family trusts, which the government does not want to touch. We do not know how much money there is in these at the present time. There were also other examples, such as Ginn Publishing, things that remain secret, but that should be known in the House.

There should not be secret relationships between secret people on secret decisions. What is going on in the government should be known here, in the House, so that we could take good decisions on the matter.

Unfortunately, that is why we got the budget that we did. If we look at that budget, and that was still evident in the media today, the government is directly attacking the unemployed. In that budget, it is the unemployed and the old people who will be hurt.

Unfortunately, in the meantime, the budget does not talk about the billions of dollars in waste noted by the Auditor General of Canada. It does not talk either about solving the issue of program overlappings. It does not talk about eliminating family trusts or at least taking a look at what is going on there. The Auditor General should be the one examining that.

Unfortunately, the budget does not talk about that or about the more than 90,000 profitable companies that presently do not pay any taxes in Canada, while in the United States, which is certainly not a communist country, all profitable companies must pay a minimal tax.

In general, we are not satisfied with the way the current government is fulfilling its task of managing public funds. Canadians will not be either. Let us just think about the kind of reception the Prime Minister got during his recent visit to his riding. The same is true about the welcome they gave the Minister of Transport. I am not talking here about members of Parliament, but about people who experience problems which the government has the power to solve.

Unfortunately, I think this dissatisfaction is bound to increase because the measures implemented by the government affect the poorest among the have–nots while we know that public funds management could improve if they would only follow up on reports like the one by the Auditor General and give him more authority to push his analyses further.

However, I must stress the fact that the present bill does give more authority to the Auditor General. On the whole, this bill provides for better management and that is why the Bloc Quebecois will support it.

[*English*]

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, it gives me great pleasure to stand in this House today and support the private member's bill of my hon. colleague for Ottawa—Vanier.

Our party, as members know, is very supportive of increasing the reporting opportunities of the Auditor General to this House. We sponsored a supply motion in the early stages of this Parliament that tried to set up a procedure for the Auditor General to be able to make reports more often on a regular basis to this House rather than just once a year giving his annual report.

This bill, as mentioned by the hon. member for Ottawa—Vanier, has been introduced at various times or something like it has been introduced various times in this House, in 1985 and 1988 just to mention a couple of occasions. It is the feeling that this is a step in the right direction but not necessarily the only step that should be taken. However, it would start to solve some of the concern that with a yearly report is more than often after the fact.

It has been brought to the attention of the House that the public accounts committee holds hearings on chapters of the Auditor General's report which deal with government waste and mismanagement. It seeks to ensure that Canadians receive value for their tax dollars.

Due to the fact that the Auditor General's report is only tabled once a year, the committee is often dealing with problems that are more than a year old and any remedial action that should be taken is unnecessarily delayed.

We feel that this private members' bill C–207, that is sponsored by a former chairman of the public accounts committee, would allow the public accounts committee to deal with reported cases of fiscal mismanagement in a more timely manner than currently exists.

• (1410)

That certainly is a very positive step. We feel that it would allow the committee to report to the House what remedial action could be taken more expeditiously since it would be able to hold hearings more expeditiously. We feel that is a very good step in the right direction. We feel it would contribute to an improved process to correct government mismanagement.

We like to think that if the government is truly concerned about using taxpayers' dollars wisely that it will endorse this completion date reporting as suggested in Bill C–207.

We feel that taxpayers are entitled to receive value for their money and when they do not, such as when the Auditor General reports cases of mismanagement, taxpayers are entitled to have the problem rectified as quickly as possible, not once a year or after the fact.

In conclusion, this idea has been supported by former NDP and PC members in this House and endorsed by public accounts committees and the office of the Auditor General. The Reform caucus now has the pleasure to endorse it.

We feel that the member for Ottawa—Vanier, a Liberal MP and former chair of the public accounts committee, should be supported in this private member's bill.

I urge all members of this House to give their support so that this can be referred to the public accounts committee after second reading.

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, I too am delighted to rise in this House and give support to this initiative.

[*Translation*]

I want to congratulate my colleague on taking this initiative and I will tell you why. For me, the key point is that information could be available when needed and before changes are made.

When you look at the size of the government machine, which is massive, it seems to me that, when there is a problem, it is absolutely essential to be aware of it as soon as possible and take corrective measures, so that we can still meet our objectives. This is in keeping with other objectives set by the Liberal Party of Canada which wants government's operations to be much more open than in previous years. We want to improve our cost–effectiveness.

[*English*]

This bill at least in principle, and one might want to quibble with the niceties and the details and what have you which I will leave to parliamentarians to do, not only reaches a prime objective of providing information when we need it so that we can take corrective action, but permits us to conduct a more open and more transparent type of government which is one of the goals of this party and this government and to improve our accountability. For me that is of critical importance.

It is important, certainly for me, that the Auditor General play a critical role in the efficient management of government. Obviously it is not the Auditor General himself with his team but certainly the Auditor General and that team are major players working with government in trying to make it more efficient and trying to make absolutely certain that we spend taxpayers' money as wisely as we can.

I applaud not only this Auditor General but Auditor Generals in the past for their efforts in that area.

Just the other day in the operations committee, a statutory committee of the House of Commons of which I am a member, I chatted with the Auditor General and his team about a number of important concepts such as Renouveau 2000, of how we can in fact determine criteria for success when we look at the civil service and the operations of government, what measures other governments have undertaken to establish that and how we compare with other governments. We are going to have additional discussions.

I want to underline the main point which is that the Auditor General, with the team available and the tools that are there, can help this government, its ministers, the members of Parliament of this government and whatever party to understand government better, to come forth with creative solutions to the problems we have and to put forth mechanisms that are going to help us reach the objectives that we think are valid for all Canadians.

• (1415)

While the Auditor General is obviously a critical component of government and has an important role to play, I want to remind members that we have many other sources of information.

Personally I feel as a member of Parliament that the greatest benefit I have which is never mentioned is all the sources of information at my disposal. Unfortunately the one thing I do not have is the time to read all those sources of information. There are many and excellent.

Let me mention just a few. For example, the Commissioner of Official Languages brings forward a report that is insightful and potentially very helpful, whatever our position happens to be on official languages. I think mine is fairly well known.

There is a report as well from the Human Rights Commission which is extremely useful and insightful that I would recommend to all parliamentarians. There are reports from the Public Service Commission. Again they have much useful information.

Some will know that many valuable reports on a wide range of public policy and management issues from Canadian and non–Canadian institutions are available to parliamentarians through the Library of Parliament. We must never forget the Library of Parliament is there to make those available to us.

There are reports from the private sector think tanks or from international bodies such as the OECD while others are the works of academics, business, labour, professionals, associations or other interest groups. These are useful tools to inform us, to help us get to know government, our country better, to help us understand what the goals of a government might be and how we might reach those objectives.

I want to say at this point how much I appreciate the contribution of the Library of Parliament itself. I have seldom found an institution that is as responsive as it has been to my needs. I use it a lot. It responds with a great deal of sensitivity. It responds rapidly and with excellent information that I have learned that I can trust. There are very few instances where I have not been very satisfied at the response to my request. I want to applaud all the men and women who work very hard for all of us.

I want to mention another source of information that perhaps is overlooked on occasion. The Government of Canada has established from time to time royal commissions, various task forces to study in depth and report on issues which are important to the public policy agenda.

Another source that is often forgotten is the Senate of Canada. It often produces superb reports that are extremely useful. For those members who have never had an opportunity to read them, I would suggest that they do so. In fact, if they did I warn them, and I can see the facial expressions of certain colleagues, their view of the Senate and senators might change. If members do not want their view of the Senate and senators to change then perhaps they should not read them. If members are interested in accurate information and insightful commentary I suggest that

they read them and decide for themselves. I would be delighted to chat with them about it if they want more information.

As members know, a steady flow of reports come to us from the government departments, agencies and crown corporations on their activities, their accomplishments and their plans. I find them exceptionally useful as a member of Parliament, particularly those agencies and institutions that are of interest to me.

Finally, I want to focus on the departmental program evaluation and internal audit programs. To my way of thinking, they have not received the visibility they deserve. Some will know I was a former deputy minister and had access to internal audit reports and to program audits. I found them extremely useful.

During the course of the year, we had an opportunity to sit down and look at those with a team of colleagues and try to decide what it was that was working, what it was that was not working and what it was we could do to change our direction in order to meet not only financial obligations but others as well.

I want to quote something useful with respect to the internal audit. By the way this comes from the Auditor General. It goes like this: "The internal audit has the potential to contribute greatly to improving management practices. The government is looking to internal audit to play a vital role in providing assurance on management systems and practices and in addressing re–engineering productivity and government issues".

• (1420)

My view is, actually it is one that has been communicated by the Auditor General, that the internal audit has a tremendous potential to help us all manage government more effectively and to reach the targets that we have set for ourselves either as a government or collectively as parliamentarians.

I want to point out as well that the program evaluation data has a lot of potential because it provides information and analysis for government managers on the results which government programs are producing. It finds innovative and less costly ways of serving Canadians. I think we have all talked about that.

Apparently, this is something that should be noted because we are not often willing, I think we do not do it often enough—

The Deputy Speaker: Order, please. The time has expired.

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, it is a pleasure to address the House on Bill C–207, an act to amend the Auditor General, proposed by the hon. member for Ottawa—Vanier.

This bill will among other things allow the Auditor General to report to Parliament on various matters of interest throughout the course of a year. Under these proposals the Auditor General would have the opportunity to bring his reports to the attention of parliamentarians as his work on a particular audit is completed or he could report to Parliament at a time he judged appropriate on matters of urgency or pressing importance. He would no longer be limited to one annual report.

These are most interesting and constructive ideas. They are not new concepts. I know that the hon. member for Ottawa—Vanier proposed them in the previous government and I believe deserve thorough consideration.

However as part of our study of these proposals I believe it is important to review carefully the existing system: what are its basic precepts, how is it working, does it allow the House to benefit to the fullest extent possible from the work of the Auditor General and his staff?

First let us examine the current system and how it is functioning. Currently legislation requires the Auditor General to audit the accounts of Canada, including those related to the Consolidate Revenue Fund and to report annually to Parliament on his findings.

This annual report relates to the publication every year of the public accounts. It facilitates consideration of these accounts by Parliament which of course also operates on an annual expenditure cycle. This procedure ensures regularity in the reporting process. It makes it possible to compare one year's performance with the next.

Once tabled in the House the annual report is then examined in detail by the public accounts committee. This committee, chaired by a member of Her Majesty's Loyal Opposition, looks closely at the issues raised each year by Mr. Desautels and his staff. The committee members look carefully at how government departments and agencies are running, respond to the Auditor General's suggestions for improvements, his request for information from Parliament and for the public.

They call before them senior officials of government departments. When their work is complete the committee gives the government the benefit of its findings.

[*Translation*]

I agree with the member for Ottawa—Vanier who believes that the Auditor General's role and responsibilities are of a paramount importance for MPs and senators, for the government and the Canadian people. Moreover, I am convinced that the present system is a good one.

[*English*]

This year's report is a case in point. The Auditor General and his staff made a valuable contribution to a better understanding of the many complex issues faced by government. When this year's report was tabled in February it quickly became clear that the government shared many of the Auditor General's preoccupations. I am pleased to report that we have already acted on and publicly set out our plans for addressing many of the areas of concern that he highlighted: more information for Parliament

and a more open budget process, a bigger role in policy making for members of the House.

• (1425)

These are only some of our shared concerns. In addition, of course, we agreed on the need to review existing programs and policies to ensure they continue to meet the needs of Canadians.

Specifically, the Auditor General has consistently advocated the need for better reporting of financial information for Parliament. This year was no exception. This year Mr. Desautels devoted an entire chapter of the report to his view that better information is required on the debt and deficit.

To address this need the finance department has issued two publications that will help Canadians understand the debt and the deficit. A short booklet entitled "Basic Facts on Spending" summarizes spending as it is presented in the federal budget and public accounts. It will help Canadians better understand the federal government's budgetary spending. In addition, a longer background document called "Federal Spending" provides more detail.

As a member of Parliament it is a matter of personal satisfaction for me that the public accounts for the year ending March 31, 1993 were accepted without reservation by the Auditor General.

Their fundamental purpose is to provide information to Parliament and through Parliament to all Canadians. Their purpose is to facilitate understanding of the full nature and extent of the financial affairs and resources for which the government is responsible.

It is the Auditor General's job to examine them. Last year the Auditor General said that in his view: "The government's financial statements would be more understandable if they were presented in a comprehensive but succinct annual financial report". What Mr. Desautels was calling for was a financial report similar to the annual reports published by corporations in the private sector. The government has done just that. To make the financial statements of the Government of Canada more understandable to the public we added a new section to the 1993 public accounts.

[*Translation*]

For the first time, we gave a summary of this year's economic developments, a review of our financial situation and a set of consolidated financial statements. The new graphs and organization charts present complex financial data in a way that is easy to understand.

[*English*]

In his remarks to the Canadian Club, Mr. Desautels specifically lauded the new section in the public accounts which he said included a number of indicators that should help Canadians gain a better appreciation of the government's financial condition. On the same occasion the Auditor General gave the government good marks for beginning the process of improving information about deficits and debt and for opening up the budget process.

This government made great strides in opening the budget process through pre-budget consultations. The Minister of Finance met hundreds of Canadians and heard from them directly what they felt had to be done to turn the economy around and create jobs and to restore Canadians' faith in the future.

In conclusion, I have emphasized the importance of the contribution the Auditor General makes to a better understanding of the issues facing the government. There is no doubt that the Auditor General's work is an important stimulus to constructive action.

However would this stimulus be any greater if Mr. Desautels reported to Parliament several times a year? We have a system now that is working well to the benefit of all Canadians. Would we lose more in coherence, comparability and impact than we would gain? These questions deserve the most careful scrutiny.

Mr. Gordon Kirkby (Prince Albert—Churchill River): Mr. Speaker, I am very pleased to address the House on the frequency of reporting by the Auditor General. I would like to compliment the hon. member for Ottawa—Vanier for introducing this bill.

All members of the House are aware of the valuable contribution the Auditor General makes every year in improving the way the government spends the taxpayers' money. All of us look forward as do the taxpayers and the media of this country to the annual fall ritual of the tabling of the Auditor General's report.

The Auditor General as an institution in Canada dates back to before Confederation. There was a time in our land when every cheque issued by the government had to be pre-approved by the Auditor General.

• (1430)

The role of the Auditor General has changed considerably since then, as has the way government works. Yet the Auditor General remains the independent watchdog for this House and for the taxpayer. The hon. member for Ottawa—Vanier is right in trying to make sure that the job is well done.

We should keep in mind that the Auditor General does not act in isolation. His work supports and affects that of other institutions and mechanisms in place to guard over the management of government. The financial program management of depart-

ments is scrutinized by the Treasury Board secretariat, by internal auditors as well as evaluators who work in concert with the Auditor General to provide an efficient and effective system of controls over the management of the public service.

The Auditor General's present mandate and his general approach including the fact that he reports annually dates back to 1977 when the present Auditor General Act was passed by this House.

Much of the preparatory work for that act was done by an independent review committee which examined the responsibilities, relationships and reporting procedures of the Auditor General's office. I should note that at that time the committee recommended that the Auditor General should report annually to this House and not periodically.

It will soon be 20 years since that report was tabled in this House. The hon. member for Ottawa—Vanier is right to call for a review of the issue of frequency of reporting. However, I would like to take this opportunity to build on my colleague's efforts and suggest that as much has changed in those past 20 years this House should take a broader look and look at other issues concerning the Auditor General's mandate and procedures which the passage of time now calls into question.

This is a very different world from what it was in 1977. At that time the government was expanding and there were serious and legitimate concerns about the adequacy of existing financial and management controls. The then Auditor General, Mr. Macdonell, did us all a great service by bringing this to the attention of this House in no uncertain terms.

Things are quite different today. The public service is no longer growing and the reduction in the operation budgets of departments is imposing a discipline of its own. Things have changed and it may be that the Auditor General's usefulness to this House is constrained not just by the annual reporting requirement but by other limitations as well.

There are a number of areas I would like to recommend that this House explore as part of a review of the mandate and operational procedures of the Office of the Auditor General. For example, I note the hon. member who brought forward this bill expressed considerable concern during the recent hearings of the standing committee on external affairs of which he is the chairman about what role the Auditor General should have in commenting on government policy.

If we look at the Auditor General Act we find that section 7 sets out in detail the responsibilities of that office. Specifically it tells the Auditor General to report on instances of unauthorized spending, lack of due regard to economy and efficiency, and the lack of procedures to measure and report on the effectiveness of a program.

It does not authorize the Auditor General to report directly on the effectiveness of programs but rather only on whether there are systems in place to measure and report on effectiveness. This is an issue which the Auditor General has struggled with for several years.

If we look at his reports over the last 15 years it becomes evident that on some occasions the Auditor General decided that in the public interest it was necessary to go beyond a strict interpretation of his mandate and report on programs which he felt were ineffective.

There are other issues which I am sure the Auditor General would like this House to review which are at least as important to the Auditor General as the frequency of reporting. They include for example the question of resources.

In the late 1970s and early 1980s the Auditor General's resources grew faster than those of the government as a whole as it staffed up to meet its new mandate under the 1977 Auditor General Act. In 1977–78 the Auditor General's office spent about $20.5 million while its estimates for 1994–95 are for over $56 million.

• (1435)

If this House sees fit to change the reporting requirements of the Auditor General it should take the opportunity to examine whether such a change would affect the resources necessary to carry out this modified mandate.

I do not think there is anybody in this House who would wish to increase the costs of the Auditor General's office. However perhaps changing the reporting mandate as proposed could actually reduce the budget of the Auditor General's office.

At present over half the staff of the Auditor General is in the senior management category, a significantly greater proportion than in the rest of the public service. Part of the reason for this is having to staff up to meet the one annual deadline for all chapters of the report simultaneously. If the Auditor General were to go ahead with a format of periodic rather than annual reporting, would this enable him somehow to streamline his operations?

Finally there is the issue of who audits the Auditor General. I know the Auditor General is concerned with retaining his independence. At the same time like any other public institution, he knows he must be accountable for the resources he consumes and the quality of his work. At present there is no mechanism by which the Auditor General is made to account in a detailed way for his operations.

As you can see, Mr. Speaker, there are quite a number of issues waiting to be tackled if we are looking at the mandate of the Office of the Auditor General.

It is in the best interests of this House and of the Canadian taxpayers to make sure the mandate and resources of the Auditor General are right for the job which we want him to carry out. In my opinion these issues are interrelated. I would prefer that this House deal with all of these issues as a package and not on a one by one basis.

In conclusion I agree with the hon. member for Ottawa—Vanier that it is time to review how the Auditor General reports to this House. However we should look at all related issues and not just the frequency of reporting to make sure the Canadian taxpayer gets the most out of the work of the Office of the Auditor General at the lowest cost.

Thanks to the member for Ottawa—Vanier for making this debate relevant to this House and bringing it forward so we can all do a better job for the taxpayers of this great nation.

Mr. Tony Valeri (Lincoln): Mr. Speaker, I speak with great pleasure on this bill to amend the Auditor General Act, introduced by the hon. member for Ottawa—Vanier.

The issue of whether the Auditor General Act should be amended to allow the Auditor General to report the findings of his audits as often as he deems necessary or when he has completed each audit rather than just annually has been discussed in this House on many occasions over the last 10 years.

The hon. member for Ottawa—Vanier has been a long time supporter of this notion. His experience as a former chairman of the public accounts committee has undoubtedly given him good reason to propose such an amendment to such a significant piece of legislation. It is important that we have this debate today.

As I understand it the primary reason for introducing such a change is to ensure that Parliament and the public accounts committee receive and have the opportunity to discuss the important findings of the Auditor General on a more timely basis. This implies that corrective action could be taken on a more timely basis and that Parliament would be in a better position to influence that action.

I also understand this approach to reporting may lead to certain efficiencies within the Office of the Auditor General. These are admirable goals.

I also note as has been argued that other countries such as the United Kingdom and the United States have a system of periodic reporting. This does not mean, however, that we should jump on the bandwagon without serious debate and consideration of the issues.

• (1440)

The United States of course has a system that is quite different from our own and even the United Kingdom has different needs and traditions.

The issue of reporting was discussed fully when the Auditor General Act was first introduced in 1977. It was the considered opinion of the experts at that time that annual reporting best suited the needs of the Canadian Parliament. It was felt that annual reporting was appropriate because it relates to the annual issue of public accounts. It facilitates consideration by Parliament which operates on an annual expenditure cycle. It introduces a note of regularity into the report process and it makes it possible to compare from one year to the next.

It is interesting to note also that the provinces have similar reporting requirements to those of our Auditor General. There must be some reason why, although there seems to have been general consensus in previous debates on the purposes of these proposed amendments, no government to date has taken action to amend the act.

There are several possibilities for this lack of action. One reason may be that the Auditor General already has the authority to make special reports to Parliament. Section 8 of the current act allows him to make a special report to the House of Commons on any matter of pressing importance or urgency that in his opinion should not be deferred until the presentation of his annual report. This provision ensures that Parliament can be informed of major issues as determined by the Auditor General on a timely basis.

Another reason may be that there was concern that allowing the Auditor General to report more often during the year would lead to a loss of focus by both parliamentarians and Canadians at large on the results of the Auditor General's work.

The annual focus on the Auditor General's report is most important. As we well know, it is this attention, this potential to effect change through public scrutiny, that makes the work of the Auditor General so valuable.

I think, however, that the real issue here is what would be the impact of the proposed changes on the independence of the Auditor General. We would not want to support changes that would in any way put at risk the effectiveness of the Auditor General. I am sure the hon. member for Ottawa—Vanier concurs.

The Auditor General is held in such high esteem by parliamentarians and Canadians and his findings are given such credence primarily because he is seen as being independent from government and above the politics of Parliament.

If the Auditor General were put in the position of bearing the sole responsibility for choosing the timing of his reports, as suggested by this bill, he might be faced with the dilemma of presenting a report on a subject currently being hotly debated in the House. There is real risk that one or the other side of this House would perceive that as being in some way partisan.

Just one ill–considered accusation by a member of this House or by the media could affect the non–partisan image that all Canadians have of the Auditor General. It would therefore be regrettable if the timing of the tabling of individual reports were to become yet another concern for the Auditor General's busy office.

There was further concern. Under the present system the Auditor General is free to choose the areas and issues he wishes to audit and report on. The office of the Auditor General has a very considered planning process that has served us well. Of course, when choosing he takes into consideration the concerns of parliamentarians and Canadians. If, however, he reports more frequently he may be put under increasing pressure by parliamentarians, committees, the government and the media to address hot topics of the day.

As I mentioned earlier, the general accounting office in the United States does issue its reports—

[*Translation*]

The Deputy Speaker: Order. The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the item is dropped to the bottom of the order of precedence on the Order Paper.

[*English*]

May I wish all members a very happy Christmas, Joyeuses Pâques.

Some hon. members: Oh, oh.

An hon. member: Easter, Mr. Speaker.

The Deputy Speaker: Oh, Easter. Thank you to the hon. member.

It being 2.46 p.m., the House stands adjourned until Monday, April 11, 1994 at 11 a.m. pursuant to Standing Order 28(2) and 24(1).

(The House adjourned at 2.46 p.m.)

AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

240 Sparks Street
Ottawa, Ontario
K1A 0G6

22 March 1994

Mr. Jean-Robert Gauthier, MP
House of Commons
Room 443-S
Centre Block
Ottawa, Ontario
K1A 0A6

Dear Mr. Gauthier

I was pleased to learn that your Private Members' Bill C-207 to amend the Auditor General Act had been selected for consideration by the House and that it has been declared a votable Item. As you well know, my Office wholeheartedly supports this adjustment to our enabling legislation which would allow us to report our audits on a more timely basis.

The purpose of this letter is to reaffirm for you the major reasons why we feel the change proposed in your Bill would operate to the advantage of all parties affected including government, Parliament, this office and the taxpayers of Canada.

First, Parliament, including the Standing Committee on Public Accounts, would benefit from having more timely audit reports and being able to ensure more quickly that appropriate corrective action is taken. With the current annual report, audit findings can be more than a year old by the time they are tabled in the House. Parliamentarians could keep informed more effectively about the results of my audits if they were presented in a series of smaller reports through the year rather than in one large volume of some 700 pages. We would also be able to respond more rapidly to emerging Parliamentary interest, including those of standing committees, by reporting on completed audits when Parliament is interested in the issue.

Second, there would likely be reduced intensity of media coverage and less concentration on the more negative findings that seem to be natural by-products of the once-a-year "event" created by annual reporting. A related benefit is that the positive findings reported by my office would have a greater chance of surfacing since they would not be submerged by the negative findings set out in one annual report. Government managers, including the central agencies, would have a better chance of digesting and reacting appropriately and in a timely fashion to findings presented in a series of smaller reports.

Third, we believe that the central agencies of government would benefit from the more timely support for their various initiatives to improve management of government programs across all departments that would result from reporting our audits on a more timely basis. Periodic reports would also assist the central agencies in monitoring compliance with their guidelines and in taking early action to correct emerging government-wide problems.

Fourth, this office would benefit from efficiency improvements resulting from completing work in process rather than having to put it aside and then pick it up again at the time of tabling the annual report. The disruptive affect of the annual report tabling on the smooth and orderly flow of work through this office cannot be overemphasized.

Ultimately, the taxpayers of Canada will be the main beneficiaries. Earlier reporting of audit results will lead to faster correction of problems. And this means greater savings, reduced risk and better management generally of government programs.

Times have changed since the annual reporting requirement was established by Parliament in 1977. The business of governing is more complex. There is more information moving faster on more aspects of government today than in 1977. Periodic reporting is one way of helping all stakeholders in the work of my office deal with this increased information flow.

The trend over the last ten years in national audit offices around the world has been away from annual reporting to the reporting of audit results when the job is completed. The United Kingdom and Australia are two examples of this shift. The Comptroller

General of the United States has always reported his findings to Congress when the work is completed. From our exposure to the practices of other nations' audit offices, it seems fairly safe to say that periodic reporting is becoming the norm around the world. In our view, this would be a good time for Canada to join the trend.

I hope you will find these thoughts helpful. Should you wish to share them with any of your Parliamentary colleagues, please feel free to do so. I would be pleased to discuss any of these points with you.

Yours sincerely,



L. Denis Desautels, FCA
Auditor General of Canada

HOUSE OF COMMONS

Monday, April 11, 1994

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

COMMEMORATIVE MEDAL

Mr. Bill Blaikie (Winnipeg Transcona) moved:

That, in the opinion of this House, the government should honour the contribution made by those who served Canada's armed forces during World War II at the Dieppe raid by striking a distinctive medal for Canadian veterans of this battle.

He said: Mr. Speaker, I would like to begin this morning by thanking all the hon. members who formally seconded my motion. As you may be aware, Mr. Speaker, there is a procedure by which members can formally second a motion and up to 20 members may second any motion. I had more than I needed. I had 20 and others who wanted to get on the list. I would also like to particularly thank my colleagues this morning, the member for Kamloops and the member for Saskatoon—Clark's Crossing who are here to second my motion as it got on the floor.

The motion today is to right a wrong which has been felt by veterans of the Dieppe raid for a long, long time. It is the absence of any distinctive recognition of their participation in that particular raid.

I begin by reminding the House that in the summer of 1942, when the Axis powers were at their peak and threatening world domination, 5,000 Canadian soldiers willingly participated in a raid on the occupied French coastal town of Dieppe, France. Operation Jubilee, as it was known, proved to be an allied plan that had catastrophic and at the same time critical results for future allied plans.

The catastrophe was 959 Canadian soldiers killed, 1,200 wounded and 1,900 more taken as prisoners. No other battle in the history of the second world war had similar consequences all in a single day: August 19, 1942.

Despite the horrific losses there were significant lessons learned from the raid. This painfully gained knowledge proved crucial to the success of the D–Day planning in 1944. Without the sacrifices of August 1942 many believe that the success of the Normandy landings would have been in serious jeopardy.

• (1105)

This year we celebrate the 50th anniversary of the D–Day invasion. In 1992 we celebrated the 50th anniversary of the Dieppe raid. At that time I had the privilege of participating in the pilgrimage to Dieppe, which took place alongside the pilgrimage to Vimy when we were celebrating the 75th anniversary of the battle of Vimy Ridge.

I also had the honour, thanks to the then Minister of Veterans Affairs, of playing the lament at the Dieppe cemetery. The privilege was afforded to me by the minister as a result of my own service in the Queen's Own Cameron Highlanders of Canada stationed in Winnipeg at Minto Armouries.

I say this by way of a little personal history. I first became aware and conscious of the Dieppe raid when I was very young as a member of The Cameron Cadets in Winnipeg and later as a member of the militia unit, the Queen's Own Cameron Highlanders of Canada where I served in a pipe band for many years.

One of the people who instructed me at that time, Pipe Major Alec Graham, was a piper at Dieppe and one of the people who played the pipes on the landing craft as they came into the beach at Pourville where The Camerons along with the South Saskatchewan Regiment landed.

I have had the opportunity of being at Pourville and of seeing the beach and the conditions under which The Camerons and the South Saskatchewan landed. I also saw the main beach where the Essex Scottish and the Fusiliers de Mont–Royal landed and the beach at Puys where the Royal Regiment of Canada landed and took the heaviest casualties of any regiment ever in one day in Canadian history.

Dieppe was a particularly tragic event, as many more Canadians are aware of today than they might have been just a while ago thanks to the television series on Dieppe. Regardless of what one might think of the events and the interpretation of events, certainly there is no question that many young Canadians were tragically killed, wounded or captured in that battle.

It is only fitting at this time that the government should move to do what many have been asking it to do for years, to strike a distinctive medal for those who have participated in the Dieppe raid.

I might say in anticipation of what the arguments might be that Canada now has the power to award its own medals even though at the time during the second world war and subsequently we were part of the Commonwealth system of honours and medals. Since 1968 we have had the ability to award our own medals as we did only recently with respect to the gulf war. I hope I am not going to hear from people on the other side that this is something beyond the capability of a sovereign country like Canada to do if it so chooses.

I want to indicate at some point that I will try to seek unanimous consent for this motion to be voted on and agreed upon even though it has not been chosen as a votable motion. We know that the House can do this with private members' motions if the members so choose. I have not had anybody say to me that this is a bad idea. I have had nothing but letters from various members of Parliament from all sides of the House saying that the motion should pass. I have had people eager to second it.

I hope we will not see a government member get up with notes prepared by the Department of Veterans Affairs or whatever to give the contrary argument and say no at the end when we ask for unanimous consent to have the motion passed.

I remind members, particularly those on the government side who may have been asked to do this, this is not a binding motion. It is not a bill. It is a motion and if it passes it would simply give the government ammunition, if you like, in trying to go ahead. It would help to create momentum. It would give a government that wanted to do this the ability to say: "We do this with the expressed and unanimous backing of the House of Commons". I do not see any good reason, other than a sort of small mindedness with respect to the fact that I am not a government member, or whatever the case may be, for not allowing the motion to go ahead.

• (1110)

Another argument might be advanced. I hope the argument will not be offered, but I have heard it in private conversation, that Canadian medals have tended to be awarded on the basis of campaigns rather than battles.

One will find if the records and the situations are examined that this still leaves room and can be used to argue for a distinctive Dieppe medal because participants in the Dieppe raid did not receive, as I understand it, the campaign medal that many other veterans received, the France–Germany medal. This medal was not awarded to them because they did not participate in the events in France and Germany following the D–Day invasion.

At one point they did receive a campaign medal which would have satisfied their desire to be recognized. They were awarded a 1939–43 star but that later was revoked for reasons that no one seems to be able to come up with. It was extended and made the 1939–45 star which offers no particular recognition to those who participated in events like Dieppe before the Normandy invasion.

All the Dieppe veterans are asking for is something which recognizes they were part of that campaign and in this case a particular event that was central to the pre–Normandy campaign. They do not have that. They have been asking for it and I simply ask how long do they have to wait? Time marches on, as the old hymn that is used at Remembrance Day services, "Abide with Me" says: Time like an ever rolling stream bears all its sons away. Time is bearing all the veterans of Dieppe away as it will bear all of us away some day.

Therefore, in this year of remembering when there are so many brochures and pamphlets from Veterans Affairs and elsewhere, all of which are appropriate, why today can we not do something concrete, not expensive and something which will bring Canadians together.

One thing that struck me when I was at Dieppe and had struck me before at Canadian war cemeteries is that row on row, no distinction is made between veterans of the Fusiliers de Mont–Royal or the Queen's Own Cameron Highlanders of Winnipeg. Canadians of French, British and other origins lie side by side in Canadian war cemeteries. It ought to be mandatory for every member of Parliament to visit these cemeteries and to get a tragic sense but nevertheless some pride of the unity with which Canadians have fought in World War II and before that in World War I.

I know there are others eager to speak on this. I hope we can do this. Certainly there is precedent for motions like this passing which have had no expressed opposition. I have a letter from the minister saying the government is intent on some form of recognition for Dieppe veterans. I say that the form of recognition the Dieppe veterans want and that the Dieppe veterans deserve is this medal. They do not want a picnic. They do not want some kind of special event. They want what they are asking for.

I hope the government will use this opportunity, which is Private Members' Business after all. We do not have on the other side an emissary for the government to talk this bill out or to deny unanimous consent. It would be a tragedy and a travesty as far as Private Members' Business is concerned. I have not yet heard a private member say he or she is opposed to this motion. I have had private members indicating to me that they are in favour of it. I would encourage the House to give unanimous consent when the time comes to have the motion voted on and passed.

• (1115)

The Deputy Speaker: Is it the wish of the hon. member for Winnipeg Transcona to ask for unanimous consent that this be votable?

Mr. Blaikie: Yes, Mr. Speaker, if this is the appropriate time to do so. I would like to ask that this motion with the unanimous consent of the House be made votable and that a vote be taken if need be. We might agree to pass it at the end of the hour.

The Deputy Speaker: The hon. member has the floor and will not have the floor again, as he knows. He has heard the comments from the other side and I take it he is not going to ask for unanimous consent at this point while he has the floor.

Mr. Blaikie: Mr. Speaker, I can get up on a point of order at the end but I might not be able to and there is no reason why, if the House is willing at his point, we do not pass the motion now by asking that the motion be made votable. Debate continues.

I would like to ask now that the motion, by unanimous consent, be made votable.

Mr. Keyes: Mr. Speaker, I hope that we continue to hear from the hon. member opposite with whom I have had the opportunity to work on that side of the House.

I respectfully suggest that the hon. member might want to hear first from other members in this House who may contribute to his debate. He might want to hear the reasoning of other members in this House before calling the question he might want to call. He can do that by calling for a point of order later on in the proceedings, a couple of minutes before high noon.

Mr. Blaikie: Mr. Speaker, I do not want to get involved in a procedural wrangle. On the other hand, I do not want to be hoodwinked either. I do not want to be trying to get up on a point of order at the end when somebody is talking and not be able to get up.

If it would facilitate the debate and the possibility of unanimity I would say fine. Either I or presumably somebody else could do the same thing, ask on a point of order toward the end of the hour that the motion be made votable.

I do not see anything wrong with asking that it be made votable now. It would not prevent other arguments from being heard. It would not prevent other points of view from being heard. It would just mean that would be done.

I am not interested in picking a fight with the member at this point and I hope that he would be true to his word and ensure that I get the opportunity to do that at the end of the hour.

Mrs. Jean Payne (St. John's West): Mr. Speaker, I would like to say a few words regarding motion M–143 as proposed by the hon. member for Winnipeg Transcona. I am a great supporter of any honours for our veterans and I sympathize with the intent of the hon. member in putting this motion forward.

I certainly commend the hon. member for bringing the issue to the attention of this House. In that regard the consultative process now under way with the interested parties is commendable. I am certain all hon. members trust that the discussions will arrive at a successful conclusion.

I must also point out that this is a sensitive issue. It must be considered within the context of the protocol and traditions of the Commonwealth system of honours and awards to which we as a nation have agreed.

The Dieppe raid was a catastrophic moment in Canadian history. Every Canadian was touched in some way by the horrifying losses Canadians suffered on that day in 1942.

It was also of tremendous importance to the allied war effort. No matter how one interprets the events surrounding the plan of the operation, the hard lessons learned from the disaster contributed to the successful D–Day landings, the 50th anniversary of which we will mark this June.

The veterans of the Dieppe raid have made an enormous contribution to our country and they should be honoured in every way.

I understand the Dieppe veterans' frustrations and I sincerely hope their desire for further recognition can in some way be accommodated. I do want to remind the House that the Dieppe veterans have been honoured in many other ways.

The Dieppe veterans have not been forgotten. They have been eligible for Canada's outstanding veterans program, including POW compensation, a very tangible recognition of their contribution to the war effort and to this country.

• (1120)

Regimental memorials have been erected along the beaches where the Canadians fought that day. Monuments are also located at Puys, Pourville and Dieppe, as the hon. member has already mentioned.

These memorials pay tribute to the members of the Royal Regiment of Canada, the Royal Hamilton Light Infantry, Les Fusiliers Mont Royal, the Calgary Regiment, the South Saskatchewan Regiment and the Queen's Own Cameron Highlanders of Canada who gave their lives in the raid. These regiments also proudly display the Dieppe battle honour on their regimental colours.

The town of Dieppe has also created a small park where it has erected a monument of its own recounting the long relationship between Canadians and the people of Normandy, commemorating the raid on Dieppe.

At war's end Dieppe veterans also received a number of war service medals, including the 1939–45 star, the Canadian volunteer service medal, the war medal of 1939–45 and in many cases the defence medal. Many Dieppe veterans have also received individual awards for personal valour.

Perhaps best known among them are Charles Cecil Ingersoll Merritt and John Weir Foote, recipients of the Victoria Cross.

Lieutenant–Colonel Cecil Merritt landed that day at Pourville. As the men struggled to cross the bridge over the river Scie he walked calmly into the storm of enemy fire on the bridge and led party after party across the bridge with his example.

Despite their best efforts, however, the Canadians were forced to withdraw and again Cecil Merritt displayed his courage. Twice wounded, he led a vigorous rear guard action that enabled many men to reach the landing craft that waited to rescue them. Lieutenant–Colonel Merritt and his men were unfortunately not lucky. They could not reach the craft and were captured and taken prisoners of war.

Similar courage was shown by Reverend Foote that day. Through eight hours of fighting John Foote repeatedly exposed himself to enemy fire as he worked again and again to move the injured to an aid post. He saved many lives with his selfless effort.

Then at the end of the battle when he could have sailed away safely, he climbed back down from the landing craft and walked toward the enemy lines to be taken prisoner. In this way he made himself available to minister to his fellow Canadians as they were held prisoners of war. Foote and his comrades were held captive for the next three years.

Cecil Merritt and John Weir Foote were most deserving recipients of the Commonwealth's highest military decoration for bravery. Their stories of courage deserve to be told again and again, as do many others.

For this reason, I am glad this issue has come to public attention. I am very pleased the story of Dieppe presented on national television not long ago has been brought to our attention. It is fitting that Canadians be reminded of the courage and valour displayed by their countrymen at Dieppe more than 50 years ago. We must never forget this chapter in our history.

That is why I heartily support a new commemorative program called Canada Remembers. Over the next one and a half years the Canada Remembers program will mark the 50th anniversaries of the final events of the second world war. It will honour the contributions of the Canadians who served overseas during wartime and the millions of Canadians who supported them back home.

I am particularly excited that this program will reach out to younger Canadians, providing them with an opportunity to learn more about the sacrifices made by a whole generation of Canadians to secure peace and freedom for all of us.

Initiatives such as these are important if we are to maintain an understanding of the impact of the second world war on the development of this country and if we are going to keep a sense of our military history alive.

Canada Remembers is for all of our veterans, the Dieppe veterans included. I hope they will attend the many national and local events being planned for them. The honours and tributes they receive will be well deserved. They have earned them many times over.

In response to the hon. member's motion I would like to recommend that the motion be amended in view of the remarks I have just made.

• (1125)

I move:

That the motion be amended by deleting the words "striking a distinctive medal" and substituting therefor the words "establishing an appropriate decoration".

I am sure the hon. member is aware of the reasons for this amendment. I thank him once again for the motion.

The Deputy Speaker: The amendment is in order.

[*Translation*]

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, I welcome this opportunity to take part in the debate on the motion presented by the hon. member for Winnipeg Transcona. I agree with the hon. member and with the hon. member for the Liberal Party that the veterans of the Dieppe raid deserve our gratitude for their courage and, unfortunately, their determination in circumstances in which it was very difficult to survive. We know that nearly 5,000 Canadians took part in the Dieppe raid in 1942. More than 907 died. The operation was unsuccessful and one could practically call it a massacre.

However, according to some experts and the hon. member for Winnipeg Transcona, this operation probably helped pave the way for the D–Day Invasion in 1944, whose fiftieth anniversary we will soon be celebrating.

Perhaps I may depart somewhat from the position taken by the hon. member who moved the motion and say that I am rather intrigued that the hon. member has almost made this a personal crusade. Since 1983, he has been trying to put a motion through the House to strike a special medal for Dieppe 1942. There have been varying responses to this proposal over the years. It was repeated in June 1983 and September 1983 by the hon. member for Bow River at the time, with the same request to strike a medal for Dieppe. All sides of the question were discussed but the medal was never struck.

When the hon. member mentioned earlier that he had never heard anyone say they were against striking a medal in recognition of the courage and efforts of those who took part in this raid, he is perfectly right, except that in 1951, it was agreed by members of the Commonwealth, by Canada and Great Britain,

that medals would be struck only for campaigns and not for specific places, because otherwise, medals could be struck for all the beaches where an invasion took place, whether it was in 1942 or 1944. There was also the battle of Vimy Ridge, where nearly 50,000 Canadians were either killed or wounded during World War I. A whole series of medals might have to be struck.

What bothers me is that whether a veteran defended his own country or other countries in this place or that, against German or other invasions, I do not think we can strike medals for specific places, as if it were a distinction to have fought in such or such a place, as though one battle were worth more than another. I think that in a way, this discriminates against those veterans who did not fight at Dieppe but on Juno Beach or at Falaise or Caen. Why should they not also receive a commemorative medal? Perhaps I am playing devil's advocate because I realize that, in moving this motion, the hon. member for Winnipeg Transcona means well, but I have a hard time understanding the very specific reasons for striking this kind of medal.

• (1130)

As a member of the Standing Committee on Defence, I would argue—and I think that this is what veterans want—that we have received requests from veterans and also from veterans of the merchant marine. My sense is that they do not necessarily want to be awarded a medal, but would rather receive some financial assistance and help in their lives today. We have received requests of this nature. Instead of debating whether or not to strike a new medal, the Standing Committee on Defence should proceed quickly to review specific requests from Dieppe veterans. Since the Dieppe Raid took place 52 years ago, there are not many survivors left and it is therefore important to move quickly on this matter.

In conclusion, since the hon. member for Winnipeg Transcona has sought unanimous consent for the striking of a new distinctive medal, I would like to point out that throughout Canada's history, no special medal has been struck to specifically commemorate a given place or battle in a given war, with the possible exception of the Gulf War medal.

To commemorate a special battle, a distinctive ribbon has until now been affixed to a medal or star. You may recall having read about the battle of Inkerman which resulted in numerous Canadian and British casualties. A distinctive ribbon commemorating this engagement was issued.

Instead of striking a new medal, perhaps a distinctive ribbon or decoration could be issued, as my colleague from the Liberal Party suggested. And perhaps the debate should focus more on responding more quickly to the requests of veterans, regardless of where or when they fought.

I have some difficulty with the idea of commemorating a specific engagement or battle when throughout Canadian history, countless Canadians and Quebecers have taken part in different engagements and have bravely defended their country and others as well. Why single out the Dieppe Raid, even if this massacre unfortunately resulted in the loss of many lives and affected many Canadians? To agree to this would be somewhat discriminatory toward those veterans who participated in other campaigns. For these reasons, I propose that this motion not be adopted.

[*English*]

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, although it may be a trifle repetitive, my speech will deal with a historical aspect of Dieppe. I think this is not inappropriate when one considers the importance of what happened at Dieppe and the impact it had on Canadians.

Just before dawn on August 19, 1942 a swarm of landing craft approached the coast around the French town of Dieppe on the English Channel. The largest raid in history, code named Jubilee, was on. A flotilla of 250 small naval craft was engaged and overhead the largest single air battle of the war was about to commence.

The attack on Dieppe was planned as a reconnaissance in force ostensibly to assist the capability of the allies to launch large scale amphibious assaults against German defences in Festung Fortress Europe. Notwithstanding their lack of combat experience, almost 5,000 Canadian troops conducted the frontal assault on Dieppe. Supporting their efforts were battle hardened British commandos assigned to attack and subdue German coastal batteries to the east and west of the town. Their attack on the guns at Varengeville–sur–Mer to the west was completely successful. But at Berneval to the east they were not.

• (1135)

The town of Dieppe in peacetime, a pleasant minor resort, had in war become a fortress. Though the town itself was of slight importance, the Germans saw in Dieppe an obvious point for a British attack. It was within range of RAF support and it was familiar as the terminal of the Dieppe–Newhaven ferry.

The two storey casino fronting the beach had been heavily fortified. The beach itself was covered by machine gun points along the housefronts and at the ends by pillboxes and a tank set in concrete.

These strong points together with guns sited in caves on both headlands of the horseshoe shaped harbour permitted raking fire right across the beach. While the British commandos achieved partial success, overall Dieppe has been assessed as a major disaster.

My purpose today is to speak in support of the proposal to honour those who fought at Dieppe, not to cast blame on the planners of Operation Jubilee.

Notwithstanding, it is worth noting that Lord Lovat, leader of the successful British commando group at Dieppe, later commented: "Only a foolhardy commander launches a frontal attack with untried troops, unsupported, in daylight, against veterans dug in and prepared, behind concrete, wired and mined approaches, an enemy with every psychological advantage".

The raid on Dieppe lasted only nine hours but of the nearly 5,000 Canadians involved more than 900 were killed, 1,900 were captured and of those more than 600 were wounded. As prisoners of war they would spend the next three years in captivity.

Dieppe accounted for more casualties than Canada sustained in the 11 months between the D–Day landings at Normandy in June 1944 and the German surrender in May 1945.

The assault on Dieppe also became the scene of the largest air battle of World War II. Sixty–six squadrons, Spitfires, Hawker Typhoons and Hurricanes, about 730 single–seat fighters, flew 2,111 sorties in which 88 aircraft were lost.

Dual purpose aircraft and light bombers, Bostons and Blenheims, also supported the operations, losing 18 aircraft in the effort. In all 106 aircraft and 81 airmen were lost. Included were 13 Canadian aircraft and 10 pilots. German losses were 48 aircraft.

Assessing losses, the pilot casualties were considered moderate, the sailors, heavy. But for the soldiers and marines where the casualty rate reached nearly 60 percent, they were devastating. Overall, the casualty rate averaged more than 40 per cent, the highest in the war for any major offensive involving the three services. Many units were decimated beyond their ability to function as recognizable entities.

In the assault at Puys east of Dieppe, of the 500 men of the Royal Regiment of Canada and the Black Watch Royal Highlanders of Canada who landed, only six returned without wounds. Many landing craft never reached the beach and of the 27 tanks landed, only half managed to cross the sea wall and none penetrated the tank barriers protecting the town itself. Eventually all 27 had to be abandoned.

Two Canadians, Honorary Captain J. W. Foote of the Royal Hamilton Light Infantry and Lieutenant Colonel C. C. Merritt, commanding officer of the South Saskatchewan regiment, received the Victoria Cross for their actions at Dieppe. Lieutenant Colonel Dollard Menard, commanding officer of the Fusiliers de Mont–Royal, was badly wounded and decorated with the Distinguished Service Order for his gallant leadership.

Lord Mountbatten, commander of the combined operations headquarters which planned Operation Jubilee said Canadians "paved an example of courage, and everything they possibly could be called upon to do, they did".

• (1140)

Another planner and Jubilee's naval force commander, Captain Hughes–Hallett, said: "The thing to remember was that they," the Canadians, "did the operation and that is more than can be said for some of the crack formations which had been selected for earlier operations. The great thing was that Canadians were not only brave but they were bold as well. They were prepared to chance their arm and it was that that made the Dieppe operation possible".

The assault on Dieppe has been described in many ways. The Encyclopaedia Britannica states: "It furnished useful lessons for the future in the problem of invading a well–defended coast. Although the cost was very high it showed the possibility of achieving a large–scale landing under modern conditions while bringing out mistakes that were to be avoided".

General Dwight Eisenhower credited Dieppe with "having provided many useful lessons".

Just a few months after the raid Lord Beaverbrook confronted Mountbatten at a dinner party saying: "You have murdered thousands of my countrymen. You took those unfortunate Canadian soldiers. They have been mown down in their thousands and their blood is on your hands".

The Canadian Encyclopaedia says of Dieppe: "The raid did provide valuable experience for subsequent amphibious assaults in North Africa, Italy and most notably Normandy of 6 June, 1944". It then goes on to say it was a major disaster.

Brian Loring Villa in his book *Unauthorized Action* classifies Dieppe as a historical tragedy.

Accepting all these viewpoints and after the fact assessments of the raid, we should remember that at Dieppe Canadian troops, fighting in their first major action of the second world war, acquitted themselves with determination, bravery and honour. Under the conditions imposed they were involved in an impossible task. This fact should be registered, regretted and not forgotten.

The Canadians who participated in Operation Jubilee deserve our respect, our admiration and our proud recognition. If ever a battle has been worthy of commemoration by presentation of a medal to those who took part, Dieppe is such a battle.

I urge this House to give unanimous support to private member's motion No. 143 so that Canada can at long last provide tangible recognition of a sad but proud day in our history.

In just four months it will have been 52 years since the assault on Dieppe. Even the youngest participants who survived are now in their seventies. It is long past time for Canada to officially recognize the Canadians who fought at Dieppe.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I would like to deal with the motion in which the hon. member for Winnipeg Transcona proposes that the federal government strike an honorary medal for Dieppe veterans.

Like all Canadians, we have great admiration for Canada's veterans. No one has been more devoted to our country than these brave men and women, and I am still in favour of giving the greatest recognition for the services they rendered.

Of course we support the intent of the hon. member in presenting this motion, but I believe, as the hon. member for Charlesbourg said a moment ago, that other Canadians sacrificed their lives in the Second World War. We would not want to give the impression that we are overlooking not only those who sacrificed their lives but also those who were injured or marked for the rest of their days. That is not our intention, far from it.

Under the circumstances, and I believe that the hon. member for Charlesbourg was right to raise this issue, I feel that there is certainly another way to proceed. I believe that discussions on this matter should continue with the association of Dieppe veterans and prisoners of war—that would be a step in the right direction. I sincerely believe that the process of consultation should be given a chance before asking the House to act. Above all, we want to show that everyone who fought in the Second World War is on an equal footing.

• (1145)

Nothing can diminish the heroism of the Canadians who took part in the Dieppe Battle. They showed incredible courage and a great deal of determination on that truly memorable day of World War Two. Because of their bravery, these Canadians will always have a special place in the history of this country.

On August 19, 1942, at daybreak, a little under 5,000 Canadians were in position off the coast of Normandy, prepared to risk their lives to break through Hitler's defences, known as Fortress Europe, and to open the way toward liberation. However, as soon as they set foot on the beaches in Dieppe, they realized that theirs was a totally impossible mission. What lay ahead was an absolute nightmare. Hundreds of young Canadians were killed by enemy snipers shooting from positions on top of the cliffs.

We know now that they had been assigned an impossible mission. The surprise effect was ruined. Small groups did manage to approach their objectives, but most of the soldiers were easy targets on the beaches, as tanks got stuck in gravel and could go no further. For many of our men, attempts to make it back to the landing craft proved futile. Finally, fewer than half of the Canadians, many of whom seriously wounded, managed to escape this hell and return to England.

Losses were extremely high. Some 2,000 became prisoners of war and 907 were killed that day. News of this tragedy caused consternation from coast to coast.

I have known many veterans in my riding as well as in my home town, and I have heard quite a few stories about the Dieppe Raid. It is obvious that we are indebted to these men and women for their self–sacrifice; some gave their lives and lie buried in Normandy.

The hon. member's initiative cannot go unnoticed. It is up to us, on this 50th anniversary of that battle, to remind the people of Canada of the great sacrifices that were made for our country. If we have enjoyed unprecedented prosperity and peace after the war, it is thanks to these people. It is our duty here to express our gratitude for it is the highest form of justice on this earth.

I am convinced that these veterans will realize that Canadians never forgot what they did for their country. So, we should support our colleague's motion, which proposes changes designed to pay tribute to these people.

[*English*]

Mr. Stan Keyes (Hamilton West): Mr. Speaker, at first glance I applaud and totally agree with motion No. 143 moved by the hon. member for Winnipeg Transcona. It urges the government to strike a distinctive medal for the veterans of the Dieppe raid during the second world war. I have always favoured actions which pay tribute to Canada's veterans and which benefit these exemplary citizens.

With the amendment proposed by my colleague from St. John's West and with the acceptance of my friend from Winnipeg Transcona the government will have taken a giant step, along with that hon. member, in a process that will resolve the issue.

I am persuaded that members of the House ought to give the amended motion a chance to succeed. In the meantime the government is working with the veterans associations, including the Dieppe Veterans and Prisoners of War Association, the Department of National Defence and Government House to resolve the issue. They are exploring a number of options in order to find an approach that would satisfy Dieppe veterans

while honouring the traditions and upholding the integrity of the Commonwealth system of awards and medals. I am confident that by working together they will reach a solution soon.

• (1150)

I have the privilege of being a member of Ontario's largest Royal Canadian Legion, branch 163 in Hamilton. It boasts a membership of 2,500. Who better to spend some time with, so I did just that last week. I asked the veterans what they thought of the special Dieppe medal.

Veteran Pat Gallacher is the president of branch 163. His first vice–president is Neil Murray, foreman of signals, who over his heart proudly wears the France and Germany star, the D–Day medal, the war medal and the 1939–45 star. On the other side of Mr. Murray's blue blazer is a host of legion medals. Both Mr. Gallacher and Mr. Murray told me that it was a good idea first to hear and consult with everyone involved in the matter of special recognition for Dieppe veterans.

They reminded me that the men who made up the Canadian assault force for Dieppe came from all corners of this country. "The boys were willing to serve their country", they said. They waited a long time to see action; while the Royal Canadian Navy and the Royal Canadian Air Force had been busy defending Britain the ground forces had to wait. For months they trained for the time when they would spearhead an attack on occupied Europe. When the call finally came they were anxious to do their best, but the Dieppe raid was not destined to be a victorious moment. It was a disaster. In the words of Gallacher and Murray, it was the worst thing they ever did, a big blunder.

In the end, pinned on the beach, the survivors were forced to surrender. These men spent three long years behind barbed wire. The legacy of Dieppe has been controversial. My vets say that it was a useless slaughter. Others claim it was a valuable if costly experience that enabled the allies to plan so well the much larger successful D–Day landings. I do not want to add to that debate today.

In Canada, Dieppe casts a long shadow in households from coast to coast. Canadians know why men like Neil Murray wear their military medals with such pride, but for many years they have been bothered by the fact they did not receive a medal that specifically recognized their efforts at Dieppe.

The France and Germany campaign medal was only awarded to those who took part in the D–Day landings in 1944 and the subsequent operations that retook Europe. This meant the men who were killed, who were badly wounded or who were taken prisoner never received a European campaign medal. In the end they had fewer medals than veterans who had faced similar circumstances, despite the fact that those men played a special role in the effort to free Europe.

Both Mr. Gallacher, president of the legion, and Mr. Murray, first vice–president, asked me to consider the American experience, all those American medals from campaigns to sharpshooting to attendance. "Is that what we want", they asked, "will we be striking more medals, beginning to diminish the importance of each of the medals we have now?". Mr. Murray said that they should have struck a medal for Dieppe a long time ago and that maybe now it is too late.

We should give them a bar to recognize their participation at Dieppe to put on any war medal. After all we must respect the protocol and tradition of the Commonwealth system of honours and awards. In seeking to satisfy the interests of the Dieppe veterans we must heed the concerns of all our vets. I am confident we will do just that. Canadians realize they owe the veterans of Dieppe an incredible debt. It is a debt that is in many ways unpayable.

In closing, we want to ensure that veterans have been thoroughly consulted on the matter of recognition for Dieppe veterans. We must be reminded of the courage displayed by them more than half a century ago. We must not forget. I ask my colleagues in the House to support the amended motion put forward by the hon. member for Winnipeg Transcona.

• (1155)

Mr. David Iftody (Provencher): Mr. Speaker, I rise in the House today to speak on motion No. 143 put forward by the hon. member for Winnipeg Transcona.

The hon. member has suggested the government should honour the veterans of the Dieppe raid by striking a distinctive medal for these former members of the Canadian forces. I share the hon. member's desire and would like to add my personal commitment to see Canada's Dieppe veterans given proper recognition for their part in the ill–fated attack on Dieppe. These Canadians deserve every expression of our gratitude. However, as I will explain, there is already a process under way to resolve the issue and I feel the process deserves at least a chance to succeed. All Canadians would undoubtedly agree that Dieppe veterans should hold a special place in our history.

All members of the naval, ground and air forces that took part in the raid on the coast of France in 1942 exhibited great courage and bravery in the face of formidable circumstances. This is especially true of the members of the Second Canadian Infantry Division who disembarked on the beaches of Dieppe. These Canadians were proud to have been selected to breach Hitler's so–called Fortress of Europe but on that fateful day things went terribly wrong.

For our nation August 19, 1942 was one of the costliest days of the second world war. Of the almost 5,000 Canadians who embarked on the operation more than two–thirds suffered casualties. This included 907 Canadians who lost their lives and 1,946 Canadians who were taken as prisoners of war. Little more than 2,000 returned to England, many of whom were wounded.

Dieppe therefore took a terrible toll on our wartime forces that Canadians have not and will not forget.

In recent months interested Canadians have been taking up the cause of Dieppe veterans. Aware that many of the Dieppe veterans did not receive as many medals as their comrades, these Canadians find it difficult to understand why Dieppe veterans have not been given greater recognition for their participation in the battle. Their concern is legitimate and understandable. In point of fact Dieppe veterans definitely appear to have been short–changed.

On the other hand, we must respect that during the second world war Canada and other Commonwealth countries agreed to a unified system of military medals. Since the battle of Dieppe was a separate military activity outside any particular campaign, the efforts of veterans were not recognized by a campaign medal. There is the source of this unfortunate discrepancy. Furthermore Dieppe veterans were eligible for personal awards for acts of valour. Two veterans, Cecil Merritt and John Weir Foote, received the Victoria Cross for their actions that day.

This is why I am prepared to support the amended motion that would read "a distinctive decoration" instead of "a distinctive medal".

Mr. Blaikie: Mr. Speaker, I rise on a point of order. I would like to indicate my support for the amendment. Like many amendments it is not always exactly what we asked for, but I appreciate the willingness on the other side to make some progress here, to have the motion go forward and hopefully to create the kind of momentum I was talking about before.

I would ask, Mr. Speaker, that you seek unanimous consent to have the amendment adopted and then to have the main motion made votable so that we could proceed to pass the motion as amended.

The Deputy Speaker: The Chair senses that there is unanimous consent to pass both the amendment and the motion as amended.

Is it the pleasure of the House to adopt the amendment, by unanimous consent?

Some hon. members: Agreed.

(Amendment agreed to.)

The Deputy Speaker: Transferring the main motion as amended into a votable motion today, is the main motion as amended agreeable by unanimous consent to all members of the House?

Some hon. members: Agreed.

The Deputy Speaker: Shall the motion as amended carry?

Some hon. members: Agreed.

(Motion, as amended, agreed to.)

GOVERNMENT ORDERS

• (1200)

[*English*]

BUDGET IMPLEMENTATION ACT, 1994

The House resumed from March 25 consideration of the motion that Bill C–17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994, be read the second time and referred to a committee; and of the amendment.

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, as we resume debate today on Bill C–17 I welcome the opportunity to join my government colleagues in supporting this very important piece of legislation.

When passed, this bill will implement key aspects of the February budget plan, a plan for action in three core areas on behalf of all Canadians living in all regions. It is a plan to spur job creation and economic growth.

That is one reason Bill C–17 revamps the UI entitlements. These savings will allow us to reduce the payroll taxes identified by business, especially small business, as one of the major barriers to new employment.

It is a plan to get the deficit down and to set the foundations for a balanced budget because we have to stop mortgaging our children's future and pushing taxes eternally higher. This bill is a critical step in meeting this goal by restraining parliamentary and public service salaries and by reducing business subsidies for transportation and energy.

Let me emphasize that the fiscal action we are taking will not jeopardize the work that must be done to make the economy stronger and create opportunity. Losing jobs is no way to pay off debts, not for individuals and not for Canada as a nation.

It is also a budget plan to reform social security so we can boost economic opportunity while ensuring we can sustain the cost of Canada's social safety net. Here again Bill C–17 plays a vital role.

It does this not only through the actions on unemployment insurance but by providing the provinces with two years of certainty on federal transfers under the Canada assistance plan. This will help create the stable window of opportunity and co–operative environment that will allow the two levels of government to work together on this critical task.

More important, the critics and the cynics are absolutely wrong in assuming that this government's commitment to delivering on our deficit reduction pledge was mere political coin. Our government's goal is to restore federal economic

credibility, not continue to debase it. The fundamental fact is with the February budget we have taken unparalleled action to meet the fiscal challenge and that is no exaggeration.

Measures in the budget result in gross savings of $3.7 billion in this fiscal year, rising to $13.6 billion in 1996–97. Over the three year forecast period of the budget gross savings total $28.6 billion.

We have also taken action to encourage growth and job creation, action targeted at enhancing our economic muscle and confidence in the evolving global economy. We have done this in part because restored growth is an essential element of the deficit reduction strategy.

Even with the investments such as the infrastructure program and support for R and D, net savings in the budget total $20.4 billion over three years. They deliver $5 worth of spending cuts for every $1 of revenue. These spending cuts are the most significant of any budget in the past 10 years.

Such measures are not a conclusion. They are simply a foundation. Let me echo what the Minister of Finance has said repeatedly, including at a meeting with major European investors today. The message of our government is very clear. The ultimate goal of this government is to eliminate the deficit.

The deficit ratio of 3 per cent of GDP by 1996–97 is exactly what we have always said it was, an interim target, one that has not been met for 10 years. We are going to meet it through the spending cuts implemented in this year's budget, not a subsequent budget.

The results of a major program review launched in February which should identify further opportunities for savings will be included in the 1995 budget. The goal here and in subsequent budgets will be to take us beyond our interim target on our way to balancing the books of this nation.

Some argue that our deficit action is too little, too slow. We believe, and many Canadians understand, that more drastic action could jeopardize Canada's return to economic health. That would ultimately sabotage our ability to sustain consistent fiscal improvement.

• (1205)

We also believe that restoring budget credibility means looking both beyond and beneath the numbers. Our budget puts an end to many of the practices of the past. We have provided full accounting of all program costs. Nothing is hidden.

We built in substantial reserves to allow us to handle unforeseen contingencies without letting our fiscal objectives suffer. Just as important, we reversed the budget's bias in favour of optimistic, politically correct economic forecasts. As we all recognized in previous years, governments would set targets based on rosy projections in order to look good initially, only to fail eventually.

We believe it is more important to meet a target than to promote a wish list and then fall far short. It is crucial to re–establish the credibility of the government's economic projections. Therefore when we put together our budget we use prudent assumptions drawn from the pessimistic range of private sector forecasters. We believe that is a responsible way for this government to act.

Canada as elsewhere has recently witnessed some volatility in interest rates. That volatility makes the case for the prudent assumptions and contingency reserves built into our budget. We have ensured substantial room for manoeuvre. Interest rate fluctuations are not going to knock us off course. We remain confident that we will hit our targets.

I am glad to see that this confidence is shared by the Royal Bank's Ed Neufeld, the executive vice–president of economic affairs. I understand that at the Royal Bank's annual spring briefing on the economy last week he shared his view that we, the Government of Canada, are on track this year to reach our deficit reduction target.

At the same briefing the Royal Bank also forecasted that Canadian growth will accelerate to 3.5 per cent this year and 4.3 per cent in 1995. It is worth noting that this 1994 forecast is in complete harmony with preliminary reports on the upcoming IMF forecasts for Canadian growth this year.

These forecasts exceed the prudent projections on which our 1994 budget was based. They reflect what I believe was an objective assessment of the growing strength of our economic fundamentals, strength that the budget and other federal actions have contributed to.

Canada is now one of the lowest inflation countries in the world. We are going to stay that way. Last December the Governor of the Bank of Canada and the finance minister announced that the inflation targets which anchor our monetary policy, among the toughest in the world, will continue through 1998.

Another key fundamental is restoring fiscal responsibility to our public finances, a major goal of this legislation, Bill C–17. Let me again emphasize that we are working with the provinces to improve the national debt situation because this truly is a national problem. There are real grounds for renewed national confidence that this challenge can and will be met. It is clear that across Canada governments are applying themselves steadily to the course of fiscal discipline.

Let us remember that fiscal action by governments is only part of the answer for long term balanced budgets. A growing economy is also essential if our debt build–up is to be reversed. Here again there are real grounds for confidence. The economy is starting to grow more firmly. Growth was 3.8 per cent in the last quarter of last year based on solid exports and investment performance.

Surveys for 1994 indicate that public and private sector investment will be up an impressive 4.2 per cent over 1993. Strong gains and competitiveness are behind the firming of economic growth and they too augur well for the future.

Unit labour costs are down and productivity is up. The big unit cost gap that opened up between Canada and the United States has essentially been closed. Our record export growth is the result.

• (1210)

Those facts paint a picture of a competitive economy moving in the right direction. This was further confirmed by the March labour force numbers that came out last Friday. The unemployment rate dropped a full half percentage point, the largest contraction in 10 years since June 1984, and 114,000 new jobs have been created over the last two months, the strongest two month gain in almost five years. I welcome such news and all Canadians welcome this type of news.

There is no question we continue to face challenges and uncertainties. Dislocations can always emerge, sapping public confidence. That is why good news is never an excuse for complacency. That is why we will forge ahead with our strategy of re–engineering the way government operates and the programs it provides. These contribute to a stronger, more flexible Canadian economy.

Our action on unemployment insurance is an excellent example. We reduce spending on UI, something that will save us money. That also means we can roll back payroll taxes that have cost jobs across this country.

Looking at Europe anyone can see the cost of rigid labour market policies. We in Canada were close to developing a similar rigidity. We have now begun to move toward a more flexible system.

The redesign of unemployment insurance with greater emphasis on training to reintegrate the jobless and to discourage habitual dependence will make Canada's labour market much more flexible and efficient than is currently the case. The ultimate result will be a greater national capability to generate growth and, most important, jobs.

I have highlighted areas where our government is committed to fundamental, forward looking change, deficit reduction, support for job creation, social program reform, the process of budget making.

In closing, there is another area of change I want to emphasize. In our endeavour we are taking a new approach to the work of government. It is an approach based on openness, consultation and communication. That is why we framed the 1994 budget as the first part of a two stage process. It took immediate action to meet vital immediate goals but also launched the process of policy review and public debate that will lead to further action in time.

Such an approach is not a case of deferring action or evading responsibility and leadership. Rather, it addresses a fundamental fact in Canadian life, a fact that impacts directly on economic relations. That fact, most important to this government, is that without reasonable consensus and a real sense of public participation and public ownership dramatic change can become a disastrous failure. We do not intend to create this type of failure because Canadians deserve success.

This budget was developed in the most open process we have seen in Canadian political history. It involved meetings across the country and involved an opportunity for Canadians to write the minister, participate in meetings and make their views known.

This process of openness will continue. We have evolved an open process on the budget in which we gave people in different cities a chance to set out the parameters for the expansion of the economy, for assisting the unemployed, for creating jobs and at the same time to begin to deal with the deficit which is a very real burden for all Canadians.

We will continue this process through the House of Commons, through the committee on finance this fall in which we anticipate the 1995 budget process will be even more open and more visible and more transparent so that Canadians can begin to understand and feel part of a process that spends billions of their dollars each year.

This bill will help achieve that success by moving us to real bottom line fiscal improvement and renewed business and investor confidence.

For this reason I have no hesitation in encouraging all members here today to pass this legislation so that we can continue to move ahead with vigour and vision.

• (1215)

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est): Mr. Speaker, I listened attentively to the hon. member's remarks and I feel that they represent the views of the Liberal Party. He is content with the budget initiatives put forward by the federal government and I find his speech extremely dangerous, despite his eloquence. He may be trying to lull people into a false sense of security. You know about the current crisis in Canada. I saw the poverty in my riding two weeks ago. One does not have to look very far to see that poverty is widespread; unemployment is very serious and people are concerned about the confidence they placed in the current government because they know that it did not do much in its last budget. It tried lukewarm measures that lack conviction, that lack direction.

For example, to reduce the deficit, the hon. member seems content with the deficit reduction that was announced and with the fact that the goal may be achieved, but I feel that several

other measures could have been proposed to reduce this extremely alarming deficit that shook the stock market and sent the dollar tumbling.

We in the Bloc Quebecois have proposed several measures to bring down the deficit, including cutting the fat from the federal government. There are hardly any measures in the budget to reduce waste in the federal government.

Would the hon. member agree to help reduce Canada's deficit? Would he agree to set up a parliamentary committee to examine spending and waste in government?

Mr. Walker: Mr. Speaker, I thank the hon. member for his questions. Poverty in this country is a very important issue to me because my riding is among the poorest in the country. In addition, in this budget, we tried to cover these issues of poverty and the deficit. We will ask the finance committee to discuss these questions in detail.

[*English*]

I think that the balance of trying to deal with questions of poverty, whether it be in Montreal or Winnipeg, is the question that haunts this whole country, This government does not for one minute take lightly the limitations it has in dealing with questions of poverty.

As a former critic on social policy for this caucus in opposition, I know we were very critical of the last government for not addressing questions of poverty. That is why we stabilized equalization payments and why in this particular act we have stabilized the Canada assistance plan. We have moved away from the war against the poor and moved toward supporting initiatives that can help them.

The Minister of Human Resources Development is very active. In fact he participated in a meeting this morning dealing with questions of income security and reforms to unemployment insurance to ensure they do not turn out to be an attack on those who are in need.

The President of the Treasury Board is addressing the questions of waste and the budget not only on an annual basis but I would say on a weekly basis. Great progress is being made to overcome questions of waste in individual programs.

Mr. Nelson Riis (Kamloops): Mr. Speaker, I listened with interest to the comments of my hon. friend from Winnipeg North Centre in terms of the legislation before us.

I have a question for him dealing with the Royal Canadian Mounted Police and the problems faced by new constables. When they leave Regina, for the first three years of their service as new constables they receive six month pay increments to bring them up to a reasonable level of income. This legislation not only freezes the level of pay but freezes any increment initiative as well.

• (1220)

Young constables coming out of training are being asked to serve in cities like Toronto, Montreal and Vancouver. They simply cannot live on their stipend. It is impossible. These are bright, young, interested and aggressive young constables who want to serve their country at a time, I think we would all agree, when the need has never been greater and yet they cannot serve in at least some of these urban areas because of this freeze.

The hon. member will know that when the government changed the unemployment insurance program, which he referred to here, there was some acknowledgement that low income Canadians, particularly those with children, should receive some recognition for the changes in the economic plight that they face. Why would the government not do the same for these new constables?

I know that the commissioner has met with the government on this and has pleaded their case. Could my hon. friend shed some light on why the government at least to this point has not made any announcement that there will be some changes.

Mr. Walker: Mr. Speaker, I thank the hon. member for Kamloops for his question.

The broad brushes of the changes and the freezes and the extension of the freeze on public service salaries have obviously been of great hardship to the tens of thousands of people who work for us. It is something we take very seriously. The particular case of the constables is an example of the difficulties in which people find themselves at a particular point in their careers when the next move is out of the question because of some restraints on their compensation package.

I will undertake, as the member has, to raise it with the Treasury Board minister and the Solicitor General to ensure that as the salary freeze on public servants is extended for two more years, as it is in Bill C–17 to obtain the savings that Canadians are looking for, individual cases of hardship are brought to their attention.

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, I have a short question for the hon. parliamentary secretary. I listened to the stats on unemployment. I also heard that there are 28,000 people who have given up looking for jobs. This is a big concern in Manitoba, especially on the farm scene.

Coming back from there, realizing what the transportation system is for grain and that the terminal operations cannot go to a seven day cycle to start moving grain faster, would the hon. member look at that and initiate some opportunities for people to be employed in that industry in order to give western Canadians a break so that they can really make and fulfil commitments with regard to foreign grain sales?

Mr. Walker: Mr. Speaker, I thank the member from my province.

I do not think this government in any way, shape or form takes any solace in the figures that were released last Friday, except as an indication that perhaps things are getting better in some parts of the country.

We want to see several months of improvement. When one sees a rate of unemployment across this country that high, one cannot take any satisfaction from it. The member from Manitoba and the member sitting behind him from Winnipeg know full well that this situation is going to require a lot more intervention. It affects not only the city of Winnipeg and other cities across this county, but also the farm industry.

Any ways that the member can suggest to improve the efficiency of the grain industry, which is so important to the west and to places like Thunder Bay, Montreal, Vancouver and other ports, will be taken under advisement and discussed with the minister of agriculture.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, while we are on the topic of grain cars I would like to suggest to the government member and also to my Reform Party colleague from Manitoba that one of the problems is the fact that we have grain cars sitting all across the country. Many of them are in Manitoba, the old boxcar type grain cars, and they are not being used.

The reason they are not being used is not because of railroaders, the government or anybody else. As I understand it, it is because the pools do not want to hire people to man the elevators in order to use the old boxcars. They have cut staff at the elevators.

We have the grain cars to move the grain but the people who are responsible for employment at the elevators will not make it possible to use these cars. That is only one dimension of the problem but I think it is something that should be put on the record.

• (1225)

Mr. Walker: Mr. Speaker, as the member for Winnipeg Transcona knows, the question of grain cars and the use of those cars is also tied into the Churchill route. As he knows, the member for Churchill has been very active in promoting the interest of that route and has been helped by the member for St. Boniface in whose riding the yards are located.

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women)): Mr. Speaker, I found my hon. colleague's speech most interesting. I hope everyone will read it to get a clarification of the wonderful role that has been played to date.

In his next series of consultations, I would ask that the minister please ensure that more women's groups, more older citizens and ethnocultural communities are consulted. I know we did a fair job but not a good enough job in their view. I would hope that some commitment would be made as we go across the country on the next round.

Mr. Walker: Mr. Speaker, I thank the minister for her comments. I just met on her behalf with a group of women from Winnipeg, a black women's coalition, who brought these types of questions to my attention. They are very much on my mind.

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, before I get into the content of what I wish to discuss, I would like to touch for a moment on the remarks of the previous speaker, the hon. parliamentary secretary for finance.

He painted a very rosy picture about the future of the Canadian economy. I would like for the sake of balance to point out some of the other opinions on where the economy is heading in the next little while.

First, over the last week we have seen a very volatile stock market. The dollar continues to be extremely volatile. Interest rates have been hiked in the last little while.

When economists comment on this, most often they point out two factors that contribute to this volatility. The first is continued high deficit and debt figures and a lack of confidence in the ability of the government to get a handle on the deficit and debt. The second thing they point to is the situation in Quebec and the possibility of Quebec's separation.

I urge the government to do whatever it has to do to get the debt and deficit problem under control. Though the minister waxes eloquent about the intent to get the deficit and the debt under control, so far the government has not convinced the markets it is going to do this. That is why we continue to have all kinds of uncertainty. It certainly hurts business and the economy in general in this country when there is that lack of confidence.

I will be addressing this bill with respect to the request for borrowing authority for the CBC. The rationale behind that request would give the CBC the ability to invest in systems and equipment that would make it more efficient down the road.

This request begs many questions. The first and most important question is the timing of this request. Right now the government is embarking on a management and funding review of the CBC. This request for borrowing authority presumes the outcome of that review. It is assuming the review will find that the CBC is a good steward of money and that it is a good manager with a solid management team.

I would argue that the facts really do not bear that out. I would point to the fact that the CBC has lost several senior managers in recent weeks. That leaves it weakened in terms of having the expertise to use that money wisely.

The second is the argument that the CBC in spending the money it gets from the government, about $1.1 billion a year, uses it wisely. I would beg to differ that it does.

• (1230)

Over the last few years the CBC has actually seen its revenues drop. That reflects two things. It reflects the lack of confidence advertisers have in the CBC to generate viewers, and also the programming of the CBC obviously is left wanting.

We have the CRTC commissioner recently criticising the CBC, pointing out that its share of viewership has dropped to 13.3 per cent, despite the fact that it has a virtual monopoly on Canadian programming and is rewarded every year with the $1.1 billion subsidy.

The first thing that really must be addressed when the government brings this bill forward, at least with respect to the CBC, is the timing. Why are we doing this now when there is a funding review about to take place?

It may, and I would suggest it will, find that the CBC is very weak in terms of its management because of the loss of so much of the management team and also in how it has spent money in the past. The Fraser Institute recently suggested that on average a CBC station spends over twice what its private sector counterpart spends on administration and programming. That does not bode well for taxpayers if we are preparing to give the CBC the authority to borrow money.

The CBC has a $40 million deficit on its operating budget this year on revenues of $1.4 billion. Allowing an indebted company to accumulate further debts at the public's expense is poor management and morally irresponsible.

We were talking a minute ago about the tremendous debt and deficit problems that we have in this country. Now we are proposing to allow the CBC to go ahead and borrow more money. Who is going to pay for that debt if the CBC cannot meet its financial obligations? It will be the Canadian taxpayers as usual. We will be picking up the bill for the CBC spending.

The other thing that really concerns me about this is who is going to be directly accountable to Parliament for this borrowing authority. It is true that the money will have to be approved by the finance department before the CBC gets it. I am not convinced because the CBC is a crown corporation and does not really depend on profits to keep it disciplined, to keep its expenses in line and does not have a bottom line like a private sector company. We really do not have those market disciplines to make the management in CBC accountable for that $25 million.

The budget document also suggests that the public broadcaster may be allowed to borrow an amount greater than $25 million with parliamentary approval. In effect the ceiling of $25 million is a decoy. How did the government arrive at that figure? What measures will keep it from becoming $50 million or $100 million? Until we have this management and funding review completed how will we know whether the CBC is capable of managing even higher levels of indebtedness? How will we know that it can repay $50 million or $100 million? Again, the question has to be who will get it off the hook if it is unable to repay that $100 million. Naturally the CBC will come looking to Canadian taxpayers for a greater subsidy.

The rationale behind this new borrowing power is supposed to allow the corporation to make investments in systems and equipment that will result in long term savings. What we have here in effect is a perpetuation of waste and inefficiency since the new Liberal government has given the CBC a $100 million reprieve on cuts announced by the previous Conservative administration and a further deferral of $150 million over five years. In effect, the government is to a degree reversing that. Until this review is undertaken it seems entirely premature.

• (1235)

The CBC has not demonstrated it can be financially responsible. While private broadcasters will send one camera crew to do the job, we can almost always count on the CBC sending three. It is a standing joke among private broadcasters how much money, how many reporters, how many camera crews, how many technicians the CBC has to devote to a single news conference in order to get the story that private broadcasters could get with one camera crew.

One of our concerns is that this crown corporation really has the best of both worlds. It has its feet in both the private sector and the public sector. It has its feet in the public sector purse to the tune of $1.1 billion. It also competes in the private sector with private sector broadcasters. Because of its huge subsidy and now a request for $25 million in borrowing authority it will also have the ability to further undercut advertising rates in the markets in which it competes with private sector broadcasters.

This is a concern to private sector broadcasters. They have raised this before and this issue is not going away. At a time when many private sector broadcasters are suffering—many of them are operating in the red—how can we not only give our support to this idea but why are we not going the other way and saying it is time to give private broadcasters a break by reining in the CBC a bit?

Perhaps we should be giving some consideration to making the CBC a little like public broadcasting in the United States where they depend a lot more on contributions from viewers. Many Canadian viewers send their contributions down to PBS in the United States. If I am not mistaken and memory serves me correctly, the majority of funds for those border stations comes

from Canadian viewers. That should set off alarm bells everywhere.

We have to ask ourselves in light of the decline in viewership for the CBC and in light of this request for more money why in the world is this happening. Why are we allowing this debate to even happen when we see all this money going south of the border? Should we not be trying to repatriate this money? Should the CBC be more dependent on viewer support than it already is?

With the CBC's tacit application for a new arts channel, the festival channel, will some of this money end up supporting this new application? The festival channel really is in competition again with the private sector. We have a very strong private sector application for an arts channel but it seems the CBC feels it has to justify its existence by applying for that new arts channel as well.

I have to wonder if this $25 million going to the CBC will end up in some way, shape or form being shuffled over toward the festival channel to help that channel get off the ground. The CBC has no mandate to be involved in this arts channel. Nonetheless it has found a very sneaky way to go in the back door to push for an arts channel to fall under the CBC purview. We have to ask ourselves whether the intent of the department is to shuffle some of that $25 million into the newly proposed festival channel.

We also have to ask what guidelines has the government established to the exercising of this borrowing authority. This has not been made clear. The government has basically said it will decide when the CBC comes to it whether the CBC's application for funds has merit. We are talking about a government that wants politicians and government to be more accountable.

• (1240)

We need to know before we approve this what kind of measures will be put in place to ensure this money is not wasted, that this money does get a return on investment because that is what they say will happen. We have to make sure it does not go into a festival channel to compete against private sector broadcasters. It is not at all clear that will not happen.

Those are the types of questions this government has to answer before we can go ahead and give any kind of support for allowing the CBC to have borrowing authority.

This really represents the opening of a Pandora's box. We wonder whether there will be an increase now among crown corporations coming forward to ask for borrowing authority. I would argue that is a very scary prospect.

Too often these different crown corporations do not have the private sector to compete with and keep them in line and they do not have a bottom line to address. Often they do not have to worry about what the shareholders will say and therefore very often can spend money very unwisely with impunity. That is a scary prospect when we have a $45 billion or $46 billion deficit this year entering into a new year when we may have a deficit in excess of $40 billion.

I will conclude by saying it is crystal clear that any attempt to revitalize the CBC using measures normally reserved for companies competing in a private marketplace undermines its integrity as a public broadcaster.

Any special measures designed to raise capital for the CBC such as loans, subscriber fees or licence fees would be an unfair advantage if the CBC underbids its private counterparts for any services which it offers given its heavy state sanctioned financing.

For that reason I urge the members of this House to oppose this bill.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I listened attentively to the member opposite from the Reform Party. I feel his analysis of the CBC has been very narrow.

When I look at the CBC I do not see it just as a broadcaster. I see the CBC as an instrument to pull this country together. When we think of the CBC we do not just think about CBC television, but of CBC radio, of CBC Newsworld, probably one of the most efficiently run organizations in the broadcast industry anywhere in North America.

When we see the way it pulls this country together, whether it be in the arts, in current affairs in French and English, I do not know what other galvanizing instrument we have out there that can provide that type of service and support in this country.

There is another aspect of the CBC and we talk about accounting measures. My background is in business and I believe that it is very important to have full accountability of the CBC.

However, I do not think we are putting on the asset side of the sheet the great contribution the CBC has made in terms of training writers, producers, camera operators and technology wizards recognized all over the world. This is training support the private sector has been able to pull from to move into its own private broadcast units without having to fund any of that training and support. That is not just in television, it is also in radio technology, talent and service support.

Look at what the CBC has done in terms of the north. What person in Canada would not agree with the fact that the CBC has made a contribution in the north? What private broadcaster is even going to go there to help pull that part of our country into the mainstream?

• (1245)

I support the approach of the Reform Party to having accountability, but I wish the Reform Party would support our approach. We should look at all assets, all strengths, not just at one or two particular weaknesses. If the Reform Party were to put into its accounting analysis all other contributions the CBC has been

making, is making and hopefully will make in the future, it might think we are getting good value for taxpayers' money.

Mr. Solberg: Mr. Speaker, I appreciate very much the suggestions of the hon. member. However I think there is a consensus in the country that the CBC has to change.

The hon. member mentioned CBC Newsworld and how efficient it is. Within a year of applying for and getting its licence the CBC had to come back and ask for higher subscriber fees because it could not make it on what it was bringing in. Despite the fact it said it would not do so, the CBC came back and did exactly that. I would suggest that in terms of efficiency the CBC obviously did not look very far ahead.

When it comes to bringing the country together I very much appreciate what the CBC has done in the past with respect to that, but I point out that many private sector broadcasters do the same sorts of things. The CTV network brings the country together through its programming. It provides all kinds of programming that people across the county appreciate, not the least of which is its news and public affairs programming.

I point to the new specialty channel applications, for instance the proposed Bravo channel that would bring Canadian arts programming to the entire country at a much lower cost to subscribers than the CBC application. There are other ways of looking at it. There are other ways of bringing the country together that may not involve the CBC, or it may involve the CBC but a drastically reformed CBC.

Since 1987 there has been a decline in arts and children's programming on CBC. We have seen all kinds of soap operas in the afternoon and sitcoms in the evening in an attempt to bring back viewers. That is redundant. That is ridiculous actually, when we think about it. CBC receives $1.1 billion to provide Canadian programming and we have these American sitcoms coming in on all kinds of other channels. I do not think it is the role of the CBC to be replaying American sitcoms. We have to get away from that. The CBC has to change.

With respect to the hon. member, I think he is out of the loop if he does not recognize that the CBC has to change. I am not arguing that it should disappear, but it has to change. The friends of the CBC even point that out. It is time to bring some change to the CBC to try to make it more efficient and to respect the fact there are new forces in the country that will allow us to come together. We do not necessarily have to do it through the state sanctioned CBC.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I found absolutely dreadful the speech of the Reform Party member attacking one of our great institutions, the CBC, Radio–Canada in French. Being unilingual, he only mentioned the CBC and not Radio–Canada, but I imagine he meant both. I have a question for him.

• (1250)

Does the member sincerely agree that we must have a united Canada, coast to coast, from North to South and East to West, a bilingual Canada with two official languages, a united country where the Canadian culture can progress and where we can create jobs or does he believe the only important thing for the CBC and Radio–Canada is the bottom line? Does he not see in the CBC and Radio–Canada a human asset, a window on the Canadian nation?

[*English*]

Mr. Solberg: Mr. Speaker, in my vision of Canada I do not see it as a country that draws its culture from institutions. I do not think Canadian culture is a bureaucratic institution. Canadian culture is something that flows from the creative impulses of creative people.

Whether those impulses are channelled through the CBC, a private broadcaster, a private art gallery or whatever is not important. What is important is that these people go out and do their thing. If it can happen more efficiently through the private sector or if it can happen through a reformed CBC—and I remind hon. members that their own government has called for the review of the CBC—that is what should happen.

To hold on to some old, solid institution simply because it has been there for 50 years and not change it at all is absolutely ridiculous. It does not recognize that the world is changing and that Canadian artists and creators need all kinds of outlets to get their messages out. We should not necessarily have it flow mostly or completely through the state. That is a very bad idea. It is time to look at some new alternatives and it is probably the most human way to look at Canada's cultural industry.

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, the bill is a key element in a much larger process. Canadians told us they wanted a government that treated jobs as a priority. We have taken action on job creation through the infrastructure program and measures in the budget.

The government has begun to address fundamental issues facing our social security system. We agree we need a system that encourages participation and gives people incentives to contribute to Canadian society.

The current patchwork of programs no longer addresses the needs of Canadians. The bill underscores our commitment to Canadians that in two years we will be at the threshold of a new system. New ideas in social programs are being developed everywhere as part of the reform process. We have set aside funds to start work on some projects. The budget provides $800

million for two years for joint strategic initiatives with provincial and territorial governments.

The same search for innovation has shaped the design of the program we are establishing to assist people affected by the closure of the Atlantic fishery. The bill provides $1.7 billion of new money over the next five years through an Atlantic groundfish industry renewal and adjustment strategy to be developed in consultation with the public and private sectors.

We are discussing with our partners the development of a number of new jobs through such initiatives as expansion of the eco–tourism industry and aquaculture industry and development of new energy sources or the development of rural amenities.

• (1255)

Our changes to unemployment insurance are good examples of real effort to find balance and create jobs. We have proposed four areas of change to the UI act.

First, we will drop the 1995 premium rate to $3 and freeze or lower it for 1996, which businesses have assured us will create jobs. This premium rate will be 10 per cent lower than the $3.30 rate that would otherwise be required under the UI act. Second, we will strengthen the link between work history and UI benefits. Third, we will increase benefits payable to low income beneficiaries with dependants. Fourth, we will improve the fairness of the UI program by amending and clarifying how the voluntary quit and misconduct measures are applied.

Small business told us that any real effort to encourage job creation must look at the impact of payroll taxes such as UI. By reducing premiums we reduce the cost of employing people. For example, our premium cut and the subsequent freeze will save a business with 50 employees $15,000 during 1995 and 1996.

How will we improve the linkages between work history and UI benefits? One would be by increasing the value we place on long term attachment to work and the other by raising the minimum entrance requirement to 12 from 10. The new rules recognize that no one has really gained from a system in which UI became a regular part of income instead of temporary support during unavoidable job losses.

Leaders in Atlantic Canada have told us the 10–42 system has done more harm than good for their economies. With their help our social security reform will create a more effective system.

It is not just in Atlantic Canada where this attitude of UI as a regular income is considered a problem. We have received letters from across the country telling us that UI should be available to help those in difficult situations and not be a way of life. We need something to break the cycle.

I also take this opportunity to ensure that adequate support will be available to those most in need. The changes to UI increase the level of support for those with low income and dependants.

As we begin to shift from our current set of programs to something more comprehensive, we have decided to reintroduce a principle that was part of UI for 30 years. To help reduce the incidence of 1.2 million children living in poverty we have established a benefit rate at 60 per cent for those with both low income and dependants. For other claimants the rate will be set at 55 per cent. Those with low insured earnings of $390 per week or less in 1994 and who have dependants will qualify for the 60 per cent benefit rate.

We have also taken action to reintroduce an element of fairness that was lost in changes regarding suspensions, leaves of absence and when a person quits shortly before a known layoff.

First, if a worker is suspended from a job for more than a week the worker is considered to have been fired for misconduct. As a result the time worked before the suspension is not counted if the worker has to apply for UI benefits any time after the suspension is over.

Second, if a worker takes a leave of absence from work the leave is considered to be voluntary separation from employment. As a result if the worker is subsequently laid off after returning to work he or she may have to requalify to receive UI benefits.

• (1300)

Third, if a worker quits a job one or two weeks before it would have ended anyway then the worker may be denied all UI benefits. These measures are unfair.

We proposed that a period of suspension should not be treated as a loss of employment owing to misconduct. We propose that rules for leaves of absence be clarified so that workers who return to the workplace are not penalized.

We propose that legislation be amended to provide greater flexibility in the rules for workers who leave a job that would have ended anyway.

Another concern about the Unemployment Insurance Act is that too much pressure is placed on the worker claiming benefits to prove just cause for leaving employment. We propose that in cases in which information from both parties, the employer and the employee, is equally balanced that the legislation be amended to give the claimant the benefit of the doubt.

Overall these changes to the UI program will be reducing program expenditures by $2.4 billion per year once phased in. This reduction is necessary to offset the loss in premium revenue as a result of rolling back the premium rate of $3. The changes also begin the process of reform.

The bill provides the legislative flexibility needed to undertake a number of pilot projects aimed at improving the administrative efficiency of the UI program. The UI program contains several provisions introduced in the 1970s that arguably no longer fulfil the original purpose and only impose a heavy paper burden on employers and clients.

The complexity of the current system has effects on employers, claimants and the government in the areas of cost, accuracy and levels of service. These pilot projects will test alternative methodologies to demonstrate that costs could be decreased, accuracy increased and service improved.

There will be effects on UI claimants. This is a significant package of changes. Even now fully three–quarters of UI claimants return to work before their claims run out. The minister, members of the government and I want to work with the provinces to develop a common understanding of the implication of UI changes for provincial social assistance programs.

Preliminary estimates of the potential effects for provincial social assistance costs are small but we are proposing that officials from both levels of government meet to refine these estimates.

We would use some of the funds that have been made available for the joint strategic initiatives to help address the potential effect of the changes to the UI program. The government remains committed to preserving an unemployment insurance system that provides protection for Canadians who have lost their jobs and are seeking work, one that operates with financial integrity.

Any substantial change to UI as part of the social security reform will happen only after Canadians have had a chance to think about their priorities. We recognize the concerns Canadians may have about our decisions but we have pursued a balanced approach to interim change. Canadians understand that unemployment insurance must evolve in concert with the rest of the social security system. However, UI is only one aspect of that system.

To stabilize planning for both levels of government we have taken measures in this bill for other elements of the system, the Canada assistance plan and established programs financing. The cap on EPF for post–secondary education represents an important piece of the intergovernmental social policy framework. This bill stabilizes the planning framework for provinces and territories while we build a new system. CAP transfers will grow by about 5.4 per cent in 1994–95 and remain at that level until a new system is in place.

• (1305)

The joint strategic initiatives I discussed earlier will contribute additional funding to help provinces and territories to get started on testing new approaches and social security ideas.

EPF is a core of federal support that benefits Canada's youth through the slightly more than $6 billion per year we provide for post–secondary education. The budget provides for modest growth in our transfers under this program.

Funding for post–secondary education is only one aspect of our support for youth. We will pursue new approaches to internship, innovative alternatives that help young people with the transition from school to work. We are launching Youth Service Canada and will have program participants contributing to their communities and helping to protect our environment by this autumn.

Mutual responsibility is a key principle driving our discussions about social security reform. The government will invest in people, but people must also make a contribution to society.

Let me conclude by saying the government is committed to the issue of jobs and hope for Canada. It was our number one objective during the election and has been ever since. With this bill we have taken action. We have dropped payroll taxes to create a climate for job creation. At the same time we have created a stable planning framework for the period of change that lies ahead.

During that time we will build a system which helps Canadians find jobs, skills and the sense of dignity they have so clearly requested.

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, I appreciate the parliamentary secretary's comments. I know unemployment is a big problem.

I hate to always bring up the subject of agriculture, but being from Manitoba it is very important to me. I wonder if the Liberal government would take into account that there are approximately 240,000 farmers in western Canada. According to Stats Canada's latest figures, these farmers earned an average of $16,000 a year before depreciation. It also showed that these farmers earned $32,000 a year from off farm jobs. If we could put agriculture back on a profitable basis there would be 240,000 jobs available to somebody else.

We have lost sight of the fact that agriculture is still the basic industry in western Canada. We have to make this industry profitable in order to provide other jobs.

Looking into the agriculture industry, we see that 500,000 jobs are created in the processing and retailing of agricultural foods. It is very important we make this industry viable again.

I would appreciate the parliamentary secretary's comments on this.

Mr. Bevilacqua: Mr. Speaker, I would like to thank the hon. member for his question.

As a government we are concerned about agriculture and the benefits which we draw as a nation from the production and sale of agricultural products. There is a great willingness in the government to bring about positive change to the lives of Canadians, whether they are affected by agriculture or the deindustrialization of the manufacturing base in Ontario.

On October 25 we received a mandate for change. People were tired of working harder and earning less money. Our young people were tired and feeling really hopeless about their prospects. That is true whether they lived on a farm or in a city. People felt that the rules for membership in our society had changed. Basically they were asking for vehicles of opportunity, a way once again to participate fully in the life of the nation.

• (1310)

In the last budget and in the throne speech we began a process as a government in co–operation with the people of Canada to redesign a new vision for the nation. That is why we entered into the very extensive process of reforming Canada's social programs.

Many governments in the past shied away from that. They were afraid, perhaps of the misunderstandings, of the code words. They were afraid to face the challenge of saying to people that the systems were no longer working and new ways of giving Canada a better social security system should be looked at.

We have accepted the challenge. We have said that unemployment insurance as it exists today simply does not reflect contemporary reality. Young people have asked for a vehicle of opportunity, something to have during the transition period between school and work. Therefore we are looking at internship and apprenticeship training programs, the Canadian youth corps.

We have told small business we understand when they say too much stress is placed on them. We therefore have decreased payroll taxes, the UI premiums.

We are doing many things to make people come together rather than split apart. That was the legacy of 10 years under the Conservatives where we saw polarization of classes and people really losing hope in our country. It is our number one challenge.

A very important part of this new vision we speak and act upon every day since the October 25 election is the people who are involved in the agricultural sector of Canada. We value the commitment and dedication they have made to developing a better society for all Canadians. The challenges are great. There is no question about that.

The measures we have taken in the budget set a direction but they are interim measures. There is much work to do. We have seen that we need to modernize and restructure our economy. We have to give Canadians tools to become productive, to share in the national vision that speaks to regaining the values that made this country a great nation.

I am, as you are, extremely tired of going into cities and towns where people are lining up at food banks, where we have the problems of latchkey kids, where our young students are not looking to the future in a positive way.

Our mission is to take back our communities. Our mission is to take back our nation, to give it back to the people. Together there is great potential to increase the quality of life for everyone who resides here.

Mr. Nelson Riis (Kamloops): Mr. Speaker, I listened with much attention to my hon. friend and his very thoughtful presentation.

Many questions could be asked but I want to take advantage of the fact that he represents a Toronto constituency. As such he knows the special burdens someone from our large urban areas has to face.

I notice that when this bill was first introduced the President of the Treasury Board and Minister responsible for Infrastructure drew attention to the Royal Canadian Mounted Police and the tremendous contribution they make to our country, and their international reputation.

• (1315)

The freeze that was applied to the members of the RCMP along with others and the fact that no increments are allowed for two years place tremendous pressure on new constables as they leave the training facilities in Regina to go out and assume responsible positions around the country.

Their take home pay is about $1,800 a month. Even in Kamloops which is a lot smaller than Toronto I have had constables come to me with a breakdown of their monthly expenses. Living incredibly modestly they cannot live on $1,800 a month. That is in Kamloops. I can only imagine how much more of a problem that would be in a city like Toronto.

Would my hon. colleague consider taking back this kind of concern to the President of the Treasury Board. When one makes a freeze across a whole spectrum it might not have much of an effect on a public servant making $120,000 a year but it certainly will impact seriously on someone who brings home $1,800 a month and expects to raise a family on that.

Could I get some response from my friend. Will he raise with the President of the Treasury Board the plight that these new constables face in the RCMP when they are unable to have any increments when normally they would expect six increments—

The Deputy Speaker: Order please. The time is up. Please be brief in reply.

Mr. Bevilacqua: Mr. Speaker, I will be extremely brief in giving my assurances to the hon. member that I will bring his concerns to the attention of the President of the Treasury Board.

[*Translation*]

Mr. Benoît Sauvageau (Terrebonne): Mr. Speaker, today we have an opportunity to speak on Bill C–17. This five–part omnibus bill makes major changes to unemployment insurance.

The minister presents us with a bill, let me point out, dealing with compensation in the public sector, the Canada Assistance Plan, public utilities income tax transfers, various transportation subsidies, the CBC's borrowing authority and finally changes to the Unemployment Insurance Plan. Once again, it is quite a hodgepodge. The more things change, the more they are the same.

Radical changes are put in a bill without any specific orientation and we are told to take the whole thing as is. I will remind the Liberals, in case they no longer remember, that they were elected with a clear objective, supposedly to create jobs. But again, nothing, I repeat, nothing, has been done to achieve this objective.

A catch–all infrastructure program will create barely 40,000 temporary jobs, at an astronomical cost. I give you the figures quoted by the Liberals themselves; 40,000 new jobs is very nice, but if they achieve 100 per cent of their objective, they will not even have reached 10 per cent of the unemployed young people in this country. According to Statistics Canada, in February 1994, 428,000 young people aged 15 to 24 were collecting unemployment insurance, and the Liberals are proud that they may create 40,000 temporary jobs in a few years.

This government really shows disrespect for the people. If the Liberals cannot take significant action, even for the 15–24 age group, we can well wonder when people, seeing construction trucks driving around, as the Prime Minister said, will regain confidence in the economy, confidence in the government and confidence in general. So, as my fellow member from Mercier proposes. we should amend Bill C–17 so that it contains specific measures to reduce youth unemployment.

Furthermore, how can the minister bring in such a bill considerably modifying unemployment insurance while at the same time he is launching a Canada–wide consultation on how UI works? Strange. We can well wonder about this consultation or these consultations. In fact, what have the Liberals done since they came to power?

• (1320)

In finance, Canada–wide consultations, and bogus ones at that, as confirmed by the budget. In defence, they have struck a joint committee, with senators. Nothing but the best. Again, consultations. In foreign affairs, another joint committee. We really have to thank our senators for their contribution. Consultation again. In social programs, consultation. How wonderful!

A question comes to mind. I would like to know—and I would like comments on that later, please—if Liberals are totally devoid of ideas and opinions after nine years in opposition and, if so, how does it feel coming in from the cold after nine years? It was a rude awakening, was it not? One can certainly wonder, seeing that nearly six months into their mandate, the Liberals remain incapable of making decisions or making sensible ones when they do.

Through UI cuts, the Liberals hoped to save $5.5 billion dollars, over three years that is, and in a clearly inequitable fashion, as Atlantic Canada and Quebec will bear the brunt of the cuts. In fact, Atlantic Canada will suffer a shortfall of about $630 million, while Quebec will lose some $735 million a year in revenue. With 25 per cent of the population of Canada, Quebec will actually foot 31 per cent of the cuts announced by the minister. So, as you pointed out, and rightly so, it does happen that people get more than their fair share from the federal government. But in this case, it is at our expense.

Mr. Speaker, I would like to read you a quote from the red book that I have used in a previous speech: "—cynicism about public institutions, governments, politicians, and the political process is at an all–time high. If government is to play a positive role in society, as it must, honesty and integrity in our political institutions must be restored." I agree with that statement. I agree with the Liberals on that. I do not agree on everything but on that, I do. I will be bringing this up often because they are not acting accordingly and it is true that we must all work together to restore confidence in this place.

But what kind of cry from the heart will it take to make our friends opposite show a little good faith in their decision–making? In examining the budget papers, we see that this year's budget for the Governor General's office is $10 million. Ten million! One hundred million will be spent over five years for educational videos. One hundred million over five years, while the provinces and the unemployed have to shoulder $5.5 billion! And this is supposed to restore some confidence in our institutions.

If we are to make any headway at all in resolving the unemployment problem in Canada and Quebec, we have to consider occupational training. I would like the minister to explain to us how responsibility for occupational training is to be shared and what his position on this issue is. Under the Constitution, occupational training is a provincial matter, one which falls, therefore, in Quebec's jurisdiction. It arises from the province's exclusive jurisdiction over education. In 1942, Ottawa encroached on this and several others fields by virtue of its jurisdiction over unemployment insurance and its spending power. Increasingly, the federal government has meddled in

fields such as worker placement and the funding of occupational training.

Since the unemployment insurance reform of 1989, the federal government has used the Unemployment Insurance Account for training purposes. At the same time, it has considerably expanded its field of intervention to include helping labour markets adjust to the opening up of markets and free trade.

A total of some thirty initiatives have been grouped into four major programs, namely Labour Market Information, Community Futures, Employability Improvement and Labour Market Adjustment. The last two programs offer services to individuals and businesses, respectively. At the same time, Quebec adopted a similar program structure as recently as 1992. It entrusted its management to the Société québécoise de développement de la main–d'oeuvre or SQDM, a partnership between the private and public sectors.

• (1325)

To finance these services, the federal government's contribution to labour force training and adjustment in Quebec amounts to a little over $900 million for 1993–94. Of this amount, $320 million comes from the Consolidated Revenue Fund, or $150 million less than three years ago.

As for administration at the federal level, the Quebec region, which is described as one region among many others, is divided into ten networks roughly equivalent to the Quebec administrative division. About 100 Canada Employment Centres are responsible for administering unemployment insurance and managing manpower programs in their respective areas.

Each of these employment and immigration centres has its own local planning strategy or LPS. It includes some degree of co–operation with Quebec.

Last April, the job training centre network in Quebec was converted into 10 regional branches of the SQDM. In association with local partners, each of them is responsible for the management of Quebec manpower programs. Their action largely depends on federal funds and is often incompatible with the LPS, and federal priorities are applied to the regions.

Through its spending power and its jurisdiction over unemployment insurance, the federal government's power on job training in Quebec is practically absolute. This power was reinforced with unemployment insurance reform in 1989 when it became the federal government's favoured intervention tool in labour force adjustment and free trade.

Quebec's role has been reduced to that of a mere manager of some federal programs, as demonstrated by the January 1993 conference of federal and provincial employment ministers. Despite unanimous support by Quebec labour market partners and the creation of an administrative structure adapted to its needs, the SQDM, the federal government refuses to withdraw from this area and to transfer the allocated funds. It has kept its network of Canada Employment Centres despite Quebec's decisions.

At the federal level, manpower adjustment services offered by the federal government are divided into four main programs and 27 components. The result is something that can be a real headache for clients.

There are over 100 criteria, depending on the type of client, available resources and also on the region and local CECs. There should be three sets of priorities: national, regional and local. However, under this system, the needs of Quebec and local organizations are ignored. The result: unemployed workers who are wasting their time and courses for which there is no demand.

Quebec has two sets of programs administered by two separate networks: the manpower development corporations or SQDM, as I said earlier, and the Quebec labour centres. The first set of programs has 15 components and is aimed at people on welfare. The other set consists of ten operations which, since last year, have been regrouped in three main programs intended for businesses, individuals and victims of mass lay–offs, respectively. This adds up to a total of 25 programs.

The cost of operating all these programs is about $580 million for the federal government and about $70 million for Quebec, with $62 million being spent on the SQDM, the Quebec manpower development corporation.

• (1330)

My point is that it is high time we patriated this sector and put it under Quebec control. Another aspect of this bill seems rather absurd. I am referring to the premium rate of $3.07 for every $100 of insurable earnings which in January 1995 will be rolled back to $3. Remember, it was the Liberals who raised the rate from $3 to $3.07.

According to the Liberals, the roll–back planned for next year will help create 40,000 new jobs in 1996.

We will try to give a brief analysis of the Liberal approach to this question. It may seem complicated, but we will give it a try. Our conclusion will be somewhat Kafkaesque, to use a favourite expression of the hon. member for Verchères. Let me explain.

According to the old formula, unemployment insurance premiums would be as follows: in 1993, $3 for every $100 of insurable earnings; in 1994, $3.07, which is what we have now; and in 1995, premiums were to be raised to $3.30 per $100 of insurable earnings. According to the government's proposal, premiums which were at $3 per $100 of insurable earnings in

1993 will be raised to $3.07 as of January, which is the case now, but the rate will be reduced to $3 in 1995.

Let us see what happens if we pursue this scenario.

If the Liberals had maintained the old premium formula, we would have lost 9,000 jobs in 1994 and 31,000 jobs the year after. By raising premiums to $3.07, the Liberals get the following result: 9,000 jobs lost in 1994 they realize that, they said so themselves and 9,000 jobs gained in 1995, which means a grand total of zero. We lose 9,000 this year, we create 9,000 the year after, and the result is zilch. Wow, that is really something. Or so they say.

Actually we are not talking about 40,000 new jobs but 31,000 jobs saved and 9,000 new jobs after losing 9,000. Obviously, the end result of their excellent theory is zero.

We must conclude that once again, the government is trying to fool the public, but today's public is better informed and no longer prepared to swallow this kind of proposal.

In any event, it is clear that the previous government was a failure and that the Liberals will not be an improvement. The government should no longer play a leading role in creating jobs. Recent figures have shown that small businesses have been the main source of new jobs during the past few years and will continue to play that role. The Liberals realize that. Give credit where credit is due.

Today, for investors and small businesses, the government's role should be to protect public finances. A good government should control its spending. A good government should control the deficit, and by the same token, a good government will restore a climate of confidence.

The economy is based on confidence, and governments—I said governments—undermine that confidence by being inconsistent and have done so for far too long. To create employment we do not need construction equipment, as the Prime Minister seems to think. We need to restore a healthy climate of confidence that will encourage genuine economic recovery, which in turn will attract investment and by the same token create jobs, durable jobs.

However, we are convinced that because of overlapping programs and interdepartmental duplication, the federal government will never manage to meet this very simple objective. However, a sovereign Quebec that is master of its own destiny and controls the levers of its economy and decision–making processes will be able to meet this immense challenge. There is no doubt about that. We know, as Félix told us, that the best way to kill a man is to keep him from working.

• (1335)

The Deputy Speaker: Since there is no one to take the floor for questions and comments, we continue with the debate.

I wanted to recognize the hon. member for Windsor—St. Clair, but I do not see her in the House. The hon. member for Kent does not seem to be here either. Since it is the Liberals' turn—

[*English*]

I would request hon. members to get the member for Windsor—St. Clair as quickly as possible, please.

[*Translation*]

Is there a question or comment for the Official Opposition?

Some hon. members: No.

[*English*]

Ms. Shaughnessy Cohen (Windsor—St. Clair): Mr. Speaker, I am pleased to rise today in this debate to speak to the government's proposed changes to the unemployment insurance program and in particular those changes that address the problems of low income Canadians and their dependants.

These changes to unemployment insurance are the first step toward a reform of our social security programs. They are the first step toward making these programs more responsive to the needs of Canadians as this country enters the 21st century.

The government is not taking this step unilaterally. The Minister of Finance engaged in extensive discussions with Canadians before bringing down the 1994 budget. The Minister of Human Resources Development has consulted and will continue to consult with business, labour and Canadians from every walk of life about social security reform.

This government knows that the life of every Canadian will be affected for many years to come by the results of this reform. That is why we are taking steps to ensure that Canadians will receive maximum benefits from these changes.

We have also taken special measures in our proposed changes to the unemployment insurance plan to protect those Canadians who are most vulnerable, those with low incomes who support children, aged parents or other dependants.

Under the current unemployment insurance rules, people who claim unemployment receive a benefit rate of 57 per cent no matter what their circumstances. Under our proposed changes there would be a two part benefit rate, 60 per cent for those with lower incomes who have dependants and 55 per cent for all others.

To qualify for the higher benefit rate a claimant must have insurable earnings of $390 per week or less and have dependants. This would entitle the claimant to $234 weekly in

unemployment insurance benefits. However, this government does not want rigid rules regarding eligibility to hurt those in need whose weekly incomes may be slightly more than $390.

Accordingly, we have also proposed that all claimants with insurable earnings between $390 and $425 receive the same weekly benefit of $234. All those with insurable earnings over $425 will receive 55 per cent of their earnings as benefits. We estimate that this will improve benefits for 15 per cent of unemployment insurance claimants or about 250,000 Canadians and their families.

The economic restructuring of our country owing to the forces of globalization and technology is creating a society increasingly divided between those who have well paying, secure, skilled jobs and those who are doing part time, low paid temporary work without the benefit or hope of advancement.

The segment of our population that has been hardest hit by this trend is women, in particular women with children. Women's roles in our society have undergone enormous changes since the social security system was first established.

Thirty years ago Canadians believed that most women would get married, have children and stay home to take care of their families. That was in the days when one wage earner could easily feed and care for a family and still put money aside for a holiday. Times have certainly changed. Today it takes two wage earners for most families to keep their heads above the poverty line.

• (1340)

Women now represent 45 per cent of the Canadian workforce. Unfortunately most of these women work for low wages. On average a Canadian woman working full time today earns just 72 cents for every dollar earned by a man. Those statistics say it all.

In 1990 about 5.4 million working Canadians received a total income of less than $10,000. Of these, 64 per cent were women. At the other end of this scale the picture is entirely different. In 1990, 3.3 million working Canadians received a total income of $40,000 or more. Of these, only 22 per cent were women.

Most working women in Canada have children. Many of these women are single parents bearing full responsibility for their children. The result is one of the most unacceptable facts of life in Canada: We still have 1.5 million children living in poverty. This is an unacceptable situation for one of the wealthiest nations on earth.

Our proposal to provide greater unemployment insurance assistance to those with low incomes and dependants will have an immediate impact on those Canadians most in need: the women and children of this country who are having trouble making ends meet.

Providing greater unemployment insurance assistance to low income Canadians with dependants is a signal to all Canadians that this government believes in equity and fairness. We want to make sure that if we have fewer unemployment insurance dollars that those dollars we do have will go to the people whose need is greater.

The proposals set out in the 1994 budget to change the unemployment insurance program are important first steps but they are only interim measures.

The reform of social security programs is essential if we are to meet head on the challenges of the 1990s and beyond. We can no longer use an outdated system to solve modern problems. It just is not working. We have too many people without jobs, too many families under stress, too many young people who have given up hope and too many Canadians who have lost their confidence in the future.

We cannot achieve change unless we shed the policies of the past that simply are not doing the job that they are supposed to do. We cannot achieve change if we try to cut and paste programs, patching something here and adding something there. We cannot achieve change unless we are willing to lay the system bare, putting every component under scrutiny.

This government believes we have to start with a clean slate and create a new framework for our social safety net. That is why this government is undertaking the most significant and wide ranging review of our social security programs in Canada's history.

The Deputy Speaker: I think it is understood that the member is dividing her time with a colleague. Nobody is standing on questions or comments.

Mr. Rex Crawford (Kent): Mr. Speaker, it gives me great pleasure to rise today on behalf of my constituents and speak about Bill C–17, an act to implement the first Liberal budget in 10 years.

The budget shows we have a game plan and that we are going to stick to it. We are delivering on our commitments, funding every key initiative in the red book. With our top priorities of jobs and growth, we are offering a balanced approach with emphasis on economic renewal, deficit reduction and social reform.

As represented by Bill C–17 presented by my friend and colleague the Minister of Finance, we are renewing our commitment to economic justice for a fair and lasting prosperity that can put Canadians back to work.

We have all come through a vigorous election campaign. Everyone had their losses, but the pain of our defeats is far less than the pain of the people I have met.

• (1345)

We have learned it is important to take issues seriously but never to take ourselves too seriously. I am sure we share the same cause, the cause of the common man and the common

woman. Since the days of Laurier, King, St. Laurent, Trudeau, Turner and now Chrétien, our commitment has always been to those humble people of our society, the farmers, the labourers and all others who work day in and day out to provide a better life for their families.

This budget continues that firm commitment, clearly establishing a framework for economic renewal and investing in the skills of Canadians. We support job creation with the national infrastructure program, youth internship and apprenticeship programs.

Unlike the previous Conservative government the new Liberal government has pledged that we will never misuse unemployment, high interest rates and human misery as false weapons against inflation.

We have pledged that employment is the first priority of our economic policy. A rollback of the unemployment insurance premium rate to the 1993 level of $3 for 1995 and 1996 saves businesses over $300 million a year which can be reinvested in new jobs. A Canada investment fund to provide venture capital for innovative companies and a Canadian technology network to help small business to get access to new technology are just two examples.

Small business is the backbone of the economy and that is where we have placed our emphasis. These are not simplistic pledges; they are the heart of our tradition. They have been the soul of our party across generations. It is the glory and the greatness of our Liberal tradition to speak for those who have no voice, to remember those who are forgotten, to respond to the frustrations and fulfil the aspirations of all Canadians seeking a better life in a better land.

Programs may sometimes become obsolete but the idea of fairness always endures. Circumstances may change but the work of compassion must continue. It is correct we cannot solve problems by throwing money at them, but it is also correct that we dare not throw our national problems on to the scrap heap of inattention and indifference.

The poor may be out of political fashion but they are not without human needs. The middle class may be angry but they have not lost the dream that all Canadians can advance together. Canadians are tired of changes that merely nibble at the edges. We will implement bold, sweeping reforms that will ensure Canadians can adapt to the challenges of the new economy. We need to build bridges to work, to independence, not dependence. We must better deliver to those in need and at the same time make sure the social safety net remains affordable.

We will overhaul these programs to help Canadians move into the workforce. The demand of our people in 1994 is definitely not for bigger government but for better government. Some say government is always bad and that spending for basic social programs is the root of our economic evil, but the present recession and unemployment rates cost our economy billions of dollars every year. Unemployment and recession are the biggest spenders of all.

We are the party that brought the Canada pension plan and medicare to the nation. We have always been the party of hope. With the budget of my friend and colleague, the Minister of Finance, we are offering new hope to a Canada uncertain about the present but unsurpassed in its potential for the future.

To all those overburdened by an unfair tax structure let us provide new hope for real tax reform. Instead of shutting down hospital wings let us shut off tax shelters. The budget closes loopholes and brings greater fairness to the tax system.

During the recent election campaign I listened and learned from the people of my riding of Kent, the heart of southwestern Ontario.

• (1350)

I listened to a factory worker in Chatham, Ontario who had six children to support and was going to her factory shift. I listened to a Motor Wheel employee with four kids and many bills who lost his job after 25 years at the plant. It is now an empty shell of a building, shut down, throwing hundreds on the unemployment lines. I listened to a farm family in Howard township who wonder whether they can pass the good life and the good earth on to their children. I listened to a grandmother in a seniors home in Dresden who has only the old age pension to make ends meet and wants her remaining years to be dignified and decent. I listened to a 23–year old out of work, to students without the tuition for university or college and to families without the chance to own a home.

In my riding especially I have seen the closed factories and the stalled assembly lines of Chatham and Kent county. I have seen far too many idle men and women desperate for work. I have seen far too many working families desperate to put food on the table, to make the hydro, mortgage and car payments with one parent either working or laid off while being taxed to the hilt.

As I arrived at 4.30 every morning at the plant gates during the election, I also sensed a yearning for new hope among the people at every factory and every corner store. I felt it in their handshakes. I saw it in their faces. I shall never forget the mothers who had to work on the 5 a.m. shift to earn enough money to feed their children.

I shall always remember the veterans in the Royal Canadian Legions and the seniors in nursing homes who have lived in a Canada of high purpose and who believe it can all happen again. They are all optimistic. If only they had a government that was on their side, a government that spoke out for the little guy.

I believe we are that government. Today in their name, for the people of Kent, I am here to speak for them. It is an honour and a privilege to be a member of Parliament, but our highest duty, our overriding passion is to stand with our constituents to express the thoughts and concerns of those who do not have paid

lobbyists to do their bidding or special interest groups to fax dozens of pages of information across the country.

My special interest group is my constituents and I will fight for them every day. I am proud to support the government and Bill C–17.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I congratulate the member opposite for his comments.

I wonder if the hon. member would expand on one thing he touched on in his speech. It was also in the presentation of the Liberal member who preceded him. It is the effect of part–time employment on a community. In particular, I wonder if the member opposite has given any thought to extending benefits to part–time employees. As many members are aware, a very high percentage of people are in our workforce now only because they are consistently able to get part–time employment and they have two or three part–time jobs.

I wonder if the member opposite could comment.

Mr. Crawford: Mr. Speaker, I wish to thank the hon. member for his question.

In my riding of Kent, which is the most depressed area in Ontario at the present time, part–time work is about the only type of job people can get.

Personally, I support benefits for part–time workers. I also feel that people who are on welfare should be allowed to work to top up their benefits without penalty. If people do find part–time work, as soon as they are laid off, which is usually within a few short weeks, then it is another battle to get back on the rolls again.

We have been promoting, and I think we have the hon. member's support, an ethanol plant in the city of Chatham. This $170 million plant will employ only 90 to 100 people within the plant. Outside the plant over 400 will benefit from it. It is something I have been trying to get through the government with the help of the opposition parties. I hope the hon. member will support it because I certainly support his views to a great extent.

• (1355)

Mr. Peter Adams (Peterborough): Mr. Speaker, I listened with great interest to both the previous presentations. I wonder if the member would care to comment on the situation of students.

At the present time young people are having a particularly difficult existence. We are encouraging them to stay in school. We are encouraging them to get training. However the costs of school and the costs of training become more and more arduous.

We really must look at different ways for students to pay back their loans, in particular ways which mean that graduating students who get very low paying jobs do not have to pay their student loan immediately. Later those loans could be paid back in proportion to the money they earn, in proportion to the tax they pay, rather than in a very fixed period of time which really works against those who cannot early on in their careers obtain well paying jobs.

I wonder if the member would care to comment on that.

Mr. Crawford: Mr. Speaker, I wish to thank the hon. member for his question pertaining to students and repaying their loans.

I have had many students come to my office, especially over the last two weeks when we had a break, who are worried about this. They are now being billed by the banks and they do not have jobs.

The government through supporting job creation, youth internship and apprenticeship programs will certainly help to alleviate their problems.

I cannot give a figure on how much money right now, but I was talking to UIC and it is putting quite a few students back to work right now. UIC is giving them the opportunity to carry on their education or to be able to pay off the money they owe. The government is on the right track in helping these students and I certainly support it 100 per cent.

The Speaker: The hon. member for Kootenay West. The hon. member will note the time. Perhaps he would like to begin his statement but I would be interrupting him. If not, I could go to Statements by Members.

Mr. Gouk: Mr. Speaker, with all due respect, if I may make my full speech immediately after I would much prefer that.

The Speaker: Is it agreed then?

[*Translation*]

It being two o'clock, pursuant to Standing Order 30(5), the House will now proceed to Statements by Members, pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*Translation*]

MONTREAL

Mr. Benoît Sauvageau (Terrebonne): Mr. Speaker, following Montreal's selection as the host community for the NAFTA Environmental Commission, many inaccurate and vengeful things have been written about this city. Montreal has been described by some as an island in the middle of an open dump, as the worst city from an environmental standpoint not only in

Canada but in all of North America. These allegations reflect deep–seated contempt and are cause for indignation.

The Mayor of Montreal, Mr. Jean Doré, has reacted to these comments and has issued an update on the major achievements of the Montreal Urban Community in the field of sewage treatment. A number of important sewage treatment projects are in the works. In truth, Montreal has nothing to learn from other Canadian cities as far as this or any other field is concerned.

In our opinion, this kind of thinly veiled insult directed at Montreal only serves once again to tarnish the image of this city and of Quebec. It is an instance of provocation which must be denounced.

* * *

[*English*]

CHAMBER OF COMMERCE

Mr. Peter Adams (Peterborough): Mr. Speaker, unlike other members of this House, I have had to deal with two GATTs this winter. One was the General Agreement on Tariffs and Trade, also known as GATT. The other was Vince Gatt, president of the greater Peterborough Chamber of Commerce.

Mr. Gatt and I do not always see eye to eye but I was delighted to see the Peterborough Chamber of Commerce wholeheartedly endorsing the National Chamber of Commerce program called Aim for a Million. This is a plan to create a million new jobs across Canada. Peterborough's share of this target is in the thousands.

Although the government can play key roles in job creation such as stimulating the economy, creating short term jobs and ensuring we have a trained workforce, in the end jobs are created by businesses. Many of those businesses belong to our Chambers of Commerce. I welcome the chamber's initiative in setting its sights on job creation. We need partners of this type.

In Peterborough both GATTs seem to be having some useful effects.

* * *

BANK OF MONTREAL

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I rise today to recognize the Canadian company that is taking a leading role in human resource development.

The Bank of Montreal is the first company outside of the United States to receive the Catalyst award. This award recognizes companies that implement successful and meaningful employment programs.

The bank has made big strides in a short period of time to bring job equity to the workplace. It has increased its number of female executives from 9 per cent to 13 per cent. It has also increased the number of females in senior management from 13 per cent to 17 per cent.

What is remarkable is that this has been done without reverse discrimination or affirmative action programs. It adopted flexible work programs to meet the personal and professional needs of all its employees.

The Bank of Montreal has shown how fair mindedness when offering opportunity results in competent and committed employees in the workplace. I salute the Bank of Montreal.

* * *

THE BUDGET

Mrs. Jean Payne (St. John's West): Mr. Speaker, there is an old Chinese proverb which says that a long journey starts with the first step.

I would like to take this opportunity to congratulate and thank my colleague, the Minister of Finance, because his budget is a giant step toward the journey back to fiscal stability in Canada.

His budget is a realistic approach to the problems that have plagued our nation for a long time. The measures the budget proposes will allow us to both provide the jobs people need and gradually reduce the deficit in a sensible manner.

The provision of employment is especially important in the riding of St. John's West which I have the honour to represent. It is especially important to the province of Newfoundland and Labrador. It is also important to Atlantic Canada where unemployment has been unacceptably high for as long as anybody can remember.

The benefits of this budget have already been seen. Recent unemployment figures are down nationally and in Newfoundland. We should continue our efforts to reduce those figures and that is going to be the goal of this government.

It is encouraging to note the extremely strong commitment this government has demonstrated toward the survival of the fishing industry in Newfoundland and Labrador and in the riding of St. John's West. During the next five years the government has committed $1.9 billion in assistance to Atlantic Canadian fisherpeople and plant workers. The government is putting the money where it is really needed.

It should be noted well that this long term approach is a vote of confidence in the fishing industry that is so vital to the people of St. John's West and to the entire province.

* * *

ROYAL CANADIAN MOUNTED POLICE

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I rise today to express grave concern about published reports in today's paper concerning revelations over the RCMP's spying activities on black civil rights leaders in the province of Nova Scotia during the 1960s and 1970s.

The documents were released only after an access to information request by a Nova Scotia newspaper. Although highly censored they still contain unacceptable racial stereotypical references to blacks such as portraying black women as prolific child bearers and black men as layabouts and thieves.

• (1405)

This whole episode would be disturbing enough if these reports were written by any RCMP surveillance officer. However some of the most racially insensitive comments were in reports by Mr. William Higgitt who went on to become the commissioner of the Royal Canadian Mounted Police.

I ask the Solicitor General today to personally undertake a review of all of the uncensored documentation relating to this issue in an effort to search out and if found, stamp out any institutionalized racism in Canada's federal forces, the RCMP and CSIS.

* * *

WORLD HUNGER

Mr. Andy Scott (Fredericton—York—Sunbury): Mr. Speaker, I rise today to pay tribute to the Fredericton branch of RESULTS, an international organization committed to creating the political will to end world hunger.

In the time it takes to read this statement over 200 children will die in the world. Tragically, most of these deaths are preventable. As little as $5 per child could save thousands of lives.

As we debate how many billions to spend within our affluent society, citizens in countries in four continents seek our support for basic sustenance.

We cannot allow NGO over–bureaucratization, western cultural bias or fiscal pressures within to distract us from our humanitarian responsibilities around the globe.

I join all members in saluting the many organizations and individuals who quietly save children's lives.

I call upon the government to meet its 1991 commitment of $20 million for immunization and encourage putting money toward micro enterprise initiatives so that actual results will be the pillars of Canada's foreign aid policy.

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[*Translation*]

QUEBEC SOVEREIGNTY

Mr. Louis Plamondon (Richelieu): Mr. Speaker, yesterday the NDP member for Kamloops stated that his friends in Quebec should shut up and stop talking about sovereignty because that implies the destruction of Canada and makes international lending agencies uneasy.

Such a statement calls for an indignant reaction. Markets are soft because of the pitiful state of Canada's public finances, which is the making of the federal system and should not be blamed on the people of Quebec. As it is, this uncertainty is a sure sign of the failure of this system.

Furthermore, the process the people of Quebec have embarked upon is legitimate; they want to assert themselves as a nation. They are not trying to destroy Canada, but rather to build their own country.

In closing, Mr. Speaker, I urge the hon. member not to waste his time and energy, as the Bloc Quebecois will not shut up and will continue to promote the sovereignty of Quebec in this Parliament.

* * *

[*English*]

STUDENT LOANS

Mr. Randy White (Fraser Valley West): Mr. Speaker, Michael McIntosh of Matsqui, British Columbia recently received one of those mean old letters from Revenue Canada which stated Revenue Canada was about to garnishee his income tax refund to pay off an outstanding student loan.

However, Mr. McIntosh has no outstanding student loan. In 1972 he paid it off in full. Now, 22 years later the government claims he still owes 75 cents principal and $39 in interest accrued. The error is with the government that delayed the processing of the payment 22 years ago. This is ridiculous.

The Prime Minister has said he has the people and he has the plan. How can one implement any plan with people who make decisions like this?

* * *

UKRAINIAN ELECTIONS

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, democratic development and good governance are the hallmarks of peace and co–operation in the modern era.

The successful outcome of Ukraine's first fair and free elections since its independence is testimony to what can be achieved given the strong will and perseverance of a people who do not fear change.

The Canadian government played a significant role in providing a $2.5 million electoral assistance package, including ballot paper, media training and voter education.

I was pleased to lead a team of Canadian observers to monitor the elections on March 27. After the second round of balloting on April 9 and 10, I have been informed that 312 out of 450 deputies have been elected and further results are pending.

Given that the quorum has been reached to form a new parliament and that at least 50 per cent of voters cast their ballots in the Crimea, it may be concluded that the Ukrainian elections were valid and that Ukraine is on its way to achieving a healthy, multi–party democratic parliamentary system.

* * *

[*Translation*]

WILDLIFE CONSERVATION

Mr. Clifford Lincoln (Lachine—Lac–Saint–Louis): Mr. Speaker, on the occasion of 1994 National Wildlife Week, I extend an invitation to all hon. members, and to all Canadians, to take part in the week's activities.

• (1410)

Many dynamic projects will help Canadians to get to know wildlife better, and appreciate biodiversity in general. Perhaps more important, they will be able to take concrete steps to make our natural environment healthier. It could be something as simple as building a bird feeder for their backyards or as complicated as developing a wetland preservation project.

[*English*]

The theme for this year's wildlife week is: "Biodiversity works for wildlife, you can too". In French it is: "La biodiversité, tout un monde à sauvegarder". This is fitting because this is the year Canada will complete its biodiversity strategy.

This truly national strategy developed in co–operation with all the provinces and territories, with aboriginal peoples, with NGOs in the private sector, will be the instrument by which Canada—

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

* * *

JUSTICE

Mr. Stan Keyes (Hamilton West): Mr. Speaker, on Wednesday, March 30, 25–year old Joan Heimbecker, a graduate student at McMaster University, was brutally murdered in her residence apartment. She was shot several times with a sawed off shotgun. This senseless and cowardly act has left the Hamilton and area community in a state of shock and horror.

The individual responsible for this act of murder has not yet been apprehended and is still at large. It is our hope the killer will be located and prosecuted a.s.a.p.

Clearly, brutal acts of murder such as the one which claimed Joan Heimbecker's life reinforce the need to ensure that convicted murderers receive a life sentence for their crimes with no chance of parole for 25 years.

We must do everything in our power to protect the public from this kind of violence by fashioning a judicial system that is aimed at crime prevention and which, equally important, addresses victims' rights when violent crimes are committed.

I am sure all members of this House will join me in offering sincere condolences to the family, friends and fellow students of Joan Heimbecker.

* * *

[*Translation*]

RWANDA

Mrs. Maud Debien (Laval East): Mr. Speaker, on behalf of the members of the Official Opposition and of all Quebecers and Canadians, I strongly deplore the massacres in Rwanda. In the capital city of Kigali, thousands of innocent civilians were killed, including several political figures and human rights advocates.

I ask the federal government to express our disapproval to the Rwandan government authorities. The protection of minority and human rights, and of the most fundamental right of all—the right to life—must be an integral part of Canadian foreign policy in Africa as in every other part of the world. We must encourage any attempt at national reconciliation in a spirit of democracy.

Many Quebecers who have contributed to Rwanda's development are personally affected by the events of the past few days. I would like to express our deepest sympathies to the families and friends of the victims of these tragic events.

* * *

[*English*]

AIDS

Mr. Myron Thompson (Wild Rose): Mr. Speaker, it was recently brought to my attention by a concerned school librarian that the student body was in possession of a pamphlet entitled "Doing it in the 90s". This pamphlet was produced by the Canadian Aids Society in co–operation with the University of Toronto and Laval University.

It details the results of a survey administered to gay and bisexual men. The results explain how men have sex, whether they practice safe sex, why they do not wear condoms and whether they have been tested for AIDS and various AIDS related diseases.

I personally have no trouble with educating the public about the risk of AIDS. However, when a group of school children is able to get hold of a document with such graphic references to homosexuality and bisexuality, we have to question three things. How did it get a hold of this document? What are the benefits in the published information? Could our tax dollars, $500,000, not be spent more effectively through proper AIDS educational material, not advocating homosexuality and bisexuality and the practices associated with them?

GUN CONTROL

Ms. Maria Minna (Beaches—Woodbine): Mr. Speaker, within the last week in Toronto and in surrounding areas three violent and horrific crimes have been committed with guns. A student was shot in her own home. Another, who was the daughter of a constituent of mine, was killed while enjoying desserts with her friends at a downtown restaurant. The third, a young father, was shot with a stolen gun at a party.

This painful loss of life must be the beginning of stronger, tougher gun control laws.

As a woman I feel particularly vulnerable. As a female constituent of mine stated, why must I lose my freedom and live in fear?

No longer should we tolerate these violent and senseless crimes.

• (1415)

I urge not only the Minister of Justice but the whole House to unite and move rapidly to adopt stringent gun controls.

* * *

LAW OF THE SEA

Hon. Charles Caccia (Davenport): Mr. Speaker, for the sake of unemployed workers in the fishing industry and the economy of Canada it is urgent that the Government of Canada ratify the Law of the Sea convention. This treaty would serve Canada's interests by enhancing Canadian sovereignty over coastal waters and contributing to a stable and more peaceful legal order for the oceans.

It specifically protects certain fish stocks and enshrines in international law principles contained in the Canadian Arctic Waters Pollution Prevention Act. This treaty would offer a legal framework that would eventually assist Canada's efforts to stop foreign overfishing.

Canada's long term interest is in ratifying and promoting the Law of the Sea convention if we are to bring back this industry at all. I therefore urge the Minister of Foreign Affairs to ratify the Law of the Sea without delay.

* * *

CRIME PREVENTION

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, Canadians were recently shocked by two senseless killings in Ottawa and Toronto. There is fear that our streets are not safe and that young people are more violent. That fear has focused attention on the Young Offenders Act.

I share the concern of Canadians about violence in our communities. I agree that laws should be reviewed to make sure they are effective but that review should be based on facts and not fiction. If we are prepared to change the law we must also be prepared to prevent crime.

Since 1992, RCMP funding has been cut by $33.4 million. As a direct result of federal underfunding the Yukon crime prevention program for example has been cut. By going directly to the schools I believe the constable in charge there prevented more crimes than the threat of stiff jail sentences.

It costs $1 for prevention for every $5 in incarceration. I call on the government to look at this aspect of crime prevention in our society.

ORAL QUESTION PERIOD

[*Translation*]

THE BUDGET

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister.

Economists and financial analysts are practically unanimous in saying that the falling dollar and the increased spread between American and Canadian interest rates are mainly due to the federal budget's lack of credibility. The government has failed to convince financial markets that it is determined to fight the deficit and put public finances on a sound footing, and taxpayers are paying for this with increased interest rates.

Does the Prime Minister agree that the rise in interest rates as a result of the Bank of Canada's decision to stop the dollar from sliding further is mainly the result of a negative assessment by financial markets which are disappointed in the deficit reduction measures proposed in the budget?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I disagree with the hon. member's hypothesis. The budget we brought down in this House in February was well received. I agree there was some movement in the markets last week, but everyone agrees these fluctuations were caused by a very volatile situation on the international scene, and everything seems to be back to normal.

The Minister of Finance and I have made it clear that the government's plan is straightforward: we want to meet our objective to reduce the deficit to 3 per cent of GDP by the end of our third year, and we are convinced that we will meet our objectives.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, the Prime Minister forgot to mention that most economists and financial analysts who examined what caused the financial instability of the past few weeks referred to the Budget and the concern shown by financial markets about the govern-

ment's failure to cut where it should cut, in other words, public spending.

Does the Prime Minister agree that the negative assessment of the financial community will add another $3 billion to his deficit and that rising interest rates will compromise economic recovery and job creation as a result of a lack of confidence among consumers and investors?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we are certainly not satisfied with the situation, but I think everyone will agree that we have made considerable progress on the employment side, because 114,000 new jobs were created in February and March of this year alone and the unemployment rate went down from 11.6 per cent to 10.6 per cent, between the time this government was formed and the end of last month.

• (1420)

We are on the right track. We must keep calm and keep going. When you know you have a good plan, you have to stick to it. I agree there is some instability, but part of that instability is caused by the political option of the Leader of the Opposition.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, it is unfortunate to see a government so irresponsible in the way it interprets the negative movements of financial markets.

For instance, Mr. Speaker, the Prime Minister sees an improvement where there has been deterioration. Fewer people are unemployed because more people are on welfare. When people go on welfare, they are no longer included in the unemployment statistics, and so the government is satisfied. This does not make sense. And the few jobs that were created are not durable jobs.

I want to ask the Prime Minister whether he will let his government review its deficit reduction strategy to restore its credibility with the financial markets. Is he prepared to immediately implement measures to cut government spending?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, what the financial markets need is a government with a plan, a government that intends to stick to its plan, a government that does not lose its cool, a competent government that is consistent in its policies. It would be a disaster to have as the leader of this government a political leader who has changed parties five times.

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, in his budget, instead of proposing a real plan to cut spending, the Minister of Finance attacked the most disadvantaged people by making substantial cuts to unemployment insurance benefits in particular. With the recent instability in the markets, which seems likely to continue, given what the Canadian dollar did this morning, the federal government's interest charges have already increased by $3 billion.

How will the Prime Minister explain to the unemployed and to seniors that the sacrifices imposed on them will be pointless and that the loss of his budget's credibility in the financial markets will by itself wipe out the billions of dollars that his government wrung from the disadvantaged to reduce its deficit?

[*English*]

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the fact that the economy has produced 114,000 new jobs in the last two months is a sign that we are on the right track.

We are not satisfied with that. We know that when we started unemployment was 11.6 per cent. We want to reduce it. We want to create jobs. This is the program of this government. This is the goal of this government.

The infrastructure programs will start to produce jobs in the coming weeks because the agreement has been signed with everybody. We are very hopeful that it will continue creating more jobs, that there will be more jobs in the ridings of every member of Parliament because of the program.

Of course the rest of the economy will produce other private sector jobs. We are on the right track. We should not lose our cool because there are some fluctuations in the market. I have been Minister of Finance before and I have learned that it is serving—

Some hon. members: Oh, oh.

Mr. Chrétien (Saint–Maurice): Yes, and I managed to reduce the deficit while I was there.

[*Translation*]

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, their irresponsibility is endangering the employment recovery.

Does the Prime Minister not agree that he must in the short term review his deficit–fighting strategy and undertake a review of all budget and fiscal expenditures by setting up the parliamentary committee to review public spending that the Official Opposition has been demanding from the beginning and that the financial community now supports, Mr. Speaker?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the opposition members will have to make up their minds one day. We presented a budget and made cuts. They criticized us for the cuts we made. They should start by accepting these cuts and then we will accept their suggestions.

Every time we do something, they just criticize and of course that is why they will never form the Government of Canada.

• (1425)

[*English*]

THE ECONOMY

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

While the House was recessed Statistics Canada announced the combined federal and provincial debt to be $660 billion. That is 93 per cent of GDP or $23,000 worth of debt for every man, woman and child in the country.

Will the Prime Minister today acknowledge—

Some hon. members: Oh, oh.

The Speaker: I know we have all missed the House and we are anxious to be back. I also know all hon. members would want to listen to the question by the hon. member for Calgary Southwest.

Mr. Manning: I make reference to the record level of debt. Will the Prime Minister today acknowledge that this debt level is unacceptable to the government and that extraordinary measures beyond those contained in the budget must now be considered to combat it?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I would agree with the hon. member that we are not happy at all and we do not find having this big debt very easy.

We only formed the government six months ago, but when we have a problem like this one we have to be rational and make sure we are managing it in a way that would not cause a recession. That would compound the problem.

That is why we have a very balanced approach. Sometimes the opposition parties criticized us for some cuts and some would like to have more. However we know that if we go too deeply into debt we will compound the problem by having more unemployed people. When people are unemployed in Canada, being a civilized society we do not let them starve. We help them through these difficult periods.

This is why we think that our balanced approach is the best one. We made some very difficult cuts but at the same time we have kept our priority to ensure that new jobs are created in Canada. I hope the hon. member will recognize that in the last two months the economy created 114,000 new jobs. That is not too bad.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I find the Prime Minister's answer incredible. All members of the House had better recognize that the government is spending $110 million more per day than it takes in. We are sleepwalking toward a fiscal crisis.

I have a question for the Prime Minister. Will the Prime Minister today acknowledge that this spending rate simply cannot continue and that the government will have to consider extraordinary measures not contained in the red book, the throne speech or the budget to bring this spending rate under control?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have cut quite substantially in the last budget. It was not easy to do. We have some problems to cope with and we think we have managed the situation quite reasonably.

We have a goal that is achievable: to reduce the deficit in relation to GDP to 3 per cent per year. This goal is very reasonable because 3 per cent of the GDP is the requirement for any country to qualify in Europe to use the new currency called the ECU. If it is good enough for all countries of Europe to have that goal, it should be good enough for Canada. I am saying that is a commitment in the red book and we will achieve that goal.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, the countries that are part of the European Community are running debt to GDP ratios of about 60 per cent. This government is running a debt to GDP ratio of 93 per cent. We could not even get into that community.

I have a supplementary question. If the Prime Minister is not prepared to give convincing answers to this side of the House, surely he recognizes that he has to be convincing to investors and lenders of private sector job creation.

• (1430)

Will the Prime Minister today acknowledge that Canadians want a clear signal, not from the Minister of Finance and not from the Minister of Human Resources Development, but from the Prime Minister that he is personally prepared to consider extraordinary measures to control the overspending of his government?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I have given my commitment to controlling spending. This is why we have had so many cuts for which we have been blamed by the opposition.

We have a program that we want to keep. We are not about to change suits every day. We will stick to the plans we have made. The markets know we have a very good Minister of Finance. He has my full support and full confidence. The Minister of Human Resources Development is a man of experience and quality. He is an excellent minister.

We have a good team and the markets should have confidence in this team.

[*Translation*]

UNEMPLOYMENT

Mr. Michel Gauthier (Roberval): Mr. Speaker, while the government is trying to take credit for a drop in the unemployment rate, more than 20,000 young people are said to not even bother stating that they are looking for work. They are disillusioned with the job market and the government's apathy.

Will the Prime Minister face reality and recognize that, at a time when some 200,000 jobs are needed in Quebec to return to pre–recession levels, the drop in the unemployment rate is largely due to the fact that young people are disillusioned and have given up looking for work?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I believe that the employment situation has improved but we are extremely concerned with the unemployment rate among young people. This is why the Minister of Human Resources Development is working with the Secretary of State for Youth to set up a special program to create jobs for young people. I hope that we will be in a position to make an announcement on this program in the next few weeks.

Mr. Michel Gauthier (Roberval): Mr. Speaker, how can the Prime Minister keep defending his job–creation strategy when the bad reaction to his budget in the financial community, as well as the loss of credibility of both his finance minister and his government, are the main causes and obstacles to job creation in Canada?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have a program to stimulate employment. This program was the main element of our election platform in 1993. We clearly stated what we intended to do. We are following our agenda. We are on the right track. So far, results are rather positive, but it will take time. We started off with an unemployment rate of 11.6 per cent. We do not think we can turn the situation around in just a few weeks or even a few months. We must continue to work; we have a well–thought–out plan which Canadians have accepted, and we need everyone's support if we are to succeed. The hon. member could also help. Indeed, if he talked about employment instead of always discussing separation, our country would be better off.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, my question is for the Minister of Human Resources Development.

During last fall's election campaign any suggestion that a reformed UI program should be jointly funded by employers and employees and should be run like a genuine insurance program was greeted with ridicule by Liberals.

Will the minister tell this House, as has been suggested in the media, if he is now considering funding the UI program solely on the backs of workers?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, by this time members of the Reform Party should learn not to trust everything that is printed because it comes from somewhat dubious sources.

In this case the story the hon. member is alluding to was a rumour that was apparently put forward by some bureaucrats from a couple of provincial governments. I do not think that is the most authentic source for proposals for changes in the federal UI program. I would suggest that once the hon. member gets his sources straight he may get his questions straight. Then I will be prepared to answer them.

• (1435)

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, it was a pretty straightforward question. I suggest the minister learn a little humility lest he end up unemployed as well.

Government reports over the last several years have recommended that the government move away from control of the UI program. Will the minister heed this advice and let employers and employees administer their own programs?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, as the hon. member knows we are presently engaged in a very major undertaking to look at a variety of the programs run by the government in order to achieve higher levels of employment.

We made some changes in the last budget which reduced UI premiums. That has been one of the contributing reasons there is a new sense of confidence in the economy, especially among small businesses.

I met with them and they told me that they feel this government is on the right track for job creation. We have consulted with business, labour and community interest groups, all of which have made various comments about the way in which we can apply a more effective unemployment insurance program.

I want to make one thing very clear. The unemployment insurance program does provide a very important service to millions of Canadians. We will protect the integrity of that program. What we want to do is improve the program and that is not the interest of the hon. member who wants to take the program apart.

[*Translation*]

UNEMPLOYMENT INSURANCE REFORM

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Minister of Human Resources Development.

It is not some provincial bureaucrats who made a surprising statement last week but the Minister of Finance himself who suggested that unemployment insurance would be funded only by workers' contributions. Furthermore, the amount of contribution could be set according to each worker's own situation.

My question is this: Is the minister, given his previous answer, prepared to promise that unemployment insurance reform will not make workers the only ones to pay for unemployment insurance?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, we obviously are committed to major reform and improvement of the program.

I must confess to my great disappointment that when I looked at the House of Commons committee report and looked at the special report submitted by the Bloc Quebecois, I found absolutely no constructive proposals, no interesting suggestions, no ways of making the reform.

I would suggest if the hon. member wants to make recommendations on how to reform, we are prepared to listen. Certainly, they refused to do it in their committee report.

[*Translation*]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, the mandate of the committee and of minority members on the committee was to consult Canadians and not to submit the opinion of the party.

Will the minister, since he is in charge and he is the one who prepares the action plan which will be known as soon as possible so that everyone can really be consulted, confirm that he is preparing to modify unemployment insurance in such a way that the premium rate will depend on each worker's risk of job loss, so that those who hold insecure jobs will be hit harder?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I would like to correct one statement by the hon. member which I am sure she made inadvertently.

This proposal for reform is not something I initiate alone. I do it as part of a government, as part of a caucus. We are working with the provinces, business and labour. This will be a point of view expressed by all Canadians, except for a certain group in the House that does not want to participate in the process.

We have not been able to get this co–operative view as to how we can change the program. As to the specific point raised by the member, I have said to this Parliament many many times that we are engaged in a very open and honest program to ensure that all views are considered. If that is the point of view of the hon. member, I will take that representation. If the Bloc Quebecois wants to reduce the premium rate and wants to simply have the employees pay it, that it is not the point of view represented by the minister. It is not the point of view that I share personally. It is a point of view that I will bring to this House as soon as I can and will represent the point of view of all Canadians.

* * *

• (1440)

THE ECONOMY

Mr. Randy White (Fraser Valley West): Mr. Speaker, here we are just seven weeks since the budget and today's *Financial Post* paints a vastly different economic climate from what was predicted in the Liberal budget.

My question is for the Prime Minister. Short term interest rates for 1994 are up a full percentage point from February and growth is down. For 1995 it is the same picture, interest rates up and growth down, according to 12 leading Canadian firms.

Using the government's own method of analysis, I wish to ask the following question. We all know the Prime Minister said that he has the people and he has the plan. What is the plan now that his people have been proven wrong?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, the forecasts mentioned are just some of the ones I would like to mention to the hon. member. The Conference Board's forecast has been revised downward but it is still well above the numbers we used in our very prudent forecast in our budget.

The Royal Bank of Canada last week came out with a brand new forecast. Those numbers show 3.5 per cent real growth this year and 4.3 per cent next year, well above the rates that were used in our budget numbers.

I remind the hon. member that there are some people out there with substantial confidence in the economy and our employment numbers in the last two months show that confidence. The rise in consumer confidence and business confidence is there as well and the private sector forecasts are still well above those used in our budget.

Mr. Randy White (Fraser Valley West): Mr. Speaker, I do not know who the hon. minister has been talking to, but if you look at the economic forecasts in the *Financial Post* or you ask

the private businessmen or investors in this country you will get a different scenario.

I would like to know if the Prime Minister still believes that further cuts are not necessary or should we wait until the Minister of Finance is back in this House to get a second opinion?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, I do not think that the hon. member has looked at our budget carefully enough.

If he had read the budget carefully and looked at the very prudent forecast numbers we used, he would see that our target of 3 per cent of GDP is well within grasp and well within those budget numbers.

If he would like to know to whom we were listening, I was listening to the Royal Bank of Canada's forecast last week and the Conference Board of Canada's forecast last week. I know most of those forecasters personally.

The Speaker: Perhaps it slipped our minds while we were away, but we would prefer that there not be any documents or books waved in the House. It takes a little bit away from the decorum and I would ask all hon. members to please adhere to this request.

* * *

[*Translation*]

MANPOWER TRAINING

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, my question is for the Prime Minister.

In an interview with the daily *Le Devoir*, the Quebec Premier reiterated his desire to patriate federal responsibilities for manpower training, saying: "Quebec has always done a better job than the federal government with vocational training activities, and I will not settle for less".

Will the Prime Minister agree to this renewed request made by the Quebec government and will he transfer to that province full federal responsibilities for manpower training, as well as the funds to go with it?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, we have had and we continue to have discussions with the province of Quebec regarding manpower training. So far, we have agreed on some points, including the single–window concept, which a number of provinces also approved at the recent meeting held in Toronto with the Minister of Human Resources Development, I believe.

• (1445)

Indeed, the Quebec Premier has indicated that he wants to keep negotiating on manpower training. We have taken his arguments into consideration and we will continue discussions with the province.

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, I ask the minister, who seems to be participating in a lot of discussions, if he will keep discussing until the election campaign gets under way in Quebec and then propose to Quebecers an agreement such as the Bourassa–Campbell one, that is another smoke screen?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, it is not for me to say whether the Bourassa–Campbell agreement was a smoke screen. I imagine that the people have already rendered their verdict on that.

Generally speaking, we will first undertake the income security reform and future agreements with any province, including Quebec, will be based on arrangements reached on future reforms.

* * *

[*English*]

JOB CREATION

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Human Resources Development.

The government has said again and again that it attaches the highest priority to job creation. To that end the minister has lowered UI premium rates and will soon announce the government's strategy on youth.

What other results can the minister point to that really show Canadians particularly those in Nova Scotia that the government's job creation policies are working?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, perhaps the most important demonstration of a new sense of confidence in the country are the figures we released last week that show there was a very substantial drop in the unemployment rate.

In particular, I would like to say there is .7 per cent, almost 10,000 new jobs created in the province of Nova Scotia alone. It demonstrates that three–quarters of the new jobs created were full–time permanent jobs and not the part time jobs of the past.

I agree with the hon. member it is very important that we take a special look at those who still have very strong needs in the labour market. Young people must be the priority of all members of Parliament because they are the ones who still need the greatest assistance from all of us to get back to work.

THE ENVIRONMENT

Mr. Bill Gilmour (Comox—Alberni): Mr. Speaker, my question is for the Minister of the Environment.

On January 24 the minister stated in the House that selection of the host city for the NAFTA commission of the environment would be "open, transparent, public and objective, a process free of politics. The selection will be made based on environmental performance of these cities. Montreal along with others will be considered in a non–partisan fashion". The end result was that Montreal, a city that dumps half of its sewage untreated into the St. Lawrence River, was chosen as the host city.

My question for the minister is this. Why did she mislead this House and 24 potential host cities—

Some hon. members: Order, order.

Mr. Gilmour: I will rephrase that, Mr. Speaker.

Why did she advise the House and 24 potential host cities when she knew that the selection process was fixed in favour of Montreal?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the selection process was never fixed in favour of any city.

I have brought with me today a copy of the report from KPMG. I would be very happy to provide the member and all other members with an opportunity to review every single proposal. I will say to the hon. member that environmental considerations were certainly one of the key considerations.

When he starts pointing the finger at cities that spew sewage, unfortunately there are a number of cities across the country that spew raw sewage into the ocean, including several in his own province. What the member should bear in mind is that Montreal has a plan in place right now to deal with the problem. It will be operational by the end of next year. I only wish that every one of the other 25 applicant cities had as significant a reputation when it came to actually dealing with the problems of raw sewage.

Mr. Bill Gilmour (Comox—Alberni): Mr. Speaker, my supplemental is for the Prime Minister.

• (1450)

Contrary to the environment minister's supposed criteria the Prime Minister now states that Montreal was awarded the environmental secretariat because it has the highest jobless rate.

Given these inconsistencies which hardly justify such patronage, has the government adopted the policies of the previous Conservative government of showing favouritism to the Prime Minister's home province?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I have nothing to add to what the Minister of the Environment mentioned a minute ago. She did very objective work. Many cities qualified. One of the factors that attracted my attention and which she did not even use was the fact that of all these cities, Montreal was unfortunately the city with the highest unemployment.

All the other factors have been well balanced by the minister. She asked for applications and so on. But when you are the government you have to make a decision eventually. We made a decision and we will not apologize to anybody for exercising our responsibilities.

* * *

[*Translation*]

HYUNDAI PLANT IN BROMONT

Mrs. Monique Guay (Laurentides): Mr. Speaker, on April 4 in Seoul, the Minister for International Trade stated that he had received assurances from Hyundai officials that the Bromont plant would be re–opened. Since then, the company has indicated that it has no business plan for this plant and that despite wanting to keep the facility in operation, Hyundai was still not certain if it would re–open it. The company has even requested that its employees sign waivers.

Can the Prime Minister shed some light on the nature of the guarantees that the Minister for International Trade may have received from Hyundai officials insofar as the reopening of the Bromont plant is concerned?

Hon. John Manley (Minister of Industry): Mr. Speaker, obviously discussions have taken place between the Minister for International Trade and Quebec's Industry Minister, Mr. Tremblay. He did visit Hyundai and rather frank discussions took place. Clearly, Hyundai is having trouble finding a product to manufacture in Bromont. Our government and the Quebec government want to help Hyundai, if at all possible, to find some way to get the Bromont plant back in operation as soon as possible.

Mrs. Monique Guay (Laurentides): Mr. Speaker, will the Prime Minister not recognize that by making this kind of statement, his Minister for International Trade is making fun of the workers at the Bromont plant and of the region's inhabitants by hinting that there may be some hope that the plant will reopen when in fact no real guarantees have been received?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the minister is trying to work out a solution even if the opposition has concluded that no solution can possibly be found. We will know soon enough. However, as long as we can look for a solution, I hope no one will blame the minister for trying to do his job well.

[*English*]

BOSNIA–HERCEGOVINA

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, my question is for the Minister of National Defence or the Minister of Foreign Affairs.

Yesterday for the first time in its 44 year history NATO forces launched an offensive air attack, in this case on ground positions of Bosnian Serbs. This follows a recent downing of Serbian aircraft violating a no fly zone over Bosnia.

Was the minister informed of these attacks before they took place and if so, did he approve of these NATO air attacks on Serbian positions?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, we were informed of what took place. As you know we have military personnel who are very much involved in the operations and what has been done has been done according to UN resolutions.

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, many Canadians are concerned that Bosnia could quickly turn into a combat situation and that restrictive orders or insufficient equipment may leave our troops overly vulnerable.

Can the minister assure the House that Canadian troops in Bosnia are adequately authorized, prepared and equipped to defend themselves if this situation deteriorates?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, it is quite clear that our objective is to not have an escalation of the war. This is why we are pursuing vigilantly our efforts to persuade parties to take part in the peace process.

• (1455)

We are very much encouraged by recent initiatives taken by the Americans and the Russians that have brought some of the parties to the table. It has led to a very historic and important agreement being signed in Washington that involves the Croatians and Muslims.

Unfortunately the Bosnian Serbs have not yet agreed to be part of this peace process. We hope that they will come to the only alternative there is, which is to make peace and join in the peace effort with the others.

* * *

FISHERIES

Mr. Derek Wells (South Shore): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

There continue to be reports of Spanish and Portuguese vessels taking undersized cod outside the 200 mile limit on the nose and tail of the Grand Banks.

Will the minister tell the House what the government is doing to stop this activity?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I thank the member for his question.

We have recent reports of Spanish and Portuguese vessels taking undersized fish outside the 200 mile limit. There have been about 13 citations issued this year. Most of those citations have been issued for the catch of undersized fish on the Flemish Cap. As the member knows, this is an area where Canada does not conduct the fishery.

Nevertheless these catches of undersized fish are in violation of the conservation rules that we would apply to ourselves and in violation as well of NAFO conservation rules.

This morning I spoke to the European Fisheries Commissioner. I brought this matter to his attention and sought and received his assurance that member states of the European Union will prosecute and penalize those who engage in this kind of improper and illegal fishing activity.

* * *

[*Translation*]

EMPLOYABILITY DEVELOPMENT PROGRAMS

Mr. Michel Daviault (Ahuntsic): Mr. Speaker, my question is for the Minister of Human Resources Development.

As the federal budget creates unemployment and attacks the unemployed, all community groups were very concerned to learn that there will be no new employability development programs or EDPs in most regions. It seems there is no more money.

Can the minister confirm that the reason there is no new money for regular EDPs is because he has decided to keep a discretionary fund estimated at $40 million for Quebec alone?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, earlier in question period the hon. member's colleagues were making a strong case that we provide more assistance for young people to give them a greater opportunity to get into the job market. Clearly we must look at ways in which we can direct our expenditures to those who are most in need.

We have made no final decision on those allocations. However, I do want to assure the hon. member that we are evaluating programs very carefully to see which ones work or do not work. We will use the very scarce resources we have to target those people in the province of Quebec and throughout Canada who most directly need assistance in getting back to work.

[*Translation*]

Mr. Michel Daviault (Ahuntsic): Mr. Speaker, I would like to remind the minister that community groups are often front–line groups that are interested in and help people in difficulty.

How can the minister justify the fact that, with Quebec's very high unemployment rate, his only solution is to cut the EDPs and reserve the right to allocate funds as he wishes? Is he preparing for the referendum?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, in fact, there are now 50,000 more jobs in Quebec than last October. There has been a large increase in the number of jobs in the province of Quebec, and I hope that progress will be made in the future. But I must repeat that our government's priority is to assist those who are most in need, such as unemployed young people. And I hope we can count on the support of the hon. member and his colleagues in this effort.

* * *

[*English*]

YOUNG OFFENDERS

Mr. Myron Thompson (Wild Rose): Mr. Speaker, my question is for the Minister of Justice.

Last week Nicholas Battersby, a young man from England, was gunned down on the streets of Ottawa by several young offenders. Canadians are sick and tired of inaction.

• (1500)

When is the Minister of Justice going to move beyond talk and when is he actually going to do something? When is the minister going to reform the Young Offenders Act? What is the hold–up?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I want first of all to express my sympathy to the families of those who lost their lives not only in that crime but in a number of savage and senseless crimes in recent weeks.

I also wish to emphasize in response to the hon. member's question that we cannot let our anger and our grief and our concern about these dreadful events lead us to believe there is a simple or quick solution to the underlying problems of which they are tragic symptoms.

Long before the events of recent weeks this government was working intensively on a specific agenda of concrete action to deal with these issues involving specific changes to the criminal laws to make them more effective, including changes to the Young Offenders Act and the Criminal Code, and at the same time initiatives in respect to crime prevention which ultimately will be just as effective if not more so in dealing with the problems.

I assure my hon. friend that in the weeks to come he will see ample concrete steps taken by this government to deal with young offenders and crime in general in this society.

* * *

[*Translation*]

PRESENCE IN GALLERY

The Speaker: I wish to draw the attention of members to the presence in our gallery of His Excellency Francisque Ravony, Prime Minister of the Republic of Madagascar.

Some hon. members: Hear, hear.

[*English*]

The Speaker: I also draw the attention of hon. members to the presence in the gallery of the Hon. Ghaus Bux Khan Maher, speaker of the provincial assembly of Sindh, Pakistan.

Some hon. members: Hear, hear.

* * *

BUDGET IMPLEMENTATION ACT, 1994

SPEAKER'S RULING

The Speaker: I am prepared to make a ruling on the point of order raised by the member for Calgary West on March 25, 1994 regarding omnibus bills.

I would like to thank the hon. member and also the Parliamentary Secretary to the Government House Leader and the hon. member for Glengarry—Prescott—Russell for the contributions to the discussion.

In his presentation the hon. member for Calgary West contended that Bill C–17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994, is an omnibus bill and as such should be ruled out of order and should not be considered by the House in its present form.

He also maintained there is no unifying principle contained in the bill, that the omnibus bill attempts to amend several different existing laws, that such a bill forces members to take one decision applicable to several different issues and finally that the variety of issues contained in the bill may cause difficulties for the committee charged to study it.

The hon. member also cited the January 26, 1971 ruling of Speaker Lamoureux as well as citation 626.1 of Beauchesne's sixth edition in supporting his argument.

[*Translation*]

Before addressing the issues raised by the hon. member, I would like to do as my predecessors have done in the past and review for the House our practices regarding omnibus bills.

Speaker's Ruling

For the benefit of all members, I should start by giving out the definition of an omnibus bill as found in the House of Commons' *Glossary of Parliamentary Procedure*. An omnibus bill is defined as: "A bill consisting of a number of related but separate parts which seek to amend and/or repeal one or several existing Acts and/or to enact one or several new Acts."

[*English*]

The hon. member is correct when he points out that Bill C–17 is an omnibus bill. However, as has been noted in numerous rulings by previous Speakers and most recently in a ruling by Speaker Fraser on April 1, 1992, procedurally there is nothing in our rules and practices which prohibits the government from introducing omnibus bills.

• (1505)

In his ruling Speaker Fraser, quoting the hon. member for Windsor West, the current government House leader, described omnibus bills in this way:

> The essential defence of an omnibus procedure is that the bill in question, although it may seem to create or to amend many disparate statutes, in effect has one basic principle or purpose which ties together all the proposed enactments and thereby renders the bill intelligible for parliamentary purposes.

This can be found on page 9147 of the *Debates* for April 1, 1992.

[*Translation*]

One of the reasons omnibus bills are introduced by the government is to aid parliamentary discussion by grouping all statutory amendments for the implementation of a policy in the same bill. As Speaker Jerome noted on May 11, 1977, at page 5522 of the *Debates*, the use of omnibus bills was at that time a well established practice in the Canadian House. This is still the case. In fact, there are numerous examples where legislation to implement budgetary provisions have taken the form of omnibus bills.

[*English*]

Often confusion arises between the Chair's power to divide complicated motions and the Chair's past decisions not to divide omnibus bills. Part of the confusion is attributable to our concept of what it means to adopt a motion for second reading of a bill.

Debate at second reading relates to the principle of the bill and not to its specific clauses. The principle may be very simple or quite complex. Since there is not necessarily a unique section of a bill which defines its principle the debate is understood to be general at this stage with detailed consideration at later stages.

However, the question before the House is very simple. It is that the bill be now read a second time and referred to a committee, and not that certain sections of the bill be dealt with in a certain manner. The decision of the House, therefore, is whether to send a bill for further consideration to a committee. The question of the principle of a bill is obviously closely linked to the second reading motion.

The argument presented by the hon. member for Calgary West is: "That the subject matter of the bill is so diverse that a single vote on the content would put members in conflict with their own principles".

However, it is the view of the Chair that in the adoption of a second reading motion the House gives approval in principle to a bill and then moves on to the consideration of its specific provisions in subsequent stages.

[*Translation*]

It must also be remembered that the Chair has ruled that there is nothing procedurally objectionable to a bill containing more than one principle. Speaker Sauvé expressed this in a ruling given on June 20, 1983, and I refer hon. members to page 26538 of the *Debates*. She stated at that time:

> —although some occupants of the Chair have expressed concern about the practice of incorporating several distinct principles in a single bill, they have consistently found that such bills are procedurally in order and properly before the House.

Bearing directly on this matter, the hon. member from Calgary West quoted Beauchesne's Sixth Edition, citation 626(1). I will read the citation for the benefit of the House. It states:

> Although there is no specific set of rules or guidelines governing the content of a bill, there should be a theme of relevancy amongst the contents of a bill. They must be relevant to and subject to the umbrella which is raised by the terminology of the long title of the bill.

• (1510)

[*English*]

The hon. member has argued that the House is being asked to take one decision on a number of unrelated items. However, in the Chair's opinion a common thread does run throughout Bill C–17; namely, the government's intention to enact the provisions in the recent budget, including measures to extend the fiscal restraint measures currently in place.

In their remarks both the parliamentary secretary and the hon. member for Glengarry—Prescott—Russell also pointed out that the provisions in the bill had arisen out of the budget presented by the Minister of Finance which had already been debated by the House.

As was underlined by the Parliamentary Secretary to the Government House Leader and the hon. member for Glengarry—Prescott—Russell, the House heard the Minister of Finance make a statement on the budgetary policy of the government on February 22, 1994. The House subsequently debated the budgetary motion for several days and adopted it on a recorded division on March 23, 1994.

The title of Bill C–17 clearly refers to the original budgetary statement and the bill will simply enact certain provisions contained in that statement.

Bill C–17 is an omnibus bill but it has a common thread through it and in my view a unitary purpose.

In conclusion, it is procedurally correct and common practice for a bill to amend, repeal or enact several statutes. There are numerous rulings in which Speakers have declined to intervene simply because a bill was complex and permitted omnibus legislation to proceed.

Hence, while I cannot accept the hon. member's request to divide or set aside Bill C–17, I can suggest to him and to other members that should they so wish they may propose amendments to the bill in committee or at report stage and in so doing have an opportunity to express their views and vote on the specific sections of the bill.

I thank all hon. members for their contributions.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN SECURITY AND INTELLIGENCE SERVICE

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I am rising to table in this House the 1993 public report of the Canadian Security Intelligence Service. This is the third such report and I am tabling these documents in both official languages.

* * *

CRIMINAL CODE

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to place before the House a brief document in both official languages regarding the need for a Criminal Code amendment specifically prohibiting female genital mutilation.

* * *

ORDER IN COUNCIL APPOINTMENTS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table, in both official languages, a number of order in council appointments which were made by the government.

Pursuant to Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached to the documentation.

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 22 petitions.

* * *

NATIONAL SECURITY

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, having just tabled the third public report of the director of the Canadian Security Intelligence Service, I am now pleased to rise as Solicitor General to deliver the annual national security statement.

Taken together, this statement and the public report are intended to provide Canadians with an assessment of the current security intelligence environment and information about the government's efforts to ensure our national security.

It is my pleasure to continue this practice because I believe it is essential in a democratic society that Parliament and citizens have this information and that elected representatives are heard on the crucial issues of security intelligence, security enforcement and protective security.

Ten years ago with the passage of the CSIS Act and the Security Offences Act in 1984 a previous Liberal administration laid the foundation for a new national security system.

• (1515)

The goal was to create an effective national security system within which there would be a carefully controlled civilian security intelligence agency. This agency would work closely and effectively with the Royal Canadian Mounted Police as well as with other government agencies such as Transport Canada, Foreign Affairs, National Defence and Citizenship and Immigration.

[*Translation*]

The Service's first years of operation were marked by intense scrutiny of how it went about its business. Concerns about the Service's operational focus led to the creation in 1987 of an independent advisory team to advise the government on how to realign the Service's operational priorities and strengthen its management.

On the advice of the team the government disbanded the counter–subversion branch of CSIS and the Service's use of intrusive investigative techniques was circumscribed to ensure that Canadians engaged in legitimate dissent were not caught up in the security intelligence net.

The CSIS Act's provision for an external Security Intelligence Review Committee, the SIRC, reporting directly to Parliament and the Office of the Inspector General reporting internally to the Minister, were key innovations in Canadian security intelligence.

[*English*]

SIRC with its annual reports to Parliament and the Office of the Inspector General with its annual certificates to the minister played an essential role in helping successive solicitors general exercise their control and accountability for CSIS. Five years after the legislation came into force, a special parliamentary committee examined the operation of the CSIS and security offences acts.

In 1991 in "On Course", the then government's response to the committee's report, the then government committed itself to making an annual statement to Parliament on national security and the tabling of a public report from the director of CSIS. Our system of review and control with its built in checks and balances involving the executive, the judicial and legislative components of government are working well.

In effect, the service has been under constant review and adjustment since inception and this should be reassuring to all Canadians. Indeed in its annual report for 1992–93 which I tabled in this House soon after becoming Solicitor General, SIRC concluded that CSIS "is working within the law and operating effectively".

Today we see a service faced with constant and at times dramatic change in the global security environment. Most notably, I speak of the collapse of the Soviet Union and of the classic cold war model of east versus west that was the overriding preoccupation of the national security system.

Members might well ask whether we are reorienting and streamlining our activities in step with today's security intelligence environment. Yes, we certainly are. Two years ago my predecessor asked the CSIS director to prepare for him an assessment of how the evolving security environment might affect the services mandate over time.

The director was also asked to consider how the service should be structured as a consequence and to determine the resource implications of his recommendations. In his report last year the director concluded that although the bipolar tensions of the cold war, which were terrifying but at the same time reassuring because they were known, had largely dissipated, a multiplicity of new threats and tensions has emerged.

The collapse of the Warsaw pact has been a major factor in allowing the government to judiciously prune the services resources. The services position complement has dropped from a peak of 2,760 in 1992 to 2,366 today, a reduction of 394 positions.

As the spending estimates for the fiscal year 1994–95 show, the CSIS budget is $206.8 million, down from $228.7 million last year. In terms of reorientation, the director's review confirmed the course of continuing to reduce the proportion of resources specifically dedicated to counter–intelligence while increasing resources directed to counter–terrorism.

• (1520)

Allow me also to note what the SIRC said on this issue in its annual report and again I quote: "We believe that CSIS is reorienting its activities in a sensible prudent fashion and the result will be a service that acts effectively against the modern terrorist threat to vulnerable highly interdependent post–industrial societies such as their own and which cost the nation less".

[*Translation*]

Our approach must continue to be prudent and steady. Mr. Speaker.

We have to be deliberate and measured in any change in the apportioning of our security intelligence resources and tough and adaptable in how we target them.

I say this because while the Cold War may well be over, the global situation does not warrant complacency.

Witness the conclusions of the Director in the public report: The member of foreign intelligence services operating against Canadian interests in Canada or abroad remains substantial.

The activities of former Cold War adversaries have generally been reduced, he notes, but they have by no means been eliminated. The recent arrest of a senior employee of the CIA for allegedly selling his country's secrets seems to bear this out.

[*English*]

The primary threat to Canada is international terrorism and the bulk of CSIS operational resources is dedicated to counter terrorism.

The conspiracy to bomb a Hindu temple in Toronto, the bombing of the World Trade Centre in New York, and the recent terrorist attack against Heathrow Airport in the United Kingdom bring home the point dramatically that open democratic societies offer vulnerable and attractive targets. Members should also know that terrorists are known to plan and raise funds for their operations elsewhere.

The conclusion of the CSIS threat assessment is both sobering and instructive. Terrorists will continue to avail themselves of the latest technology and to feed on the discontent of extremism both from the right and the left.

As the number of flash points grows around the world so do the potential number of threats. For this reason it is incumbent upon us to ensure CSIS has the ability to investigate and analyse threats and to advise the government so that it can take appropriate action.

To counter terrorism CSIS works with other government departments and agencies to deny entry into Canada of known and suspected terrorists. It also maintains liaison with foreign intelligence services and here at home with various communities and groups to identify emerging threats.

In this regard I would like to note that this government is concerned that recent arrivals to Canada not be victimized or manipulated by homeland governments or extremist groups. These recent arrivals have come to a new land to escape such conflict.

The disintegration of the Soviet Union has lifted the lid on a cauldron of ethnic nationalism. Disruption is rife and the waves caused are already lapping at our shores. The disruption of governments in some countries is making the work at CSIS and its allied counterparts around the world ever more difficult.

[*Translation*]

A mixture of ethnic, religious, ideological, economic and territorial pressures has increased instability in many regions around the world. The proliferation of weapons of mass destruction, especially nuclear weapons, continues to be worrisome. The increased availability of nuclear technology and the aspirations of some countries to acquire nuclear bomb–making capability are profoundly disturbing.

And as the nature of power changes, many countries are turning their intelligence services to the business of economic espionage, primarily in the developed Western world.

The Director underlines the Service's concern for the protection of Canada's economic security from disruption due to foreign intelligence services.

[*English*]

A key element of the CSIS mandate is to advise law enforcement agencies of terrorist threats thereby allowing police to take preventive action or arrest perpetrators.

The Royal Canadian Mounted Police is an essential part of our national security system, being responsible for protective security and for investigating security offences.

• (1525)

In addition to its responsibilities under the Security Offences Act it also provides security for VIPs, federal properties, including some airports and for foreign embassies and missions here on our soil. CSIS and the RCMP work closely together and it is my role as Solicitor General to work to ensure that the two agencies do not fail in their work to provide effective protection for Canadians and Canadian interests.

For example, CSIS provides security and threat assessments and the RCMP provides protective security for major events which have the potential to attract terrorists and extremists.

By way of conclusion, I want to say that this government in the speech from the throne committed itself to playing an active internationalist role in the global arena. As the speech said, in the light of the radical changes which have occurred in international affairs in the last few years, the government has asked parliamentary committees to review Canada's foreign and defence policies and priorities.

[*Translation*]

Mr. Speaker, we will want to follow these reviews closely and analyze the results for possible implications for our national security system.

Clearly, we should be prepared to make necessary adjustments in light of changing national security interests and realignment of foreign and defence priorities.

[*English*]

As I have just discussed, our orientation and national security is influenced considerably by the global security environment. Just as our national security system has undergone adjustment and reorientation over the last 10 years, so must we be ready to adapt and reorient in the coming years. I say this because Canadians are concerned about their sense of security in the world, a world that is ever more influencing our conduct at home in terms of the economy, jobs and protecting the environment and protecting our democratic institutions.

I believe that Canadians want an effective national security system. Therefore our government intends to pay close attention to national security issues but in a manner consistent with our democratic institutions and with our Charter of Rights and Freedoms. I have no doubt that hon. members expect no less.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, to begin, I would like to thank the Solicitor General of Canada for letting me see and read his statement, his press release and the report he quoted. We were able to become acquainted with it all before he read it and I thank him for that.

That will be the only thanks I extend to the Solicitor General of Canada and to the government in general today, since we were read a statement that I think is completely empty and contains nothing instructive on this area of the jurisdiction of the Solicitor General of Canada.

I think that it raises many more questions than it answers. The Solicitor General acted like his predecessors; that is, he very solemnly read an annual statement. I think that Canadians and

Quebecers want to have more than this very broad information. We want to know to what use the money we give this government and this agency in particular is put.

If the real purpose of this statement and the public report was to provide Canadians with an assessment of the present intelligence and security environment and especially to inform them about what is being done to protect the security of the country, I think that they have missed the boat again; we learn absolutely nothing. A lot of information is scattered left and right as a diversion but there is nothing substantial to show the real value obtained from the $228.7 million spent by the Canadian Security Intelligence Service last year. That is not peanuts—it is a quarter of a billion dollars.

I am sure that the Solicitor General of Canada will answer me that for reasons of national security, the government cannot reveal more.

• (1530)

But would it affect national security to know in which province CSIS spent the most or which province benefited the most from the $228.7 million spent last year?

Would it affect national security to know about inactive files—I hope that CSIS has closed a few files in its ten years of existence—so that we have tangible evidence of what this service has accomplished, in what areas it has conducted investigations? Would it affect national security to know that Quebecers and Canadians have in their hands something tangible to check whether or not they do a good job?

Would it affect national security to know which investigations saved lives or prevented attacks or disasters? Unfortunately, what we now see in the newspapers is only the negative side. I am quite willing to offer constructive criticism but I am not provided with the arguments, the files or anything else I need to do so. We now hear about things like Air India that are not too flattering to CSIS, or about terrorists entering Canada. But if we had something more constructive, more positive in the reports, we could present different arguments.

In ten years of existence, as I was saying earlier, and three public reports, I feel that something more concrete could be said to increase transparency without threatening national security. I think that if the government wants to be more transparent, it should apply this philosophy in these reports.

True, the Canadian Security Intelligence Service itself is watched by the Security Intelligence Review Committee or SIRC, as the Solicitor General said earlier. It is reassuring to know that, Mr. Speaker. I feel comforted by the fact that the Solicitor General of Canada is reassured by SIRC's last report saying that CSIS operations were legal and effective.

But who are the wise people who wrote this report and came to this conclusion? I am going to name them because I think that some members of this hon. House do not know them.

They are Jacques Courtois, a 73–year–old lawyer; Rosemary Brown, a 63–year–old social worker and the first Black woman to be elected in British Columbia; Edwin Goodman, a 75–year–old lawyer; George Vari, 70; and Michel Robert, whose age I do not know, a former national president of the Liberal Party of Canada.

When we see who is overseeing this committee, we may wonder. I am not saying this is not a good group whose members are not qualified, but what right have these people to monitor an organization that we in this House cannot monitor? I think that we must be even more suspicious of and look more closely at an organization such as CSIS. And I think that the recently elected 35th Parliament has the mandate and the capacity to determine if this $228.7 million is well spent. On the contrary, this job has been given to a committee where the average age is about 70. These people are probably friends of the government but are they qualified to present such a report and say that yes, everything is consistent with the law? I have my doubts and that is why I cannot present a very positive report, because we were given a statement almost impossible to verify, general principles, wishful thinking, but nothing more tangible. When we see who monitors CSIS, we realize there may be a problem there also.

• (1535)

Mr. Speaker, as I said earlier, the friends of the government who sit on the external review committee may have a definition which is different from that of the legitimate elected members of the 35th Parliament on what the protection of Canadians and Quebecers' lives, as well as of the country's interests, entails.

As for the legitimate Official Opposition, I can tell you that we surely have a definition which is different from that of the Security Intelligence Review Committee. Since the Solicitor General of Canada quoted an excerpt of the report in his statement, I will also refer to a part of this report which raises questions in my mind on just what the protection of life means.

In its report, the committee notes that in a small number of recent cases—identified by the five people I referred to earlier, whose average age is 70—, the intelligence gathered by the Service during these investigations on certain individuals seemed unrelated to the issue of national security. The committee is also of the opinion that even though some investigations were related to law enforcement issues regarding legal protest activities or the expression of dissent, no intelligence information leads it to conclude that activities described in paragraph (c) of the definition of threats to the security of Canada, in section 2 of the Canadian Security Intelligence Service Act had occured.

I wonder about this excerpt. Are we going back to the good old seventies? This could well be the case. I would have liked to know when these investigations were conducted, who was targeted, and in what province they took place. What legitimate protest triggered these investigations?

As long as we have an external review committee with no democratic control over targeted intelligence activities, the risk of bias will always exist.

Members of the external committee are not elected. There is no parliamentary control over intelligence activities and, in spite of what the Solicitor General said earlier in his speech, I find this situation extremely dangerous.

When we have a real report, a report with real questions and real answers, then we may be able to make more constructive criticism. What we have right now is an extremely important organization, important enough not to have to come before elected representatives. We were elected and these people do not even have to come before us to explain what they do exactly. Moreover, in these difficult times when the government keeps saying that we must tighten our belt, it spends $228.7 million and we cannot even see how the money was used.

Until we have a real report with real answers, it will be very difficult for the opposition and for democracy in Canada to come to a conclusion on this.

[*English*]

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, as a member of the Standing Committee on Justice and Legal Affairs I am pleased to respond to the minister's statement on the tabling of the annual report of the Canadian Security Intelligence Service.

In the public's view of CSIS there exists an inordinate secrecy about its general operations and an apparent lack of accountability to the government and the Canadian community it serves. This report tabled today does not assuage legitimate public concerns about the underlying assumptions of the existence and the operational philosophy of CSIS.

We are in a time for governments when business as usual is not good enough. The government of the day is being forced to recognize that basic reviews of social programs and general priority setting of departments will happen one way or another.

It can be done in a rational way or by disjointed incrementalism. It is like rushing, putting out fires so to speak, when the crisis of finance and popular political support implodes upon the sleepwalking government as it stumbles along toward a new Canada of new international, fiscal and democratic realities.

• (1540)

When we come back to look at CSIS from this side of the House there is an increasing uneasiness about the aspects of a government bureau that spends a fair amount of public resources to in effect maintain an image while at the same time satisfying the self–serving interests of insular survival at a time when all else in government is under fundamental review.

We are in social service review and, more closely to CSIS, the military establishment will be undergoing a white paper review process. Certainly it is also time to ask this government about CSIS, its mission statement, its performance results measured against its own goals and mandate laid out in the previous annual reports and the legislation.

There has been fundamental review before but we need more than the current committee oversight process and annual reports.

I have been 21 years in provincial public service and I have come to appreciate how government bureaucracy can become focused on its self–importance and develop a driving agenda that is so right for those on the inside while it is losing the proper connections with those it was originally created to serve.

From the opposition chairs, from this side of the House, from Her Majesty's loyal constructive alternative, I want to ring the bell of this government again on the community accountability issue for CSIS. Members of the Liberal cabinet may think it is business as usual, they may think they have the traditional Canadian divine right to govern, for after all they are the Liberals. It is a new Canada of more open and accountable government that is the standard required.

The pre–Confederation reformers' agenda of responsible and accountable government beyond mere representative government has finally come of age and is represented by a new wave of Reformers in this House. We question the business as usual attitude, the annual report of CSIS which really tells this House nothing much about what goes on there. The public report is a good press release but justifies nothing.

I am quite aware of the difference between the operational confidentiality required for the organization to be effective and the new higher level of ongoing accountability that citizens are coming to demand of government which in so many areas this government has not comprehended, being stuck as it is in old Canada thinking.

CSIS is said to look after security intelligence, national security enforcement and national protective security. The 1994 report is said to provide a window on security intelligence. I think it is a very small window and not large enough to let the light in of effective accountability.

CSIS is mandated to perform a difficult job, formerly done by the RCMP which led to a national scandal and the resultant creation of CSIS as a solution. One wonders what the 1994 scandal will be—cigarettes? I do not have any alternatives to present today.

We have CSIS. We need such an organization. It has legislation, resources and about 2,500 people involved. That is no small change. Daily in the media Canadians hear from around the world reports of war, political unrest and intrigue and a changing geopolitical landscape. Canadians want to be assured that someone is minding the store and tracking world events specifically in a Canadian security sense in view of vital Canadian interests.

The cold war is over. The western alliance intelligence systems have had to re–examine operations, assumptions and priorities. Despite the reports that are annually tabled and the current review and accountability structure, how is CSIS really? How is it moving to respond to rapidly changing world circumstances and the emerging new risks?

Specifically, despite what we have all heard about CSIS has it been able at this point to become truly proactive and predictive or is it still largely reactive or, in the vernacular, functioning "catch as catch can".

Issues of espionage, foreign influence, illegal activities in Canada and politically motivated violence are of grave concern. The world is a less predictable place. Canada is an international player and cannot isolate itself.

Hostile intelligence services of other governments, transnational corporations, which often are larger than many countries in resources and capabilities and are accountable to no one, these are issues for CSIS. As the number of global power centres grows so does the potential for threat.

As Canada becomes a seller and inventor of high value added technologies, both Canadian law and our international trade agreements may be broken by both the Canadian criminal element and underground operatives in the nations with which we trade.

• (1545)

Economic espionage is not new but it is a major issue for CSIS. This activity disrupts the level playing field which is a principle of international trade agreements. Yet there is a doubtful priority given to it. Accordingly, last year there was a liaison program from CSIS to the private business sector to enhance understanding of vulnerabilities.

Unfortunately the marching orders for CSIS' role in economic security was defensive, only advisory and precautionary. Canadian law could be broken. International conventions could be violated, our trade agreements subverted yet in economic espionage CSIS was again to be passive, reactive rather than proactive.

What about specific training and research done jointly with manufacturing associations or other national trade and financial organizations? It is community policing at a national level, block watch in the industrial, technological and financial sectors. I doubt from what I have heard that CSIS has anywhere near that kind of preventive, predictive level of operation, yet that is the best kind of law enforcement.

To say that private sector industrial espionage is strictly the responsibility of the private sector is like standing guard at the front door while the thieves come and go at will through the back door.

Monitoring and intercepting the deadly traffic of weapons and their associated technologies is a CSIS role. Terrorism is active in the world. Canada has been used for fund raising for foreign weapons buying and sometimes as a safe haven for numbers of extremist groups. CSIS, the RCMP, the military, Immigration and so on have overlapping roles to control criminal acts from these sources.

Global trends of ethnic nationalism, fanatic types of religious fundamentalism and other forms of destabilizing ideological extremism warrant vigilance. The immigrants to this country and the millions who have come since the 1970s must be protected from foreign influenced activities and be dissociated from former homeland quarrels, violence and extortion. These immigrants must not be exploited by homeland interests. Old disputes from offshore must not continue in and through Canada.

The sources of terrorism remain strong. Nationalism, separatism, ideological extremism are I am sure some of the things that CSIS touches as it works to ensure the safety, security and integrity of our society within the context of a national security system.

The task of monitoring our national security agency is not one that parliamentary systems handle very well. With CSIS, we pay the piper but we never hear the tune or have much knowledge about what instrument is being played. We invest large sums of money in gathering security intelligence. I am not too sure we know what to do with a lot of what is gathered.

CSIS is something like a national insurance policy or a security alarm in the night to protect the public and national interest. Value for money then is an issue. How do we know the alarm works or if it is even turned on. We see the CSIS budget stay about the same despite changing realities. They are coming together in one building, organizing and reorganizing. I certainly hope that by now the internal turf wars are over between the grandfathered RCMP types and the other technocrats.

Reputation has it that for the past while much of CSIS' resources have been used up by itself for itself with infighting, reorganization upon reorganization with not much of real product or results for the national interest, the basic reasons why CSIS exists. This gets back to the basic issue of accountability.

Although I am sure we have people there who see themselves as dedicated and hardworking, secret unaccountable organizations, like governments that behave that way, very soon get completely off the rails. There must be an ongoing tension for an

efficacious result as the blank check of power is very corrupting to those within the system.

As a final suggestion, it is often the lowest level operatives in the system who actually deliver the service, the ones who actually do the work that are the best source for renewal, new and better accountability and a help for a mission statement. They usually are never asked or seriously considered.

In summary, CSIS must be accountable, not in just that it spent its money within the allowable vote and its accounts are correct. Canadians have a right to know that the existence of CSIS is worth it. My opening remarks related to a change in community attitude against top–down, we know best government activity.

• (1550)

I thank the minister for his report. I make the point for the need of better, broad based accountability. Increased public confidence in CSIS can only strengthen its role. I close by saying we hope against hope that CSIS can truly deliver a degree of security that places our nation in the ranks of the more fortunate few nations that have peace, order and good and honest government.

* * *

GREENPEACE CANADA

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, on March 24 I responded to the hon. member for Comox—Alberni on a question concerning the registered charity status of Greenpeace Canada.

I looked into the situation as promised. I wish to inform the member that Greenpeace Canada was formerly a registered charity but this status was revoked in June 1989 by Revenue Canada at the request of Greenpeace itself.

The Greenpeace Canada Charitable Foundation is however a registered charity and it is quite distinct, I am told, from Greenpeace Canada.

With respect to advocacy, political advocacy is permitted to a registered charity but only in a very limited sense. When we get information that this provision is being abused of course Revenue Canada carries out investigations.

I trust this will explain that Greenpeace Canada is permitted to carry out any advocacy that it wishes and that it does not in fact receive charitable status for receipt purposes.

[*Translation*]

The Deputy Speaker: As the hon. members know, the Official Opposition is entitled to reply to the minister's statement. Does anyone from the Bloc Quebecois wish to speak? The same goes for the Reform Party.

[*English*]

Is there somebody from the Reform Party who wishes to reply to the statement by the minister?

Mr. John Duncan (North Island—Powell River): Mr. Speaker, if I understood the minister's statement there is a difference between the international Greenpeace organization and Greenpeace Canada. If I understood the context, is it allowable to transfer funds from the one organization to the other?

The Deputy Speaker: I do not believe it is an opportunity for further questioning. I think the way the rules work, as spokesman for your party you have to make a statement rather than ask a further question of the minister. If you wish to ask a question perhaps at a later time or else make a statement now putting your points on the record the hon. member may do so.

The Chair takes it that the hon. member does not wish to make a statement at this time in the name of the Reform Party.

Mr. Hermanson: Mr. Speaker, just for clarification. Was proper notice of this minister's statement tabled with the House before the statement was made?

The Deputy Speaker: Ministers are not obliged to give notice of the fact that they wish to make a statement. As the member will appreciate, it is normally done when a formal statement is being made such as was made by the Solicitor General. However, it is not a requirement that a minister do so.

Mr. Duncan: Mr. Speaker, I misunderstood the intent. The answer is that I do not wish to make a statement at this time.

Mr. Hermanson: Mr. Speaker, the Reform Party would have responded to the statement had we been notified that a minister's statement would be forthcoming.

* * *

• (1555)

CREDIT CARD INTEREST CALCULATION ACT

Mr. Paul DeVillers (Simcoe North) moved for leave to introduce Bill C–233, an act to provide for the limitation of interest rates, the application of interest and of fees in relation to credit card accounts.

He said: Mr. Speaker, I wish to introduce a private member's bill entitled an act to provide for the limitation of interest rates, of the application of interest and of fees in relation to credit card accounts.

The purpose of the bill is to make the rules that govern credit cards fairer for the consumer. Such legislation is long overdue and I look forward to debating the provisions of the bill in the very near future.

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

PETITIONS

LAND CLAIMS

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I have the duty to present petitions on behalf of the Kaska Tribal Council of British Columbia and the Yukon. The petition is signed by residents of Watson Lake, Lower Post, British Columbia and that general area covered by the Kaska Tribal Council.

The Kaska Tribal Council in this petition is urging the Minister of Indian Affairs to confirm to the Kaska Tribal Council that Canada will honour its fiduciary obligations to the Kaska Tribal Council under the 1989 framework agreement on land claims. It also urges the minister of Indian affairs to remedy any breaches to date to the 1989 framework agreement, including those that may be contained in the umbrella final agreement signed in May 1993.

FOREIGN POLICY

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, I rise today pursuant to Standing Order 36 to present a petition which has been certified correct as to form and content by the clerk of petitions.

The petitioners request that Parliament review Canada's foreign policy through a process involving broad consultation and participation and improve the official development assistance program so as to support more effectively the solutions put forward by poor countries to meet their own peoples' needs.

These petitioners are from Summerland, Penticton and Naramata in the riding of Okanagan—Similkameen—Merritt. I present this today.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

The Deputy Speaker: I wish to inform colleagues that pursuant to Standing Order 33(2)(b) because of the ministerial statements, Governments Orders will be extended by 38 minutes.

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT, 1994

The House resumed consideration of the motion that Bill C–17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994 be read the second time and referred to a committee; and of the amendment.

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, the omnibus nature of this bill makes it very awkward to deal with the component parts contained in it. Some of the items are realistic and reasonable. Some are not.

In normal circumstances one studies a bill and then makes an informed decision whether or not that bill should be supported. In the case of Bill C–17 that decision is not so easy to make.

One of the great political red herrings of the past Parliament was the Charlottetown accord. It too was omnibus in nature. There was something in it which almost everybody could accept collectively and there were areas which almost no one could accept as well. On the whole the majority of the Canadian population rejected the accord because in an all or nothing arrangement there were too many areas that were not acceptable. Therein lies the problem.

• (1600)

Since the rejection of the Charlottetown accord the past and present government have used the rejection to throw back in the faces of people advocating such timely reforms as an elected Senate the fact that such a reform was offered and rejected.

At the same time the government seems able to proceed with such constitutional items as official bilingualism for another province, changes in wording of an agreement which allow a bridge to replace a ferry system and negotiations on aboriginal self–government.

Thus is the problem associated with omnibus type bills which have in the past created a lose–lose situation for many of those involved in the process. It is with this obstacle in mind that I have prepared my position on transportation subsidies.

The prairie grain farmer has many problems in attempting to operate a successful and very necessary business in Canada. For years grain farmers have been receiving freight subsidies to offset the cost of grain transportation. There is in this subsidy a bit of a misconception. The farmers do not receive the subsidy directly. It is paid to the railway and there many unresolved

problems with the rail system which I believe are further complicated by the manner in which the subsidy is paid.

By paying the railroad directly one would assume that they ship all the grain and the overall cost of the freight is reduced by the subsidy amount. This is not the case. Many grain elevators are full to capacity and have been for quite some time. Some of these elevators have not seen a rail car in over two months.

A further complication to this is the spring road weight restrictions which are now in place which make it even harder for farmers to move their grain when elevators space does become available. Grain farmers are not paid for their harvest until it is sold and shipped to the purchaser. In the interim period grain farmers are not only not paid for their work and expenses, they also incur further costs which are often the difference between making a decent return on their labour and investment or going broke.

Some of these include the cost of storage of grain, interest charges on debts which should have been reduced or paid off from the proceeds of the grain sale, lost sales as a result of failure to deliver the product on time and demurrage charges levied by ships sitting in Vancouver harbour empty, waiting on grain to be delivered by the railway. These demurrage charges run up to $20,000 a day and some ships have left the harbour empty after collecting as much as $350,000 in demurrage charges.

The total crop transportation subsidy last year was about $36 million. Western grain farmers have lost approximately $200 million in grain sales and demurrage charges alone since the beginning of the Vancouver port labour dispute which the government was so reluctant to end.

Since the 1970s provincial and federal governments and the Canadian Wheat Board have supplied thousands of hopper cars to the railway. The Western Grain Transportation Act pays a transportation subsidy directly to the railway. In doing so there seems to be a loss of accountability which can be addressed very easily.

Paying the subsidy directly to the grain farmer on a pro rata basis will allow the farmers to have more control over the method of shipment and provide more incentive to the rail lines to move the grain more effectively and efficiently. The concept of a reduction in the amount of the subsidy paid is not where my concern lies. I know costs have to be cut and this is an area that has potential for reduction. These cuts however must not be solely on the backs of the grain farmers who are already in a very insecure financial position.

In normal business practices one looks at a rate of return on an investment. A return of 10 per cent is not considered particularly high, especially if there is an element of risk involved.

In addition, one normally and reasonably expects to be paid something for one's labours. Many grain farmers are currently paid less than one–quarter of the normal return on their investment that they hold. If we look at their total income in light of that small investment return they are paid nothing at all for their labours.

These farmers are not growing coloured TVs or fancy furniture. They are growing the food we need to produce in this country to maintain our independence for this vital commodity and an extremely important export product which helps maintain the economic viability of our country in an international global market.

• (1605)

We cannot simply turn our backs on the needs of the farmer. We must find a way to reduce expenses like the grain transportation subsidy without creating further economic hardships on people who are a vital part of our food chain and economic well–being.

The changing of the payment of the subsidy directly to the grain farmer is the first step. This step however must be accompanied by further changes to reduce unnecessary loss of income caused by the current transportation problems.

Subsidy reductions contained in the 1994 Liberal budget would result in a saving of approximately $5 million.

If the government were prepared to take some initiative in ending the unnecessary loss of income through the current transportation problems, not only would the subsidy reduction not create a further hardship, it would open up the potential for further reductions without hardships at all.

In short, there is a potential in this small portion of a great all–encompassing bill for savings in the area of grain transportation subsidies, but the government must do its homework first. In this draft that homework has not been done.

I trust the government will accept these remarks as items to consider and modify this entire section before it is brought before the House again.

I now turn my attention to the Atlantic region transportation subsidies. The Atlantic region consists of New Brunswick, Nova Scotia, Newfoundland, Prince Edward Island, Labrador and the eastern portion of Quebec. The purpose of these subsidies is to promote and encourage the transport of goods within the Atlantic region.

There are three different components to these subsidies under the Maritime Freight Rates Act. The first is a basic westbound subsidy on virtually all commodities travelling from inside the region to territories outside the region.

In 1992 this totalled $38.4 million, $9.6 million for rail transport and $28.8 million for truck transportation; a separate

westbound selective subsidy of 20 per cent on selected goods which were actually manufactured inside the region as opposed to simply passing through.

In 1992 this totalled $13.7 million, $3.7 million for rail transport and $10 million for truck transportation.

In addition, there was an internal regional 10 per cent subsidy which was reduced to 9 per cent in the budget of April 1993 on a selected list of commodities. In 1992 this totalled $57.7 million, $9.5 million for rail transport, $47.5 million for truck transportation and $.7 million for marine transportation.

The combined total of all Atlantic subsidies for 1992 was $109.8 million.

In the budget of April 1993 this $109.8 million subsidy was reduced by 10 per cent. To achieve this cut the overall westbound rail shipment subsidy was cut from 30 per cent to 28.5 per cent.

Other reductions in costs were made through general administration and internal cutbacks across the board.

This year's budget calls for another 5 per cent cut in the total Atlantic shipping subsidy, which now sits between $100 million and $105 million, commencing April 1994.

Once again I find myself in a mix of support and opposition. On the one hand we have the continuing problem of the needs of government to reduce expenditures. On the other hand I find the government has once again not done its homework.

The general economy of the maritimes is fragile at best and the government while recognizing the need to reduce its spending must also be mindful of the need to examine all areas of savings before taking any arbitrary action.

The reduction of the Atlantic shipping subsidies as proposed is not unreasonable. The reality is these subsidies could probably be reduced considerably more but not without coupling these reductions with other changes.

One of these changes is the removal of interprovincial trade barriers in the region. These barriers already cost the Atlantic region more than the total value of the regional development grants. As in the case of western grain farmers, subsidy reduction would be a lot more palatable if it were coupled with reductions of other costs of doing business.

Another area that should also have been considered is the cost of keeping the port of Montreal open in the winter months. Currently icebreaking services are provided by the coast guard at no cost to the shippers or ships that the goods travel on. This creates two problems. First, this service costs the federal government about $33 million a year. To be sure some of this, about a third, is spent on flood control work. The rest amounts to yet another transportation subsidy costing the Canadian taxpayer four times the amount of saving in the Atlantic regional freight subsidy reductions proposed.

• (1610)

Second, this free service actually works against the Atlantic region by subsidizing the movement of goods through the maritimes in the winter instead of utilizing the ice free ports in Halifax and St. John's. It is well and good to have this service available for ships wishing to utilize this service, but it should be user pay. This would result in savings far in excess of the current amount targeted by the government and at the same time likely produce some economic benefit for the Atlantic ports.

To put it mildly, the St. Lawrence icebreaker issue certainly seems ironic considering the large degree of difficulty the Atlantic shipping industry is presently going through. The disorganized, self–defeating government policy in subsidy fields does not end there.

To add further fuel to the fire I must also express some sincere concerns regarding the proportion of truck subsidies received in the Atlantic region when compared with the alternate subsidies received by rail and marine transportation sectors. I am a bit perplexed as to why the government would provide such a proportionately huge subsidy for the very industry that is supposedly bringing about the untimely demise of our nation's rail system.

This is particularly true in the case of Atlantic Canada which has been suffering a great deal in recent years and has suffered deep cuts by both Canadian National Rail and Canadian Pacific Rail as a result.

Although there is certainly an argument that is to be made that Canada's railroads are not competitive enough to go head to head with trucking firms in the ongoing quest for this market share, I am not sure that I am prepared to accept this argument at full face value. The fact that major trucking companies are being so well subsidized by the government is bound to have a negative effect on our important rail system, something that will only hasten the demise of the rail lines in the Atlantic region.

Prince Edward Island and Newfoundland in particular have already felt the sting of line closures, a predicament that strikes at the very heart of interprovincial arrangements which were made with the east at the time of Confederation. This relatively heavy subsidization of truck transportation in Atlantic provinces is a double pronged blow to our nation's railroads.

The reason for this is simple. The disproportionate amount of direct subsidy money received by trucking firms amounts to a second major subsidy for this industry which already receives a major indirect subsidy in the form of government paid highway construction and repair. Whereas railway companies like CN and CP are obliged to basically pay their own way for the upkeep and maintenance of their expensive rail lines, trucking companies are under no such obligation when it comes to Canada's roads. Yes, there are fuel taxes paid by trucks that travel down

our highways but trains are also obligated to pay these same taxes.

The result of this scenario is that trucking firms are being assisted in their transportation responsibilities to double and triple the tune of what our railways are receiving on a per capita basis.

While all this is happening our essential highways, particularly the Trans–Canada, are crumbling beneath the weight of heavy 18 wheel vehicles that are not required to pay their full share of much needed repairs. At this point it seems unlikely the federal government would be willing to put any more money into expensive highway renovations. This has not been done for years and the present deficit mess certainly does not lend itself to alleviating the often dangerous conditions drivers must deal with.

Nevertheless, the fact remains that the present subsidy system in the Atlantic region as it now operates is obviously geared to work against railways that might not be so indebted at present if it were not for unfair government policies.

I am not arguing that the subsidy systems provided to Atlantic Canada are too high, although it is good to see small cuts have been made by the government in this sector. What I am arguing is that subsidies are being unevenly, unfairly, unwisely spread throughout the transportation sector.

This is what I mean by the government not having done its homework or having the courage to alter and improve what is clearly an very inequitable subsidy system. I would hope and expect that the Minister of Transport will give some serious consideration to the revamping of its funding allocations in the weeks and months to come. There are clearly much greater potential savings than those proposed by the government and without serious effect on either group or region involved.

Beyond the fact of subsidy issues we are now talking transportation matters and none of this has come before the transportation committee.

• (1615)

I generally support both subsidy reductions proposed by the government although I cannot support the overall bill because of clauses that have nothing to do with the subsidies. I suggest the government now commence to complete its overdue assignments: government cost reductions coupled with economic benefits to these regions.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I would have a comment to make on the extremely well–thought–out speech by the hon. member who just spoke. At the beginning of his speech, he talked about subsidies which should be paid directly to the farmers instead of to the railway to ship wheat, for example, from the West to the East. This battle has been going on for years and is known as the Crow's Nest Pass battle. That debate reflects the conflicting philosophies of agricultural development in Eastern Canada and Western Canada.

If the hon. member thinks that these subsidies should be paid directly to western farmers, you will understand that eastern Canada, Quebec in particular, is dead against it because this freight assistance was intended to allow all regions of Canada to be supplied with wheat, and not to provide the grower with a subsidy he could then use as he wishes, to pay for shipping wheat, raising cattle or operating a slaughterhouse. In other words, to use this money to increase his personal wealth without necessarily supplying regions where wheat is less plentiful. That is why this assistance was applied directly to transportation, to ensure supply.

If we, in Quebec, object to it being any other way, it is because we believe that, if the province of Quebec—with about 25 per cent of the total population of Canada—were assigned 25 per cent of the overall budget for agriculture, it would be receiving $800 millions more every year and could easily use this extra money to diversify its agricultural production.

On the other hand, if the assistance went directly to the grower, then the money which was intended to be applied directly to transportation would be directed to that region of the country where it would be put to a use that differs from the very objective, the very principle of Crow's Nest, as it was called, which would destabilize the entire Canadian farming industry. We have always been opposed to this direct subsidy concept in the East, that is to say in Quebec as well as in eastern Canada.

You may remember that there was a report tabled by the previous government. In 1983, the Liberal government had considered subsidizing growers directly, but the idea was rejected. Later on, following an extensive Canada–wide debate, the Conservative government also held an inquiry into the Crow's Nest problem, which concluded that things should remain as they were. The very fact that the hon. member raises this issue again today goes to show that a block really exists and how different both sides' philosophies are.

As for his remark on transportation in the East, it goes without saying that we too, in Quebec, are not clear on a certain number of things. But one must bear in mind that in that case, we are dealing with a common household commodity like potatoes. If a potato grower from Prince Edward Island or New Brunswick receives federal freight assistance, that will cause some inequity vis–à–vis growers from other regions, like Ontario and Quebec, who have started to grow this product. For example, the grower from Pierreville, in my riding, who wants to sell his potatoes in Chicoutimi receives no freight assistance, while potato growers from New Brunswick or Prince Edward Island do.

• (1620)

So, that is somewhat unfair. However, we recognize that this legislation to help the Eastern provinces is still worth something and we think the freeze will be extremely hard on these regions which are going through tough economic times. The 10 per cent freeze stipulated in the legislation is a very harsh measure.

As for the 10 to 15 per cent increase in the West, it is also a tough decision which brings into question the supply process we had in the East for crops coming from western regions. Finally, the hon. member wondered about the port of Montreal and mentioned that the use of ice–breakers was extremely costly. Personally, I think the port of Montreal was one of the most profitable ports in Canada and was affected by the opening of the St. Lawrence Seaway. If you want to maintain the seaway, which does not serve only Montreal, but links the city to other parts of Canada, you need to keep the port of Montreal open in the winter months. That seems as obvious to me as it was to the Government of Canada when it decided to build the Seaway.

Although I understand very well the issues raised by the hon. member, I want to tell him that I do not agree at all with him about wheat production in western Canada and the subsidies going directly to the farmers instead of the shippers. Above all, I do not agree with his view on keeping the port of Montreal open in the winter months, even though it costs money. We have gained some expertise in the area of ice–control throughout Canada and the Coast Guard is renowned throughout the world. We could even export our expertise, make it some kind of know how, as you say in English, knowledge we could export.

That is all I had to say following the brilliant speech made by the Reform member, even though I do not agree with him.

[*English*]

Mr. Gouk: Mr. Speaker, I thank the hon. member for his comments and questions.

With regard to prairie grain subsidies I would point out that if they go to the farmers they still have to transport their grain. It is not a question that they are going to pocket that money, use it for other things, and not bother to ship their grain because there is no way to get paid until they ship it.

The point I was trying to make during my presentation was that these subsidies to western grain farmers could be reduced or, for that matter, virtually eliminated if we also eliminated the other unnecessary expenditures they are burdened with right now because of the problems with shipping grain other than the cost factors.

With regard to the port of Montreal the hon. member seemed to indicate that it should be kept open because it was a decision made by the Canadian government. It was also a decision made by the Canadian government that put us over $500 billion in debt. I do not think the hon. member likes that decision. Many decisions made in the past have to be questioned.

I am not questioning whether we should be keeping the port of Montreal open. To suggest that we shut down the port would be ridiculous. In my speech I said that I had no objection to the icebreaking service being made available to ships, but let them pay the cost of having this service provided to them. It otherwise forms an extremely expensive offset subsidy in direct disproportion to all other subsidies for the service.

We have to look at ways of cutting all costs right across the country in virtually every area the government does business. This is just another way of addressing the problem.

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Mr. Speaker, it gives me great pleasure to join today's debate. I am rising to speak in support of Bill C–17 and to address more particularly clause 18 which introduces an amendment to the Broadcasting Act. This amendment will allow the CBC a greater measure of financial flexibility.

• (1625)

I would like first to convey my appreciation to the Minister of Finance faced with the difficult task of balancing so many competing priorities. His support for the CBC has been most gratifying. I know the employees of the CBC, including very many talented Canadian artists along with millions of loyal CBC viewers, also join me in expressing their appreciation.

[*Translation*]

The importance of public broadcasting in Canada fully justifies such a commitment. Thanks to public broadcasting, Canadians remain in touch with one another locally and nationally scene and with the whole world. Public broadcasting also gives all communities across this vast country of ours a chance to define and articulate their own vision of the world. Public broadcasting plays a decisive role in reaffirming our national identity.

That is why annual budget funding for the Canadian Broadcasting Corporation totals about $1 billion. This is 62 per cent of all federal funding for cultural agencies reporting to the Department of Canadian Heritage.

However, the financial situation of the CBC has deteriorated in recent years. Since 1984, its budget has been cut by over $200 million, which has had the effect of increasing its dependence on advertising revenue. In 1984, this source of financing made up 21 per cent of the CBC's total budget. Today, it is 36 per cent of the CBC's total budget, an increase of 15 per cent, although this has not been enough to turn around a very serious deficit. Its

dependence on advertising revenue calls into question the role of the CBC as public broadcaster.

Furthermore, the 1993 budget inflicted cuts totalling $100 million, effective in 1996. The CBC has already told us that if its financial situation is not turned around, it will have to proceed with further cuts in operations.

However, the problems of the CBC are not only due to budget cutbacks, a structural deficit and the impact of the recession on advertising revenue. The Canadian broadcasting industry has changed considerably in recent years. New and specialized services obtained operating licences in the eighties.

Canadians now enjoy a wider range of programming and services than ever before. Although these changes are significant, they are only a preview of what we can expect in the broadcasting industry. In radio and television, technological progress will generate even greater diversity. It is expected that this diversity will lead to increased competition, fragmented audiences and major investments in technology, and will increase the cost of Canadian programming.

In television, the advent of direct satellite broadcasting and the ability of cable companies to increase the number of channels they offer mean that 200 or even 500 channels will be available before the end of the century. New American direct satellite broadcasting services will be extended to Canada in the next few months. Cable companies will add a number of new services, including a number of specialized services which the CRTC is expected to authorize this year.

This new competition will further fragment the audiences and advertising revenue of Canadian broadcasters, including the CBC.

• (1630)

Radio is also facing a number of changes. A few years from now, we will probably be seeing new radio services and digital technology adopted by existing services.

[*English*]

Our government has an historical tradition of supporting CBC, of supporting Canadian culture.

Our electoral platform was clearly outlined in the red book. In that document we stated that culture is the very essence of our national identity, the bedrock of national sovereignty and national pride.

At a time when globalization and information and communications revolution is erasing national borders Canada needs more than ever to commit itself to cultural development.

There is no single instrument more important to the development of our national cultural identity than the CBC. This belief was the basis for our electoral pledge to provide the corporation with stable, multi–year financing. It is a key element in our plan to strengthen the CBC's ability to adapt to the new communications universe.

On February 3 of this year the Prime Minister announced the appointment of Mr. Anthony Manera as president of the CBC. Mr. Manera has enjoyed a distinguished career both within and outside the CBC. His commitment to the ideals of public broadcasting and his understanding of the corporation are deep indeed. The government is confident that under the capable leadership of Mr. Manera and the direction of the board of directors the corporation will meet its many challenges.

The government recognizes the enormity of the task before the CBC. In asking itself how the CBC can continue to reflect our fundamental values that project an image of Canada in which all Canadians recognize themselves the government understands that it must provide some measures of assistance to the corporation.

As a first step the government has committed not to impose new reductions on the CBC over the next five years subject to annual parliamentary approval of appropriations.

In addition, the government agreed to reprofile the cuts announced by the last government in order to ease their integration by the CBC. This measure comes in cost of $100 million in foregone savings to the consolidated revenue fund. It is a sure sign of this government's commitment to the CBC that this decision was made in the context of severe financial constraints.

These measures, the appointment of a strong new president, our agreement not to impose new reductions on the CBC and the reprofiling of previous cuts will give the corporation both the leadership and the clear picture of its financial future for the next five years it needs to plan for the longer term with confidence.

The next step in our campaign to help the CBC has been our agreement to grant the corporation's longstanding request for a borrowing authority. This measure will permit the CBC to become more efficient in its operations and allow it to enter into other ventures acceptable to the government that provide a return on investment.

The proposed legislative amendment to the Broadcasting Act would authorize the CBC to borrow from the consolidated revenue fund and from Canadian banking institutions through lines of credit, commercial loans and issuing bonds or commercial paper.

These borrowed funds would be used only to generate operating savings or for venture investments. The operating savings would accrue from investments in small and medium capital equipment and projects which have a payback of four years or less.

At the present time the corporation is unable to take advantage of such opportunities due to its shortage of capital re-

sources and the immediate need of addressing physical obsolescence in plants and equipment across the country.

Although the CBC can currently request an advance from the government this can be obtained only in exceptional circumstances.

The present situation is inadequate for two reasons. Requests must be evaluated in competition with other government priorities and the outcome of a request is directly dependent on the availability of operational reserves.

An obvious example of how this initiative could generate operational savings would be the purchase of capital equipment to replace leased equipment.

The operational savings would first serve to repay the capital investment over a period of three to four years and then further be applied against the corporation's operational shortfall. The authority to borrow would also facilitate the corporation's undertaking of large scale initiatives that further the achievement of the CBC's mandate and yield significant returns for a relatively small investment.

• (1635)

A good example of an initiative of this magnitude is the recent arrangement reached by the CBC to establish its owned and operated stated in New Brunswick. If the CBC had taken out a loan of $9.5 million for the purchase of the station, the advertising revenues from this new station would have allowed the CBC to repay the loan over a shorter timeframe than the life of the current agreement. The ability to borrow would have improved the CBC's financial position over the term of the agreement by over $3 million.

At this juncture I would like to assure the House that under no circumstances would the CBC be permitted to use these borrowed funds to address an operational shortfall and thereby operate on deficit financing. The CBC would be responsible for raising all the borrowed funds and ensuring that all procedures are followed in full compliance with the guidelines for market borrowings by crown corporations issued by the Department of Finance. The cash flows from the projects in question would remain with the CBC with their first priority being to service the debt.

The CBC's borrowing ceiling would be $25 million. A memorandum of understanding between the CBC and the Department of Finance would set out the terms and conditions governing the borrowing authority. Foremost among these conditions is that the CBC would require the approval of the Minister of Finance for each case in which borrowed funds were required.

In my opinion granting this long standing request for the borrowing authority is an important initiative in fostering the business like flexibility that is required for a $1 billion corporation with commercial objectives like the CBC.

No other corporation operating such a large enterprise would wish to operate without at least some such ability to borrow for viable investment opportunities.

[*Translation*]

The government and the CBC have taken a joint approach to resolving the corporation's problems. In addition to these measures, the minister has resolved to consult with his Cabinet colleagues, with other broadcasting industry stakeholders and with the corporation itself with a view to finding other ways of generating revenues in the public broadcasting field which would reduce the CBC's dependence on advertising revenues.

For its part, the CBC is expected to eliminate structural deficits and to absorb inflation costs as well as operating costs.

Mindful of the unique and highly enviable reputation enjoyed by the CBC's radio broadcasting services as well as the vital role that regional services play in helping the corporation serve the regions and introduce them to audiences nationwide, we have asked that current radio services and a regional presence be maintained.

The challenge is formidable. The move to grant the CBC limited borrowing authority will be one important component of the new strategy which the corporation will need to embrace if it is to meet the challenge.

Clearly, what we want is a renewed CBC.

Canada needs an effective public broadcaster as a front–line weapon in the battle to defend our cultural sovereignty against the influences of globalization.

To wage this battle effectively, the CBC must do the following: it must be the perfect reflection of regional perspectives across the network; it must help English–speaking Canadians and French–speaking Canadians gain a better understanding of the other group's culture by exposing them to programs produced by the other group; it must contribute to the common understanding of the multicultural or multiracial makeup of our population; it must adopt the strictest standards of journalistic responsibility; finally, it must co–operate with the rest of the broadcasting industry in an effort to come up with new markets for Canadian programs and sound recordings.

• (1640)

If we really want the CBC to be the typically Canadian voice that will shape our national identity in a multichannel environment, we must give it the necessary tools with which to confidently plan its future.

I call upon my hon. colleagues in the House to support the passage of Bill C–17 which, among other very commendable things, will amend the Broadcasting Act so as to grant the CBC limited borrowing authority. Recourse to this mechanism under the stringently controlled circumstances described above will

give the CBC considerable commercial flexibility. In turn, this flexibility will result in operating savings in the long run.

[*English*]

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I wish to congratulate the member opposite for her spirited defence of mother corporation.

I think most Canadians grew up with CBC and view it as an integral part of our lives. However, I have a problem with CBC particularly over the last few years. I also have a problem with CBC as a purchaser of advertising from CBC, but that is another story.

I wonder if the member opposite would comment on this question and I will phrase it this way. The CBC is neither fish nor fowl. It tries to be a private broadcaster but it is a public broadcaster. It tries to be a public broadcaster and it is caught up in being a private broadcaster.

I wonder if the member opposite has given any thought to the CBC's paring itself down to a more affordable operation or a model, striving for excellence using the BBC as a model, BBC–1 or BBC–2, running a commercial free network but not in competition with the private broadcasting networks.

Ms. Guarnieri: Mr. Speaker, the Reformer is on record as wanting to privatize part or all of CBC. I thank the hon. member for his question.

As some make this recommendation they also claim that Canadians would be better served by the privatization of CBC. All they would succeed in doing by imprudent budget cuts is waste much of the money that remains spent on the CBC because it will not be commercially viable and its product would deteriorate to irrelevance.

Closing the CBC or severely cutting funding would be to dam the last river of Canadian culture and leave it in effect as a stagnant pool. Certainly if the hon. member has suggestions to make he may wish to make representation before the CRTC.

The hon. member also said that all Canadians recognize the importance of CBC as a refuge from the mainstream of American sitcoms and documentaries about the civil war or the FBI. As the principal carrier of Canadian content, the CBC does prevent Canadians from being completely culturally disenfranchised.

Regrettably, though, the CBC must continue to suffer the slings and arrows of Reform MPs who were advocating its demise, unfortunately with a very narrow view of what constitutes Canadian culture.

• (1645)

Mr. McClelland: Mr. Speaker, I do not think the hon. member opposite heard what I said when I asked the question. My point was this. Would the CBC not better serve the people of Canada if it were to become a true public broadcaster rather than trying to be a private broadcaster and a public broadcaster? It may necessitate scaling down so that it could go into a commercial free broadcasting mode similar to the BBC. The BBC is world recognized for the quality of its programming.

The point that I would ask the hon. member to consider is that perhaps Access TV for instance in Alberta may be shut down. Why could the programming on Access or TVO not all be put into CBC and CBC become truly a public broadcaster?

Ms. Guarnieri: Mr. Speaker, perhaps the hon. member would like to elaborate, when he says that there should be substantial cuts, where these cuts should be made.

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, I have been sort of struggling with a comment made by the chairman of the CBC on a panel show I watched a few weeks ago.

He made a statement which I believe was just incredible. He said that the CBC should not concern itself with economic viability but rather with delivering a Canadian culture to the Canadian people.

While that may be barely acceptable in traditional economic good times, I hardly think that this is a traditional economic atmosphere that we are enjoying right now. It may be tradition given the history over the last 15 years. It is all very nice to have an outlet or a means of conveying Canadian culture but when the government is borrowing well over $100 million a day to stay in business, I would ask the minister whether she thinks this is the time to separate our wants from our needs. To have this expensive albatross around our necks at this time is sort of like going downtown to buy a new television set when one does not have any food in the cupboard.

What does the government have in mind in trying to get the CBC on an economically viable basis rather than just a black hole in which to throw money?

Ms. Guarnieri: Mr. Speaker, I thank the hon. member for the instant promotion but I am a mere parliamentary secretary and not a minister. Thank you anyway.

The hon. member makes the point that there should be more food in the cupboard but to many people culture is a form of food and sustenance. It is the unifying link that binds this country together. The measure that the government has proposed and put on the table before members is very responsible. It is done with a view to ensuring that we are fiscally responsible. The money that we are proposing is money well spent.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, on Friday, March 25, my colleague, the hon. member for Mercier, addressed this House on Bill C–17. She asked members to adopt the following amendment: "That this House refuse to proceed with the second reading of Bill C–17, an Act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994; 1) given that the amendments to the Unemployment Insurance Act do not reduce the inequities between have and have–not regions in the country and contain no specific measures to reduce youth unemployment; 2) given that the amendments to the Unemployment Insurance Act do not cancel the increase in premiums paid by workers and employers in effect since January 1, 1994."

• (1650)

Today is the period allocated to ask the House to adopt this amendment. The reasons that led my colleague to present her amendment are increasingly relevant, and the population, particularly in Eastern Canada, clearly supports our demands. It is unacceptable to ask Atlantic and Quebec recipients to become scapegoats so that the current government can satisfy its appetite for rationalization in unemployment insurance as impartially as it does in this bill.

As my colleague from Mercier clearly stated in this House, we cannot ask Atlantic Canadians, who account for 8.5 per cent of the Canadian population, to accept cuts of 26 per cent of the unemployment insurance budget. We have the same problem in Quebec, where 25 per cent of the Canadian population will be hit by cuts of 31 per cent.

Quebec has known for a long time that the Liberal Party of Canada was going to impose such economic losses on Quebec if it came to power. It knew that the Liberal government would present bills allowing it to save $5.5 billion over three years and that the bill would be split inequitably among the provinces. In the proposals contained in Bill C–17, Quebec and the Maritimes end up with a large portion of the bill while western Canada and Ontario are much less affected.

Quebec knew that one of the first measures taken by the Liberal government would be to approve an increase of 7 cents in unemployment insurance premium rates, which it did on January 1, 1994, nine weeks after being elected. Quebec knew that this increase would eliminate 9,000 jobs. And to look good, this same government proposes to re–create these same 9,000 jobs in 1995 and 1996 by bringing premiums down to their 1993 levels.

The government gives with one hand what it took with the other and expects to be taken seriously. Quebecers were not fooled. They elected 54 members of the Bloc Quebecois to defend their interests, and that is what we intend to do here until Quebec becomes a separate country, and we demand that the redistribution of wealth, whether through unemployment insurance or any other social benefit, be fair until Quebecers hold all the levers of economic control and are masters in their own country, Quebec.

If Bill C–17 extends for two years the freeze on compensation for federally appointed judges, Parliamentary agents, the Governor General, the Lieutenant Governors and parliamentarians, fine, but it is not all right if it raises the premiums of workers whose buying power is already lower and the premiums of companies that already have trouble competing in a world of global markets; that is unacceptable.

However, the Minister of Finance had the opportunity on February 22 to present a budget for a fair redistribution of wealth by taxing the richest individuals and sparing the poorest. That is not what the Minister of Finance did. He presented a budget in which he projected a deficit of $39.7 billion for 1994–95, when the total debt has already exceeded $500 billion.

On March 7, I asked this House to fight the deficit and waste. I suggested to this House some ways to create permanent jobs and to improve Canada's finances. Today I would like to add some ways to reduce the deficit, improve our economy and make our people more secure, while redistributing our wealth fairly and equitably.

• (1655)

Let us look at water transportation. In his budget speech, the finance minister mentions the upgrading of ground transportation but fails to specify how it will be done.

Well before the advent of rail and air transportation or trucking, waterways were used by the early settlers. Canada goes from sea to sea and holds the largest bodies of fresh water in the world. A majestic river flows through it. Canadian harbours played a critical role in the development of Canada and Quebec. However, in recent years, the majority of ports have been experiencing serious problems.

And yet, waterways provide the most economical and the least polluting means of transportation. Our merchant marine has been all but abandoned and our shipyards are facing great difficulties, especially in Quebec. It is not a question of building ships just for the sake of it; indeed, we can and must build ships to lower transportation costs and preserve the environment we live in.

The development of Quebec City's harbour and most ports along the St. Lawrence Seaway is based mainly on grain transportation. Whereas western ports see their share of grain shipments increased, St. Lawrence Seaway harbours are nearly at a standstill. The problem is compounded by a drop in Russia's grain purchases due to an excellent wheat crop in that country. What are we to do in such a situation? We must find another vocation for our majestic river and our fresh water bodies. For example, cruises are an ever–expanding sector both in the

United States and in Canada. Some 7,500 people went on cruises ending in Quebec City this year compared to 4,300 last year. Is this not an exciting new niche for a country like ours? We could at the same time develop our merchant marine and give work to our shipyards such as MIL Davie, in Lauzon, which are world–renowned in their field.

I am making these constructive suggestions to the House because they were ignored in the budget speech.

Let us now look at duplication. Is it not time that agencies, departments and other government bodies be carefully reviewed to determine if they really offer an essential service? Is it not time for the various government levels to communicate with each other and put an end to duplication? Our party has been bringing tax shelters to the attention of this government for some time now, but they did not have the courage to abolish the real tax shelters of the rich, family trusts, for example. They prefer to postpone such decisions and let a committee study the question. However, the government did not ask a committee to examine the question when it decided to cut the tax credit for those 65 and over. They certainly know how to make decisions when attacking the have–nots! They knew very well how to go about it when they decided to cut UI benefits through bill C–17.

Canadians need reassurance. A country's economy grows out of its resources and Canada's most important resource is its population. Even though we make use of our human resources we are not making the most out of them, mainly because they are insecure. Our population feels insecure in areas like education, unemployment, health services, social housing, violence against women, the uncertainty of our future, legislation and governmental programs; it feels insecure about the leaders of this country. People worry when they see UI benefits shrink from year to year.

• (1700)

What will happen to this program in ten years? Will it be gone? Canadians are concerned when they hear about user fees in the health sector. Will they be able to get medical attention when they need it? Canadians are worried when they see that the budgets allocated to education and health care are being reduced all the time. They are concerned about the future. Will there still be work tomorrow, in spite of the promises made by some federal and provincial Liberal politicians?

Finally, Mr. Speaker, Canadians are worried because of their leaders' lack of concern for current problems. Let me give you two specific examples. Some 30 farmers in my riding incurred substantial losses in the production of potato chips. A request for financial help was made to the previous government. The request was rejected. Yet, some farmers from the Atlantic provinces who suffered similar losses were compensated. The farmers and their MPs made a request to the government in office. After two months, the government acknowledged receipt of their request, but took no concrete action.

Another group of individuals in my riding who are disillusioned with our leaders are those who were affected by the urea–formaldehyde foam insulation scandal. This tragedy occurred under the former Liberal government, of which some prominent members are still here. Let us not forget that the current Minister of Foreign Affairs was one of the key players in this episode.

Once again, I transmitted a request to the government in office asking it to take its responsibilities, instead of delegating them to the judicial process. The government acknowledged receipt of the request but did nothing else.

Throughout the debates in this House, we will have to keep in mind that all regions of Canada and all classes of citizens have to be treated equally. Is it right that, in Canada, 63,000 profitable companies do not pay taxes? Is it right that, in Canada, some millionaires manage to only pay a few hundred dollars in taxes every year? Is it right that, in Canada, powerful families can avoid paying taxes on billions of dollars through family trusts?

Middle–class workers know that the first penny they earn is taxed and that the government takes half of it.

In conclusion, if we want to balance our profits and expenditures, if we want to absorb our deficit, if we want our economy to resume its former role at the international level, if we want our wealth to be redistributed fairly, we have to restore confidence among Canadians. We have to meet their expectations and we have to answer their questions. We have to give back to Canadians the place that should always have been theirs: in other words, we have to realize that they are the number one resource in our economy.

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, I would like to ask two questions. When we came into office, we were faced, and everybody agrees on that, with a deficit of about $45 billion and an accumulated debt of about $500 billion. My colleague said that there were a number of things he would have done, supposedly, if he had been in power to try to control the deficit and the debt.

He forgot to tell us how much he would have saved on each of his initiatives. Moreover, he said—and he will correct me if I am wrong—that he would have spent more. He said three things: Here is what I would have done, but without telling us how much he would have saved; here is what I would not have done, although some cuts have saved money and he did not say what would have replaced them. And finally, he said: Here is what I would have spent over and above what is already being spent.

If I am not mistaken, there was a deficit of $45 billion and a debt of $550 billion, and I believe he would make things worse. If I misunderstood, I am waiting to be corrected.

• (1705)

The second thing he mentioned that I object to are user fees. I never heard anyone on this side of the House mention such a thing. Why scare people? Why does he pretend that we are studying the matter? In fact, the Minister of Health has said repeatedly "no user fees", so why does he make such a comment? Does he not feel that it is unjust, cruel, maybe a bit dishonest?

Mr. Guimond: Mr. Speaker, listening to the hon. member for St. Boniface, I am pleased to learn that we are allowed to accuse one another of making dishonest comments. I wonder if the hon. member heard the first part of my speech. I think he may have come in partway through. I will nonetheless answer his two belated questions.

First, what we blame the present Liberal government for is that in its February 22 budget it came up with nothing more than a national infrastructure program which will cost $2 billion in federal taxes, $2 billion in provincial taxes and $2 billion in municipal taxes, after running its campaign on a platform of jobs, jobs, jobs. This program will create 45,000 jobs per year, but just temporary ones. When Metropolitan Boulevard in Montreal and Saint–Jean Street in Quebec City have been upgraded, and the sidewalks redone, what other structural projects will there be to create permanent employment?

We, in the Bloc Quebecois, have suggested innovative job creation projects. A project like the high speed train would create 120,000 work–years of employment for the duration of the construction phase as well as 40,000 permanent jobs to operate the Quebec--Windsor corridor. It would also be possible to export Bombardier technology under North American licence for use in ten upcoming HST projects. Two hundred billion in investments over the next 12 years, that is what infrastructure programs, programs that create permanent jobs and high–tech jobs are about. That is my position with regard to the national debt and the deficit.

I will also remind the hon. member for St. Boniface that, had Quebec said yes in the 1980 referendum, the accumulated federal deficit was $75 billion at the time, compared to over $500 billion today. At this rate, what we are going to tell the people of Quebec next time around is that we can no longer afford to remain part of this country; we must get out because it is headed for a $600–billion or $700–billion deficit. That will be one of the arguments in the next referendum campaign.

As for deterrent fees, it is true that, since January 17, I have never heard the Minister of Health, or anyone else for that matter, say there would be any. I must admit that is true. Yet, with regard to the provinces' finances, the danger is that all of them end up facing cash flow difficulties and that the have–not provinces can no longer afford providing health care services because of cuts in federal transfer payments.

In Quebec, we are facing a real danger of finding ourselves back, like in the 1950s, with two types of medical practices: one for the rich and another one for the poor. With sickness striking without distinction of social status, race, language, and so on, there is a danger that the only way some Quebecers will be able to afford treatment will be to mortgage their home and belongings or to sell everything. That is the danger. It is true that the federal government never talked about imposing deterrent fees, but it does put the provinces in a situation where they could well experience cash flow and public finance problems that may divide people into two classes for health care.

[*English*]

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, I listened to the comments of the hon. member of the Bloc. He talked about ways to create permanent jobs.

• (1710)

I have a question for him. He mentioned three particular projects: the TGV high speed rail line, the Quebec to Windsor corridor and the exporting of Bombardier technology to different parts of the world.

As I am sure most economists and the Bloc will acknowledge, real permanent jobs must come from the private sector. Although the current government disagrees with the Reform position on how to create real jobs and pushes ahead with credit card infrastructure programs to create temporary jobs, does the Bloc agree that the source of real permanent jobs is from the private sector? If so, is the hon. member talking about total private sector investment in the three particular megaprojects he has suggested? Or, is this another request for more government subsidies and more government money to be poured into the province of Quebec?

I find absolutely incredible that day after day we come to the House and hear the Bloc party talking about wanting to leave our country, wanting to separate. Yet day after day the Bloc sits in the House and continually asks for more money. Indeed this is a contrast in thought.

I want to ask the hon. member about these three projects. Is he simply looking for more government money to be poured into Quebec? I noticed this morning the Liberal government authorized some $575,000 going to the Montreal Symphony Orchestra and the Quebec Ballet going on a European tour. Earlier I talked about not having any food in the cupboard and buying a television set. This is just another case of money going into the province of Quebec that we just do not have.

Would the hon. member advise me whether he is talking about total private sector investment in the three projects, or is he simply looking for another handout?

[*Translation*]

Mr. Guimond: Mr. Speaker, if the hon. member for the Reform Party sees a contradiction between statements by members of the Bloc and what we receive from the federal government, I want to make it clear that every year, Quebecers pay $28 billion in taxes to Ottawa. I hope that when the federal government invests in Quebec, no one here thinks the government is doing us a favour. It is our money, because we pay $28 billion in taxes.

As long as we are part of this system, and until such time as Quebecers say they really want to form a country, and in any event, Reform Party members who keep presenting petitions against official languages in Canada won't have a problem any more with what happens in Quebec. Quebec will be a French nation. You won't have to present any more petitions to complain about federal investment in Quebec, because Quebec will manage its own taxes, both federal taxes and provincial taxes.

So there is no contradiction involved in claiming our due while we are part of this system. The federal government is not doing us a favour.

Regarding investments in a high-speed train service, a task force including representatives from the Government of Ontario and the Government of Quebec and chaired by the hon. Rémi Bujold, former M.P. for Bonaventure—Îles-de-la-Madeleine, has shown that a Quebec-Windsor high-speed train could be 70 per cent financed by the private sector, while the government could inject 30 per cent, which would represent investments totalling about $2.3 billion. The revenue generated by 120,000 person-years of work during construction and 40,000 person-years when a high-speed train is in operation would total $1.8 billion, which means that the difference between $2.3 billion and what the federal government would contribute with $1.8 billion in tax revenues would be $500 million.

We voted in favour of a project worth several billion dollars to build a fixed link between Prince Edward Island and New Brunswick, because we felt it was a good project. We are convinced that if this proposal is debated in this House, a project that would create jobs, export technology, and nevertheless have a limited impact on the public purse, with 70 per cent participation by the private sector, it would be a very attractive proposition for Canada and Quebec.

• (1715)

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I would like to begin my remarks by—

[*Translation*]

The Deputy Speaker: I apologize for interrupting the hon. member but, before I give him the floor, it is my duty, pursuant to Standing Order 38, to inform the House that the question to be raised tonight at the time of the adjournment is as follows: the hon. member for Laurier—Sainte-Marie—Average income of Francophones.

My apologies to the hon. member for Broadview—Greenwood. Resuming debate.

[*English*]

Mr. Mills: Mr. Speaker, I would like to begin my remarks by continuing on the theme that the member for the Reform Party discussed. It had to do with the contradiction of the Bloc Quebecois coming into the House and constantly talking about separation, yet at the same time asking for more support for megaprojects.

I have absolutely no problem with the members from Quebec fighting for their constituents, for their community and for projects that will help revitalize the city of Montreal and the province of Quebec. If we can get the economies of Montreal and Toronto going again it will go a long way in affecting all parts of the country.

What bothers me is the fact that the members from the Bloc never talk about the announcement that the Minister of Finance made on January 21 when he stated the terms of the five year equalization renewal, the equalization entitlement. As you know, Mr. Speaker, because of our Constitution we have an equalization formula. It is a complex formula where the provinces of British Columbia, Alberta and Ontario, which are the wealthier provinces, are contributing to those provinces in our Confederation that do not have the same resources.

On January 21 the Minister of Finance announced a $70 billion package for the province of Quebec. Over the next five years there will be a transfer of funds that will go to the province of Quebec, unfettered, no strings attached. I have yet to hear a member of the Bloc acknowledge that the $70 billion transfer under the equalization entitlement to the people of Quebec is a good thing. They seem to pretend it is not happening, that it does not go on.

I am not begrudging this transfer in any way. It is part of our contract to keep Confederation together. But when they stand in the House and talk about some of the difficulties we are having collectively in trying to get our economy going again, I wish in fairness that they would acknowledge the fact that for the last five years on equalization the province of Quebec received $50.2 billion and for the next five years it will receive an additional $70 billion.

The people in my community in Toronto cannot figure out transferring $130 billion to a community that is talking about separation. I am waiting for the day when the Bloc members start speaking publicly about the equalization entitlements and

the amounts that the people of Quebec will be receiving over the next five years.

• (1720)

They should not confuse their constituents by saying, as the member of the Bloc stated earlier, that they pay so much in income taxes to the federal treasury. I think the member said $28 billion or something and that they should have all of that back. They get all of that back and more under equalization.

Therefore, do not link the income tax being paid to the equalization entitlement. They are two separate issues. The equalization transfer is over and above all the other programs, services and fundings that are transferred to the province of Quebec.

I want to say, as someone from downtown Toronto, that to spend $100 billion over the next five years to keep Quebec feeling that it is part of Confederation, I personally would have absolutely no problem.

It was a very rough week for us in Toronto. We thought we were going to receive the centre for NAFTA for the environmental studies. We did not receive it but that is the game. You win some and you lose some. I guess my point is that I wish the members of the Bloc would show some of appreciation, not just to their constituents but to the people of Canada.

I realize that is just a little bit off topic from the budget amendment that we are discussing today but I thought it was relevant to the debate.

The part of the bill I would like to speak specifically to has to do with part IV, the borrowing authority of C–17. This is the section in the bill where—and I can see my friends in the Reform Party getting twitchy already—through the approval of the Minister of Finance, we are authorizing the Canadian Broadcasting Corporation, Radio–Canada, to a further borrowing power of $25 million.

I know that the members of the Reform Party have great difficulty with how we, when we are in such difficult times, could authorize for the CBC a further indebtedness or a further support of $25 million. I want to say to members on the other side that this is the right thing to do.

Mr. Harris: Say that with a straight face.

Mr. Mills (Broadview—Greenwood): I do say it with a straight face. As I was saying to one of our colleagues this morning, the CBC is really not like any other business in the country.

I do not know why I am defending the CBC because it has never been particularly good to me or for that matter to any other politician. It is one of those rare situations where we are defending an organization that is constantly attacking us. That is what makes this country so interesting.

Mr. Speaker, you signalled that I have only a couple of minutes. As we head into this very sensitive period where once again we will all be required to make sure that in the interest of national unity we bring our best foot forward, I really feel that it is important that the Canadian Broadcasting Corporation, Radio–Canada—radio, television, Newsworld—have a solid footing and a solid organization. This is an institution, as I am sure most people in Canada would agree, that is probably the best binding agent we have in a communications instrument.

We hear from musicians in every region who might otherwise not get the opportunity to be heard on a national basis. As I mentioned earlier today in debate it is a high quality organization for communication and production. It is also a tremendous training ground.

• (1725)

This is one area where, when we analyse the balance sheet of the CBC, we have not given it proper credit. This has been an area where it has trained people who ultimately have gone on to produce on other TV networks and in the motion picture industry. They are high quality technicians. Many of them now are creating product that we are exporting around the world. It is giving us not only a presence in North America but a Canadian presence all over the world. For that reason I would urge all members to support this bill.

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I really appreciated hearing the comments of the hon. member across the floor, especially when he talks about the have provinces of Canada and telling everyone here today that Alberta is one of those.

It is wonderful to come from a have province. But we are going through one of the most painful periods in our history right now as we have a deficit reduction program that affects every man, woman and child in Alberta.

I am very concerned about the fact that feel good money is going to a province such as Quebec. There is no vision within that province that includes all of Canada. It is very well defined within their own borders for them.

It was interesting for the hon. member to have drawn an analogy between this feel good money that will be going to Quebec at all costs just to keep them and embrace them. I would love it if they could make the choice for themselves to stay in this wonderful country of ours.

I am totally opposed to that $25 million support for the CBC. I would like the hon. member to explain to me how he can in all good faith support the spending authority when there is basically no plan attached to it. It is just a carte blanche gift of spending. I really would like him to comment on that.

Mr. Mills (Broadview—Greenwood): Mr. Speaker, I would like to begin my remarks by saying to the member that in no way do I consider the equalization money being transferred as feel good money.

I do not believe that the Bloc Quebecois are the only people who speak for the province of Quebec. We have a provincial Liberal government right now in Quebec. The money, I believe and hope, goes into responsible publicly accounted for projects, such as retraining, education, et cetera. Please, let us not call this money feel good.

I want to say to the hon. member who comes from the province of Alberta that I realize her province is going through deep pain. So is my city and my province. However having said all of that, Quebec and some of our Atlantic provinces are even much worse off than the member's province and my province. That is something we have to realize.

As far as the $25 million for the CBC goes, and I do not think it is receiving this money and just going out and buying frivolous things, this money goes through a very rigorous process and goes into Canadian content and new production. The hon. member talked this morning about the CBC getting more revenue.

One of the reasons why the CBC is short on revenue is that it is competing with the CTVs of the world that have much more American content. The content in terms of Canadian budget and Canadian productions is not anywhere near the budgets of programming on other networks, CTV, which basically rents its finished product from abroad. The money will be going to enhance the production of CBC programming which hopefully will raise its quality and which will ultimately make it as productive as other networks.

• (1730)

I think the member has to realize and have the good faith that the new administration of the CBC, not putting down the previous one, has assured the CRTC and members of this House that, as all of us in this country are undergoing restructuring and renewal, it does not feel that it is exempt. It is going to do its best to make sure that this money is used efficiently.

Mr. Paul Zed (Fundy—Royal): Mr. Speaker, through the course of today's debate much has been said about specific elements of this budget. I would like to take a few moments to put our discussion into context by reminding hon. members that the broad direction of the budget is one that has been described by the president of the Canadian Chamber of Commerce as headed in the right direction and very specific about how to get there.

This budget addresses three vital challenges. The first is to build a framework for economic renewal. The second is to restore fiscal responsibility and the third, to ensure long term viability of our social programs.

The budget takes a balanced approach to these goals because they are the foundations for what Canada needs most, growth and jobs. This budget is the first stage in a two stage process. The direct actions taken today will be followed by extensive policy reviews leading to further action in the future.

The government has taken concrete action to meet the urgent need of creating jobs and revitalizing our economy. Canada as we all know has just passed through a difficult recession. That is why we are taking immediate action to restore consumer confidence and spur growth, action such as our national infrastructure program.

Currently in New Brunswick as in other provinces we are determining the first projects to receive funding from the $153 million to be spent in our province over the next three years. This government has also announced strategic measures to help Canada compete and prosper in the new economy. This budget, for example, takes action to assist small and medium sized businesses, the driving force behind job creation in our fast evolving economy. Measures including reduction of regulatory and payroll tax burdens as well as improved access to capital and new technology are essential for continued growth and job creation in the new economy.

In keeping with the vision of this budget the standing committee on industry has begun a study on the access by small and medium sized business to new and traditional sources of financing. In the past weeks this committee in keeping with the government's pledge to consult with Canadians has heard testimony from small and medium sized business owners from across the country.

I am pleased to note that a number of Atlantic Canadian business people have come forward to give excellent testimony on this very important subject. Small business people know how hard it is to get a modest loan and this committee wants to see how the government can help.

The budget takes decisive action to bring the deficit down now and set the country on a realistic path toward a responsible target of 3 per cent of the GDP in three years, a target that no Canadian government has reached for 20 years. We will accomplish this mainly from expenditure reductions. In this area this government is leading by example.

Bill C–17, for example, freezes the salaries of members of Parliament. Over the next three years net savings from all spending cuts will reach $17 billion. This represents the most extensive program of net spending reduction of any budget in more than a decade.

• (1735)

We still have work to do. Even with last week's encouraging news of the largest monthly decline in the unemployment rate in 10 years, we still have too many Canadians out of work. We have an economy where one in six children lives in poverty and where social programs that were once the envy of the world no longer

meet our different needs and have outrun our ability to pay for them.

This budget sets the stage for a historic modernization and restructuring of Canada's social safety net over the next two years. The goal of this reform is to provide modern and sustainable programs that respond to contemporary needs like skills training and incentives to work.

The budget takes a critical first step toward this broad goal by initiating concrete action in two major expenditure areas: unemployment insurance and federal transfer payments to provinces in support of social programs.

Rising unemployment insurance premiums for business are a major obstacle to job creation. The changes to UI announced in the budget will lower premiums and provide the creation of more jobs. As the president of the Canadian Federation of Independent Business said: "It is a huge incentive for small business to create business".

In the recent past federal action toward the provinces appeared to be based on a strategy of sneak attacks, confrontation and denunciation. This led to federal–provincial relations increasingly charged with tension. This budget rejects this approach. Instead it provides for predictability and modest growth in equalization transfers during the timeframe for social program reform.

Throughout the course of the reform process the federal government will work with all of the provinces to redesign our social programs. We will co–operate in studying reforms and testing new approaches with extensive consultations with the public to receive their input along the way.

In the province of New Brunswick we recently announced co–operation agreements between the federal and provincial ministers to find new ways for making a better Canada: a youth jobs strategy program at CFB Gagetown to allow young people between the ages of 17 and 24 to receive skills training in different trades; the New Brunswick job corps program which provides a guaranteed income for participants in return for volunteer services. This program is targeted at individuals over the age of 50.

As the finance minister for Newfoundland said recently, all of us and every province in this country have to be part of the solution to the Canadian problem.

The spirit of federal–provincial co–operation I have described extends beyond the budget measures relating to social security transfers. Despite the co–operative and constructive approach this budget takes toward the provinces, some hon. members have expressed concern about the regional impact of specific measures. As a member of Parliament from Atlantic Canada, I believe I can bring an important and constructive perspective to this critical issue. I say this because we in Atlantic Canada realize the scope of the national problem and we know that to correct it, tough decisions have to be made.

We know we must look forward to the new opportunities provided for in this budget, opportunities like the infrastructure program and our experimental job corps, opportunities that get business working in the proper climate to create the jobs and economic security we need for the 21st century.

We in Atlantic Canada recognize the importance of taking control of our own destiny. We are spearheading the move to lower interprovincial trade barriers and have truly free trade Canada within Canada.

In concluding, I would say that this budget has been described as a road map to the future. It takes measurable, bottom line action to help build the future opportunity and solid growth. It does so with rigour but also with compassion and creativity. Therefore I urge all hon. members to support this bill.

• (1740)

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, I was disappointed I did not get to make some comments to the hon. member across the way. I know he was looking forward to that.

I just heard the hon. member for Fundy—Royal talking about the merits of the budget. There were a couple of things that sort of struck me which I have discussed with other members in these debates.

First of all I would like to say the statement made by the president of the Canadian Chamber of Commerce, as the member pointed out, rang about the same bell as that of the chairman of one of the major banks during the referendum debate when he said that in essence the world is going to end if the Charlottetown accord did not pass. Of course we saw that did not come about exactly.

The member is saying that this gentleman has said that the Liberal budget is on the right track. I wonder just exactly where that track leads to. There are a couple of inconsistencies. The member talks about all the different job creation programs that the budget is going to bring about. I wonder if the answer to the unemployment problem in Canada to the Liberal government is simply to put everyone who is unemployed on a government program.

I am sure those people would rather have real jobs. I go back to my earlier comments about where real jobs come from. They come from the private sector industry that has confidence in the fiscal responsibility of the government.

That is what this government has to show and it has to show it by cutting spending in real and positive terms. This has not happened.

The actual spending has increased by $3 billion this year. The member said they had made significant cuts in spending. That may be quite true but this is in proposed spending and projected spending not in real spending.

I can say I am going to spend $50,000 next week on something and then cut it back to $2,000. Can I take credit for saving $48,000? This is the same type of accounting that the previous administration used and the Liberal government before that.

We have to start talking in real terms about what it is going to take to get this economy going again. It is not going to be credit card infrastructure programs. It is not going to be job creation programs for which there are no jobs once the people graduate from those programs or attain their apprenticeships.

It is going to come from private sector confidence and private investor confidence when they start investing in this country and expanding their business. That is where it is going to come from.

Mr. Zed: Mr. Speaker, I appreciate the hon. member's comments. In fact in as many days as I have spoken in this House the Reform Party has raised the issue of the infrastructure program. I would remind the hon. member that it is the infrastructure program that is in fact giving Canadians confidence. It is the package, if you will. That infrastructure program is what is spurring the confidence.

I agree with the hon. member that small and medium sized businesses create 80 per cent of the new jobs that are created in this economy. But if the government does nothing but cut without stimulating I would suggest to the hon. member that we are going to be mired in a deeper recession than the one we are getting out of.

It is a balance. That is what has impressed me the most about this Minister of Finance and about our government, that there has been a balanced realistic approach. The cuts represent $17 billion.

I am one member who would have liked deeper cuts, faster cuts, but I have been convinced that this is a balanced approach and over the next three years we will be within 3 per cent of the GDP which I believe is responsible.

I would urge the hon. member, if he has some suggestion about what is wrong with our infrastructure program, to let us hear it. However I know a lot of people and a lot of municipalities are enjoying the benefits of the infrastructure program.

• (1745)

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, I would simply like to make a comment about the programs which my colleague mentioned and that are presently considered in his province of New Brunswick.

I do not know if the hon. member has read *La Presse* this morning, because one headline says: "New Brunswick wants to force single mothers to identify the father of their child", and I have followed the experiments that are being done in this field, "Those who will refuse will lose access to welfare". Is that the kind of model we want to give Canada?

[*English*]

Mr. Zed: Mr. Speaker, that is not the program I am referring to. The one I am referring to is an opportunity for young people to be trained in a specific area: perhaps an environmental project, a silviculture program as the lifeblood of New Brunswick is the wood industry, or some community based program. A program was recently announced for people over 50 years of age who would only be making about $8,000 on welfare. In this pilot program 1,000 individuals will be eligible to receive $12,000.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, my comments in these short 10 minutes were to be on the omnibus bill, a bit about UI reform and, if there were time, on the wage freeze. However the eloquent, noble and spirited defence of members opposite of the mother corporation CBC drove me to buy a newspaper to find out what the oracle of Canadian culture had in store for us tonight.

For the edification of members opposite and for those in television land, they can want see "All in the Family" at seven o'clock, "Blossom" at 7.30, "Fresh Prince of Bel–Air" at eight o'clock or at 8.30 "Fresh Prince of Bel–Air, Part II". Is the oracle of Canadian culture worthy of the money we are going to be borrowing from our children to pay for it? Does it need more money? Should we give it $25 million so that it can get capital?

Let me deal, folks, with the Canada assistance plan because it is fairly serious.

An hon. member: That is the Canada assistance plan.

Mr. McClelland: Yes, it is.

The Deputy Speaker: First, it would be very much appreciated if the member would put his remarks to the Chair. It is a long established tradition. Second, the member actually has a 20–minute slot.

Mr. McClelland: I could go on at more length about the mother corporation in that case.

In any event, this omnibus bill in support of the budget is of great importance to our nation. As other members have said, it sets the stage for what is likely to happen over the next few years.

Under the Canada assistance plan, as members know, the Government of Canada was to fund generally speaking 50 per cent of the money the provinces must spend in the welfare programs they administered. A few years ago this was changed. The Canada assistance plan payments by the federal government to the three provinces of Ontario, British Columbia and Alberta were capped. The net result was that these provinces were

frozen into a situation whereby they were getting less money transferred from the federal government but were really having more demands put on their resources.

• (1750)

The real problem is that we as a nation will go through the trials and tribulations of living within our means. This will inevitably mean cutbacks. Unless these cutbacks are done fairly across the nation and in all sectors of our economy tremendous resentment will be built up.

Let me give an example of what is likely to happen or what is happening with the capping of transfer payments. *Maclean's* magazine of April 4 speaks to the problems Ontario is going to face because of the Canada assistance plan being capped: "Through the Canada assistance plan Ottawa paid 50 per cent of the welfare costs of the seven poorer provinces but picked up only 29 per cent of Ontario's 1993–94 tab of $6.3 billion. Quebec got 10 per cent more funds with 43 per cent fewer beneficiaries".

Let us think about that. If a Canadian is on welfare or in need of funds from the government and lives in Ottawa or anywhere else in Ontario, the federal government pays 29 cents of every dollar of those costs. However, if he or she lives across the river in Hull five minutes from here, the federal government pays 50 per cent of the cost. Is that fair? That might have been fair because of an extenuating circumstance that might last for a year or two, but let us remember that the budget locked in the inequity until 1998. What strains will that put on the budgets of Ontario, British Columbia and Alberta?

There is a solution. The federal government could increase the payments to the three have provinces or it could reduce the payments to the three have not provinces to bring them all into line so there is balance and equity.

A further example from *Maclean's* magazine indicated: "In 1992 Ontario employers and employees paid $1.67 billion more into the unemployment insurance fund than they drew out in benefits. The province blames UI rules that allow workers in areas of higher unemployment to work for shorter periods for longer benefits".

Several members mentioned earlier that this was an appropriate means of transferring funds into very depressed areas of the country, that it recognized some parts of our nation were in worse shape than others. Unemployment insurance should be unemployment insurance. When unemployment insurance was brought into being it was not determined at that time that it was to be a wealth transfer. It was to cushion employees who lost their jobs for one reason or another until they found another one.

From that aspect the budget goes a long way in eliminating or at least ameliorating the problem. The government is to be commended for recognizing that unemployment insurance continually taxes those who are working. It really is a tax on jobs and is going to do more harm than good in the long run.

As well, if the words we hear from the task force looking at unemployment insurance are true, that unemployment insurance may in the future be determined as an insurance program paid by employees, it will be another big step to reforming unemployment insurance. It is just blowing the dust off the Forget commission report and implementing it 15 years or so after it was written.

What do we do in the areas of Canada that need the transfer of UI funds so that people can exist? We need to look at it as two separate entities. Unemployment insurance should be unemployment insurance, the purpose for which it was intended. Income supplements should come through some other government function but be accountable. If it ends up being a guaranteed annual income or whatever it might be, so be it, but let us not confuse the two issues so that we end up with nothing.

• (1755)

I would like to give a personal example of how unemployment insurance as it is used today is a disincentive to employment and costs far more than it should. Without the permission of my son I will use him as an example. He is a very fine young man who quit his job just before he was going to get fired because he was not doing a very good job. It was a fairly well paid job. He thought he would not have any trouble going out and finding another one. It turned out that he was wrong. He had a great deal of trouble finding another one.

Every two weeks he got a cheque in the mail for over $600. When the time came for me to say to him "Marry, go out and get a job", he would go out looking but none of the jobs would pay anything like the amount of money he was getting for doing nothing. Unemployment insurance was not tiding him over until he could get a new job. Unemployment insurance at that level was robbing him of the initiative to go out and get a job.

He grew up in a home where industry and initiative were the bywords and the watchwords. Let us just imagine what the richness of the program has done all across the nation to hundreds of thousands of people who are milking the system, who are using the system as it was never intended to be used.

The steps the government is taking with regard to UI are in the right direction. However it must be coupled with some other program to ensure that people on the bottom end of the totem pole are able to exist and move themselves out of poverty, recurring poverty.

I would like to spend a few minutes talking about the wage freeze which is a good idea. It is a particularly good idea in the House because we are the leaders of our country. The people at the top of the heap in any circumstance, especially a difficult one, should be the first to take a hit. A wage freeze in the House is entirely appropriate. It is entirely appropriate in the upper echelons of the public service.

However we have to do more than just say we are going to freeze the wages. We have to look at how we could get the most efficiency out of the money we are spending. We can bet that people in any organization including the Public Service of Canada lay awake at night trying to figure out how they can get around whatever particular obstacles are in their path and make a few more bucks.

If we were to look at it we would see that the only people who are really suffering a wage freeze are the people who are on the bottom rung of the ladder in the public service because they cannot reclassify their jobs.

For example, right here on Parliament Hill employees of the lowest order of employment had to restructure their employment base, come in on weekends and change things around so that they could no longer make overtime because there was no more overtime. They cannot come in and work on a weekend and get paid overtime. Yet other people in the hierarchy here have reclassified their jobs so that they can then get an increase by reclassification.

• (1800)

Another example that was brought to my attention during the recess was in the weather stations across the nation. A person from the public service brought to my attention the fact that we have replaced weather recorders who used to be paid in the region of $30,000 with a machine that costs about $250,000.

These machines have a life of about five years and require one person to maintain them and travel around. Bonuses are paid in the public service for anyone who is able to reduce the person years of employment in their sphere of influence. What happens is that if one gets rid of five weather observers and replace them with a machine, one would get the bonus for reducing one's payroll. However, the expense of the five machines goes to one ledger and the expense of the maintenance person goes on another ledger. We still have to pay it but we are really no better off than we were when we started or perhaps a little further away from where we wanted to be.

It also does not do any good in terms of employment. What we have to do as a country is not just say we are going to have a wage freeze, but we have to go through our books line by line just as we would in the private sector and ask how we can make everything that we do more effective, more efficient and work better rather than just saying willy–nilly, we are going to put a freeze on this or we are going to put a freeze on that. While it sounds good, it really does not accomplish anything.

In conclusion, I would like to spend just a couple of minutes addressing the question of Quebec and the fact that this has come up for those who have been following this debate. Every time a member of the Bloc stands in this House, at least in my experience, it has been to cry how badly off the Bloc is treated financially by the rest of Canada and yet it is to request more money from the Government of Canada.

I hope that when this great national debate takes place in this House and in the rest of the country we talk honestly and openly and fairly about who gets what out of Confederation. Speaking for myself and for many of my colleagues here, speaking for the people I represent in Edmonton Southwest we do not mind because we recognize that we are better off than most paying money into Canada that is used as equalization going to other regions of Canada to help them along.

However, we really resent it when we are paying this money into an equalization pool and the people who are on the receiving end of it just ask for more and never say thanks. As this debate over the next few months unfolds, I hope we will talk honestly about whether we are together as a nation because we want to be together or because we are together as a nation only because we continually pull out the wallet and throw money at the problem. I can guarantee that if that is the only reason that we are together as a nation it will not last.

This budget in some aspects is a step in the right direction. Certainly to be fair it is better than anything the Conservative government came up with over many years. Let us not kid ourselves, it is merely the first tentative step. The very difficult and hard decisions are yet to come. They must come because not one person here, not one Canadian anywhere in this land has ever spent their way into prosperity.

The only way that we as a nation can make our futures better is if we live within our means. It is not morally right for our generation or the generation that preceded ours to live beyond our means at the expense of generations of Canadians yet unborn. We are going to have to bite the bullet, live within our means and make the tough decisions necessary.

• (1805)

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, at the outset I thought that the member from the Reform Party was going to be talking about the CBC. He started talking about the CBC in his initial comments and started quoting on the program that we could watch with great anticipation and delight this evening.

I do not know whether he had the occasion to watch *Venture* last night. It was talking about the BBC and the types of programming that the British Broadcasting Corporation has.

When watching the breadth, the depth and the scope of what is allowed to be broadcast in the UK as opposed to what our CBC is allowed to broadcast here in this country I felt slightly ashamed. Here we have a Canadian Broadcasting Corporation that we are literally starving to death and not allowing it to use any amount of intellect as to the type of broadcasting that it can show us.

I had to stop and think that it probably had to do with money. It had to do with the amount of money that we were giving it. If we are going to starve it to death then we might as well put it out of existence. We might as well not have a CBC as to allow it to slowly starve as to what it is allowed to show us.

I think we are being very shortsighted and I would like to hear the comments of the member opposite on this. I think that the CBC was created the same way as our railway system was created in this country because we are such a vast country. We need to know what is happening in Northwest Territories and in Yukon or even in Alberta for the information of the Reform member.

There is nothing more enjoyable to me than driving home at night, I live in the nation's capital, listening to that program broadcast from coast to coast and I can hear what is happening in Newfoundland or I can hear what is happening in British Columbia. I can find out what is happening in this wonderful country.

My question to this member is does he really believe that the Canadian Broadcasting Corporation has a role in this country in broadcasting? If he does, how does he expect it to accommodate what we as Canadians would like to see on its programming with the type of money that we are allowing?

Mr. McClelland: Mr. Speaker, to the hon. member opposite, the program that we were both watching last night was *60 Minutes*, another American program.

When the hon. member mentioned driving along she was talking about the CBC radio program *As it Happens* that I think many Canadians listen to regularly.

I think if we were to say what model would we have for CBC television it would be CBC radio because we have to make distinction between CBC radio and CBC television. If I were looking for a model it would be CBC radio on television.

How would we go about achieving that? All across this fine nation we have public television. We have Access in Alberta and whatever it is B.C. and we have TVO in Ontario and in Quebec and in the maritimes. They are the educational television networks. They are all struggling for money. They can barely survive.

Would it not make sense for the CBC rather than to be telecasting the dribble that it is telecasting tonight in prime time to be taking some of the programs that are on Access and start working toward that?

The CBC last year started to sell itself as "flash, the public broadcaster". In my view what it is trying to do is live off PBS. It is trying to be a Canadian PBS but it is not.

Let the CBC become a public broadcaster. Let the CBC broadcast BBC type programming and get out of commercial programming. Why is CBC competing with CTV for the broadcast rights of the Olympics?

• (1810)

It has to be either fish or fowl and if it is going to compete in the private sector then let it compete in the private sector on a level playing field and not get one cent from the public purse. If it is going to get money from the public purse and call itself a public broadcaster then stop telecasting this dribble and become a public broadcaster and that is all I am suggesting.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I rise after my friend who talked about *60 Minutes* and *As It Happens*. There is some confusion here.

I am wondering if my colleague and friend from Edmonton Southwest would mind if I would change channels for a moment and talk about something he discussed about unemployment insurance.

His comments were, and I am sure my hon. colleague would like to correct this, that hundreds of thousands of people are milking the system in Canada who are on UI. I am sure he would like to rephrase that statement because although we acknowledge that there are some abuses in the UI system and there are ways we should correct the UI system, when we have the number of people we have in this country collecting UI while they are looking for other jobs they are very honourable and very fine Canadians who are out looking for work.

I enjoyed very much the personal experience that my colleague had the opportunity to bring to the attention of this House but I would like him to correct if he would the misconception that there are hundreds of thousands of people in Canada who are milking the UI system.

Mr. McClelland: Mr. Speaker, it is a tragic number. There are over 1.5 million people in Canada today who are out of work. There are social costs in being out of work. It is not just the financial costs, it is the lack of self–respect, the lack of self–worth experienced when people are unable to get that job. I know very closely from personal experience that the sense of self–worth and self–confidence really starts to go.

At the same time, while certainly there may not be hundreds of thousands, there are many thousands. We all remember the UIC ski team. We all know of circumstances in which people are

using the system. The system allows itself to be used that way and people are not stupid.

If our largesse has the built–in ability for people to use it, it also has the built–in ability for people to abuse it and unfortunately we have become for one reason or another a nation that does not look askance at people who abuse the system.

If people cheated on their taxes they were considered to be criminals. Every day now people are avoiding taxes, the GST. People are using the unemployment insurance or other welfare entitlement programs and feel they are entitled to them.

I think we have really lost something in our country when we became a nation of entitlements or benefits or rights rather than responsibilities.

I think the germ of the same thing is there that we as a nation have forgotten the fact that we are a people with responsibility to the nation. Every word we ever hear is about the rights that we as individuals have from the nation. We have to turn that around somewhere and I think it starts right here in this House.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I would like to offer one observation as a result of the remarks of the hon. gentleman pursuant to the CBC.

He may or may not know that I spent 18 years at the CBC and so I know a little about that corporation.

• (1815)

What he neglects to say is that the Canadian Broadcasting Corporation finds itself in a catch–22. Those of us who are what you might call purists and who defend public broadcasting would be more than delighted to see the CBC get out of commercial broadcasting completely. I really think that a public broadcaster has no business being in the commercial business.

As the hon. member should know, there is a refusal on the part of a lot of Canadians, probably himself, to fully fund a public broadcast network, and so the corporation over the last many years has felt the need to get into commercials even in a larger way.

Then when the corporation does resort to gaining commercial revenues a gentleman like him comes along and complains about the CBC in broadcasting sports events. Sports events in our culture attract large audiences and when we attract large audiences that is how we attract commercial dollars or first of all how we attract advertisers and that attracts commercial dollars. That is the catch–22 or the vicious circle that the CBC finds itself in.

Do not complain about the CBC's involvement in commercials. It is forced to because of the refusal to support it well as a public broadcaster. That is the catch–22 the corporation is in.

Mr. McClelland: Mr. Speaker, I certainly do acknowledge the fact that the CBC is in a catch–22 position. In my comments I think I made it very clear that it is trying to be fish or fowl and cannot be both.

I have looked at the CBC, as we all have, for many years. The CBC is going to have to define its mandate and decide what its going to be and how its going to do it and then come to the government and say this is what it wants to be or this is what it can afford to be.

We cannot keep on going as we are going today. The hon. member is right, if I had a choice between the CBC as it is today, CBC television, and continuing to throw more money at it, I would say absolutely not, not another nickel. If we could have a CBC, a la CBC Radio, a la the hon. member's intention, then I say it is worth contributing to and it is worth supporting. In its present state I do not think it is worth supporting.

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, I would like to take this opportunity to change direction slightly in this debate and talk for a moment about infrastructure. That is a keystone part of this government's budget and I would like to give the very narrow example of what that infrastructure program is already doing for my riding.

Before I go into that detail I would like to put a little anecdote together. Some 10 years ago I had the occasion to go on a courtesy flight in an aircraft of the Canadian War Plane Heritage Museum. The Canadian War Plane Heritage Museum operates from Hamilton civic airport in my riding and had at that time a collection of some 40 World War II vintage aircraft, that is pre–war and immediately post–war. I had the happy occasion to go up in an aircraft called the TBA Avenger. It was a torpedo bomber used in the second world war, chiefly in the Pacific, and this particular bomber was flown by the Canadian air force during the second world war.

I flew in the rear gunner position. The airplane was used in mock manoeuvres and it was quite an incredible airplane. The Canadian War Plane Heritage Museum also had a Hurricane and did mock dog fights and there I was. The airplane was diving and climbing and it was quite an exciting experience. It was a very daunting experience, I have to say.

While I was on that flight I could not help but realize that this was the real point of this museum. This airplane that I was in, this World War II airplane, was a full working airplane. It was not just a museum piece. It was something that had been restored, lovingly restored, and was in full flying condition even though it was almost 50 years old.

I have to tell the House a sad thing about that aircraft. A little more than a year ago it was destroyed in a fire in a hangar at the Canadian War Plane Heritage Museum at Hamilton airport, along with a Hurricane from that same vintage. This was a terrible disaster to the museum which has become in the Hamilton region one of the stellar attractions. The museum had

at that time about 40 aircraft and attracts about 80,000 visitors a year. In that fire five aircraft were destroyed and it was a very sad thing.

• (1820)

I wish to report however that the War Plane Heritage Museum which is chiefly staffed by volunteers, with over 6,000 members, has risen from the ashes. It has done more than that. Not only has it embarked on a very aggressive program to replace the aircraft that were destroyed, it has also put forward a proposal to build a brand new museum on the Hamilton airport property as part of the infrastructure program. It has actually put a proposal forward.

This proposal has gone before the Hamilton—Wentworth regional council and it has basically agreed to partial funding. The council is going to put up $1 million and the museum is going to come up with the other $3 million through donations and various other means and then we hope to have matching grants from the province and the federal government to bring the total cost of the museum to $12 million.

The plan is a beautiful one. They want to put up a museum which will be right next to the airport terminal. It is going to shaped like the fin on the tail end of an airplane and there will be two large hangers on either side in which to keep the restored aircraft. There will be a viewing area and all that kind of thing. It is going to be fairly close to where they are going put the new highway 6 bypass. It is going to be a very attractive project.

This seems to be a rather odd thing to be a candidate for an infrastructure program because we think more in terms of roads and bridges. The region is using much of its $53 million allocation for just that purpose. This project incredibly fits right into the infrastructure mandate as laid out in this program. It is going to create jobs and it is going to be operated by the people who have put it together.

The thing that makes this project so exciting is not only is it going to create jobs, it is going to create enormous attention for the War Plane Heritage Museum which as I explained already attracts 80,000 visitors a year and we can expect it to attract 160,000 visitors a year when this is completed. Therefore, we will see jobs created.

The thing that is so delightful about this project is that it really is a project that celebrates our past and our identity as Canadians, even though it is an infrastucture project. This is the thing that is so beautiful about it.

For instance, one the the most stellar aircraft in the collection is a Lancaster bomber which is one of only two Lancaster bombers in the entire world that will still fly. That is the kind of object that is in this museum.

The reason I bring this up is that to my mind it just shows how a program like the infrastructure program that has been presented by this government can be taken by regional politicians and by ordinary people and be made into something that can inspire our fellow Canadians, can celebrate our past and be a very fine thing for everyone involved.

I think that other communities will take this program and do many things similar to this. It is a very fine program and a very fine budget.

The Deputy Speaker: I understand that the member is dividing his time. The hon. deputy whip to the government, the hon. member for Glengarry—Prescott—Russell on debate.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to have the opportunity to participate in this debate.

I want to start by congratulating the Minister of Finance for having brought forward such a balanced budget for our country. Mr. Speaker, lest you think that I am partisan when I make these remarks, which is probably the furthest thing from your mind at this point, let me tell you what others have said about the budget.

• (1825)

John Reid of the Canadian Advanced Technology Association says that the budget sends a good message for the economy and our rapidly changing job structure. Is that not great?

Ted Bryk, president of the Canadian Home Builders Association—an appropriate name for a job like that—said: "I think it is fantastic. I see it as a really positive move that will encourage young buyers into the housing market". This is in reference to the extension of the RRSP Home Buyers Program.

"It is a huge incentive for small business to create business. You take a tax off jobs, you get more jobs". This is in reference to the cut in UI premiums by John Bulloch, president of the Canadian Federation of Independent Business.

Even bankers have said that this is in bankers' language a good budget. Mike Chandler of the Royal Bank says that the market seems to have given the budget a passing to good grade. Considering bankers' compliments as they are, I consider this to be pretty complimentary.

[*Translation*]

So, as you noted, Canadians agree that this budget is good for the future of our country. It is not only commentators who made comments on this; we have already seen the effects of this budget, and also the effects of having a government that we can trust, and we see it in the reduction of the unemployment rate since the Liberal government took office.

[*English*]

What has this meant? It has meant that in March the unemployment rate had fallen to 10.6 per cent. Of course that is still way too high but we have only just begun. We have reduced it from 11.1 per cent in February and the month of February had a huge increase in the number of jobs. I say to all hon. members that this is good news for Canada.

[*Translation*]

So, the infrastructure program is not even implemented yet we are receiving bids and we award contracts.

The other day, I heard the Minister of Finance tell us that, at first, we thought that the infrastructure program would create 60,000 jobs. Well, we were wrong. It will create 90,000 jobs, according to the most recent estimates. And it is not even in place yet.

So, you see, this government is here to serve the Canadian people and to serve them well. We are here, of course, to make sure that Canada will prosper. It is useless to preach despair, as some of our colleagues opposite do, or as those who like to say that we should cut everything and that perhaps the economy will work by itself. No. The government is here to govern. It is here, of course, to have its say for the good of the Canadian people and for the good of our economy.

[*English*]

As a father of two adolescents, I cannot wait for the economy to improve. I have a son of 22 years who is just completing his fourth year of university this year. I want him to be able to have a job, yes, but a good job even more so. I say that we must move now to do these things. Every day we wait to pass Bill C–17 is costly.

For instance, I say this to my colleagues from the Reform Party, if the bill is not passed by June 16 in all stages, the Senate, royal assent and so on, it would cost $34 million more pursuant to the Western Grain Transportation Act. If changes to the Unemployment Insurance Act are not made by the first week of July, a one month delay would cost $175 million more. The people opposite say they are in favour of saving money. This would rise to $350 million after three months. That being said, we have waited long enough. Therefore, pursuant to Standing Order 26(1), I move:

> That the House continue to sit beyond the ordinary time of adjournment for the purposes of considering the second reading of Bill C–17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994.

• (1830)

And fewer than 15 members having risen:

The Deputy Speaker: Pursuant to Standing Order 26(2) the motion is adopted.

(Motion agreed to.)

[*Translation*]

Mr. Plamondon: Mr. Speaker, I would simply like to say that as for the House's cooperation, if the government keeps on moving such motions without any warning, the Official Opposition will put an end to the exceptional cooperation it has offered up till now.

We had an understanding concerning that bill; we would discuss it until 7.10 p.m. in accordance with the Standing Orders. But they underhandedly propose continuing the debate this evening without giving us advance warning for our speakers. We refuse to agree to such methods and if that is the kind of game the government wants to play in the coming weeks, I can tell you the Official Opposition will not behave as before.

The Deputy Speaker: It is now time for comments or questions on the last speaker's intervention. Are there any comments or questions? The member for Richelieu.

Mr. Louis Plamondon (Richelieu): Mr. Speaker, during the five minutes I have left, I would like to make a few comments on the speech by the member who just spoke.

It is rather surprising to hear him make such remarks when we know what he used to say when he was in the opposition. How dare he come and tell us with a straight face that unemployment has dropped when it has only fallen by one point and only because unemployed workers are now on social assistance. There is nothing to rejoice about.

What I cannot understand is that the member, instead of being ashamed of his government's performance, and trying to put a good face on a ridiculous budget, is boasting about it. He is boasting about his government's performance. He claims that his government has created 100,000 jobs, but with what projects? With what? With what vision? With what performance? This government has no economic vision.

Speaking of the last budget, what did it amount to? It amounts to the creation of 32 or 33 committees of all kinds to consult people, whereas before the elections, they were brandishing their red book saying that they had solutions for everything. They had solutions for everything but when the time came to table the budget, the only solution they had was the same disease the Tories suffered from, which is to consult the people. We have consultations on defence policy, consultations on economic matters, consultations regarding social programs, but no decisions.

And the member opposite dares come here and boast about his government's performance! There is a total lack of vision in the bills this government has presented since it came to power. They have no vision and they come and tell us that everything is fine. They talk about infrastructure, temporary jobs, jobs created with borrowed money. They say they will create 90,000 jobs, 60,000 jobs or maybe 45,000 jobs, none of them long–term. Is it the only thing you have to offer your son who is graduating after four years in university? What is he supposed to do? Work for a

few months at a job provided by the infrastructure program? Is this the best you have to offer your son, sir? Mr. Speaker, through you, I am talking to the member and I think I am getting him upset.

• (1835)

Well, this government, which has no vision, has decided to consult the people instead of making decisions. Consultations like people in bars would have held. You only have to listen to open–line shows to know that people are fed up, that they want decisions, cuts, changes and a fairer tax system.

Why not do something about family trusts? About tax havens? Because the people who benefit from them are the same people who finance your party. Now that you are in office, you do exactly what the Conservatives did. It is your turn to enjoy pork–barrelling. Instead of saying "We will not do as the Conservatives did", as you promised to do while in opposition, you have not changed a thing. You come up with the same kind of budget, the same kind of statements. You brag about decreasing the unemployment rate, when you had nothing to do with it. You brag about creating jobs, even though not one program has been set up since you came to office, and no economic direction has been given. You are behaving exactly like the Conservatives did in 1984.

You had five months to answer my questions, dear colleague. Five months to let me know of your government's intentions through statements by ministers and a budget that holds up. But no, we got nothing at all.

I would be pleased if the hon. member could give me an answer, albeit a short one. You have already talked too much, that is why I did not leave you much time to reply. I would like the hon. member to tell me how he can be proud of what his government has done, since the unemployed have seen their benefits reduced, as of April 1, and have lost $1 billion—

Mr. Boudria: Mr. Speaker, I am not sure if that was a question or a litany. I thought it would never end.

The hon. member asks us why we are in favour of consultations with regard to family trusts. Does he not remember that it was his own colleague, the opposition finance critic, who called for consultations? You see, we are so receptive that we are even willing to take advice— not too often, of course—from a member opposite.

The hon. member questions us about the budget, claiming that the general public does not like it. I will read you a quote: "The federal Finance Minister's first budget is modest but true to what the Liberal Party told Canadians during the last election campaign. It will not please those who, like the Reform Party, want to slash spending across the board. But, for once, it spares the vast majority of taxpayers who already shoulder a heavy burden." That quote is from *Le Devoir.*

Would you like to hear another one, Mr. Speaker? Here is what the *Vancouver Sun* had to say: "Mr. Martin kept his word. He gave us a combination of tax increases and spending cuts that will reduce the deficit a little without compromising a fragile recovery." Canadians across the country are saying unanimously that it is a good budget.

Mr. Jean Landry (Lotbinière): Mr. Speaker, I would like to express to this House my support for the amendment moved on March 25 by my colleague, the hon. member for Mercier, respecting Bill C–17, an Act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994.

• (1840)

How can we endorse these amendments to the Unemployment Insurance Act? How could we support this government, even for one minute? Do you think we were elected to help the government swap its promise of jobs, jobs, jobs for bang, bang, bang? That is the sound of unemployment insurance reform crashing down on the heads of the unemployed if we allow the government to come down hard on them, because that it what it intends to do, Mr. Speaker.

In moving her amendment, my colleague gave two reasons why this House should refuse to proceed with the second reading of this bill. I fully agree with them. How will the proposed amendments to the Unemployment Insurance Act redress the imbalance between have and have–not regions? Where are the measures to reduce youth unemployment? How does the government explain its pursuit of a conservative policy and the finance minister's refusal to cancel this year's increase in unemployment insurance premiums?

These are all questions that I have been hearing from my constituents and that are being asked across Canada. Is the government deaf? I hope that it is not and that it will take these concerns into account. The people deserve more than recycled conservative policy.

There is nothing in this bill that leads us to expect that the inequities between the provinces will be eliminated. Who will be affected by the amendments to the unemployment insurance system? Quebec and the Maritimes. Increasing the number of weeks needed to qualify for benefits affects mainly the Maritime provinces and Quebec. In the regions hardest hit by unemployment, people will have to work two weeks more to obtain benefits, that is in regions where unemployment is over 16 per cent.

Let us suppose, an unpleasant hypothesis, that this measure had applied in the past few months. Seven of thirteen regions would have been affected in the Maritimes and six out of thirteen in Quebec. In real terms, we are talking about 277,000

unemployed people in Canada, of whom nearly 210,000 live in these regions suffering from the economic climate.

Many young people who have to rely more and more on insecure employment will be victims of these measures. They will not collect UI, no, they will have to live on welfare. What a program, Mr. Speaker!

We learned some good news last week: unemployment had declined. Bravo! But that is mainly thanks to the economic recovery in the United States, so the government should not boast. Nothing in its budget has helped the economy recover in this country, Canada. But at least, if the economy is recovering, the government should not put obstacles in the way of those who want to participate in this economic recovery.

When I hear the Minister of Human Resources Development say that he wants to require beneficiaries to work for longer periods to qualify for the same number of weeks of benefits, my hair stands on end! As if the unemployed chose to be out of work. That is not the problem, Mr. Speaker. Unemployment in our area is due to the lack of jobs and to the fact that more and more people have to go from one temporary job to another.

Do not mention the infrastructure program to me; it only creates temporary jobs, not real permanent jobs. There is nothing to give confidence back to the 1.5 million unemployed people throughout Canada and the 428,000 in Quebec. No. The eligibility conditions will not be tightened and the number of weeks of benefits will not be reduced. It is a big deal.

As I just said, the result will be to shift claimants from unemployment insurance to welfare. This passing the buck to the provinces, which is what it is, Mr. Speaker, will cost the provinces at least $1 billion, of which $280 million is for Quebec, according to the figures put forward by three economists from the Université du Québec à Montréal. The government, more generous, no doubt, estimates the costs at between $64 and $135 million only.

• (1845)

Clause 28, Part V, of Bill C–17 is complete nonsense. This clause modifies the number of weeks of benefit entitlement and abolishes the qualifying salary range for UI. As I have just demonstrated, these measures affect areas with the greatest needs. Again, the unemployed do not choose their situation, no matter what certain dinosaurs seem to think in Canada.

Still, according to the previously mentioned study conducted by three economists from the University of Quebec in Montreal, 90 percent of the unemployed in Quebec did not voluntarily quit their jobs. We are talking here about lay–offs, job losses, illnesses or buy–outs. Others are looking for a first job, but are not receiving any UI benefits. Job security is practically non–existent. We have no control over the length of employment. Workers accept casual, precarious or seasonal jobs. Not by choice. It is not that they refuse stable jobs and decent salaries, but rather that only these types of jobs are available. I cannot believe that we must still explain that to the government.

Another point which supports our case for amending this bill is the government's decision not to lower immediately the UI premium rate from $3.07 to $3 for employees, and from $4.30 to $4.20 for employers. The Minister of Finance decided to postpone this move until 1995. I think the good news from last week concerning the reviving economy should prompt the government to reinstate the $3 rate as soon as possible. You know as well as I do how fragile an economic recovery can be.

Cavemen did not spit on the fire they wanted to light. Rather, they blew carefully on it to make it brighter. It is that kind of care that is needed to ensure economic recovery. Why jeopardize the recovery when one could have frozen the rates in January and could still do it with an amendment to the bill?

Not later than last week, the minister of Finance recognized in an interview with Canadian journalists that, considering their current levels, U.I. premiums killed jobs. The Minister of Finance said and I quote: "The problem today is not that we must take fiscal measures to encourage job creation. Rather, we have to eliminate fiscal measures that deter employers from hiring people. That is the real problem."

I am glad to see that the minister has identified the problem. Now he only has to take action. Why was Bill C–17 not brought in with that in view? When a job is botched, there is no shame to do it again. When the government brings in the House a bill which will reduce iniquities between richer and poorer provinces, measures which will create jobs for the young and cancel the raise in both employers' and workers' premiums, it will have done a real good job.

As the slogan of a well–known Quebec humorous magazine says, it is not because we laugh that it is funny. Yet, I feel that this is the reaction of Canadians to the government's promises. The government claims that the reduction in the unemployment insurance premiums in 1995–96 will create 40,000 jobs by 1996. Those who prepared the budget have taught us a few things. Every 1 per cent reduction creates some 1,300 jobs. One does not have to be a rocket scientist to figure out that any increase leads to a loss of jobs in the same proportion. The government talks about 40,000 jobs that were eliminated in its last budget. Where will the government re–create these 9,000 lost jobs? In its budget, the Liberal government proposes to re–create these same 9,000 jobs by lowering premiums to their 1993 levels. There is the catch! The government will re–create what it had eliminated. The remaining 31,000 jobs will not appear as if by magic.

• (1850)

I think these 3,000 workers could return to the labour market; is it not the wish of all members of this House to see these 3,000 people regain their pride? This country needs more people working to turn the economy around, but under the current system every time you hire someone, you get hit by a whole lot of new taxes.

The government must be consistent. Yet, it hopes that this House will pass its bills without reacting. It should listen to the Canadian people expressing themselves through us: let businesses and the unemployed breathe; do not stand in the way of the economic recovery; refuse to proceed with second reading of this bill before it is too late.

Mr. Plamondon: Mr. Speaker, I rise on a point of order. I understand that the government is very interested in continuing this debate but we do not have a quorum.

The Deputy Speaker: I ask the Clerk to count the members present.

And the count having been taken:

The Deputy Speaker: We do not have a quorum. Ring the bells.

And the bells having rung:

The Deputy Speaker: As we now have a quorum, the hon. member for Winnipeg St. James has the floor on the debate.

• (1855)

[*English*]

Mr. Harvard: Mr. Speaker, I understand that this is on debate.

Some hon. members: Question.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

[*Translation*]

And the division bells having rung:

The Deputy Speaker: Pursuant to Standing Order 45(5)(a) I have been requested by the Chief Opposition Whip to defer the division until a later time.

Accordingly, pursuant to Standing Order 45(5)(a) the recorded division on the question now before the House stands deferred until 5.30 p.m. tomorrow, at which time the bells to call in the members will be sounded for no more than 15 minutes.

[*English*]

It being 7 p.m. the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7 p.m.)

HOUSE OF COMMONS

Tuesday, April 12, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

OFFICIAL LANGUAGES

The Speaker: I have the honour to lay upon the table the annual report of the Commissioner of Official Languages covering the calendar year 1993 pursuant to section 35(1) of the Official Languages Act.

[*Translation*]

Consequently, pursuant to Standing Order 108(4)(a), this document is deemed permanently referred to the Standing Joint Committee on Official Languages.

* * *

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to eight petitions.

* * *

GLOBAL PARLIAMENTARY APPEAL FOR DEMOCRACY IN BURMA

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I think you would find unanimous consent of the House at this time for the motion which I would like to propose.

The motion has been drafted following consultations with members from all parties in the House, a motion that is seconded by the hon. member for Kingston and the Islands, the hon. member for Longueuil and the member for Kindersley—Lloydminster. I would seek the unanimous consent of the House to propose the following motion:

> That, in the opinion of this House, the government should urge the Secretary-General of the United Nations to do everything in his power to press the State Law and Order Restoration Council of Burma to take the following measures:
>
> 1. The immediate and unconditional release of Aung San Suu Kyi and all political prisoners, with guarantees for their complete freedom.

[*Translation*]

> 2. The swift and complete implementation of a transition to civilian rule, as mandated by the May 1990 general election, as per resolution 47/144, entitled "Situation of human rights in Myanmar", which was adopted by the United Nations General Assembly on December 18, 1992.

[*English*]

I would like to thank all members of the House of Commons from all parties who have supported the initiative of the Global Parliamentary Appeal for Democracy in Burma which has been initiated by the International Centre for Human Rights and Democratic Development.

Members have signed petitions and I thank them for their support on this fundamental issue. I thank them for their support of the motion this morning.

(Motion agreed to.)

* * *

• (1010)

PETITIONS

NATIONAL FILM BOARD

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I have the privilege to rise under Standing Order 36 to present two petitions today, one decrying the decision of the Minister of Canadian Heritage to close the National Film Board office in Saskatoon. This leaves Saskatchewan and Newfoundland the only two provinces without any National Film Board presence. It will cut down on the availability of access to the National Film Board publications.

We have been told that people in Saskatchewan are tired of demonstrating support to maintain the presence of a national institution while national institutions continue to be cut from across Canada and particularly across Saskatchewan.

THE SENATE

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, second I have a petition signed by over 500 people, mostly from Saskatoon, calling on the government to take measures to abolish the Senate, bearing in mind that it is the home of Tory and Liberal patronage without any basic interest to the Canadian taxpayer.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Shall the questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION ACT, 1994

The House proceeded to the consideration of Bill C–18, an act to suspend the operation of the Electoral Boundaries Readjustment Act, as reported (without amendment) from the committee.

SPEAKER'S RULING

The Speaker: This is my ruling on Bill C–18, an act to suspend the operation of the Electoral Boundaries Readjustment Act.

[*Translation*]

There are three motions in amendment on the Notice Paper for the report stage of Bill C–18, An Act to suspend the operation of the Electoral Boundaries Readjustment Act.

[*English*]

Motions Nos. 1, 2 and 3 will be grouped for debate but voted on as follows:

(a) Motion No. 1 will be voted on separately.

(b) The vote on motion No. 2 will apply to motion No. 3

MOTIONS IN AMENDMENT

Mr. Elwin Hermanson (Kindersley—Lloydminster) moved:

Motion No. 1

That Bill C–18 be amended in Clause 2 by replacing line 9, on page 1, with the following:

"until twelve months after the day on".

Motion No. 2

That Bill C–18 be amended by deleting Clause 3.

Motion No. 3

That Bill C–18 be amended by deleting Clause 4.

He said: Mr. Speaker, as we continue down the trail of haste dealing with Bill C–18, the bill to suspend the Electoral Boundaries Readjustment Act, we suddenly find ourselves at report stage, having gone through a rather hurried committee stage just before the Easter break.

We had gone through a rather hurried committee stage process in dealing with what actually amounts to a very simple bill that tampers with the existing act by suspending it until some unknown and undrafted act is put in its place, or 24 months expire and we do not come up with a solution or a better process for dealing with boundary readjustment. The boundary readjustment process is designed to be a non–partisan politically neutral exercise. By introducing Bill C–18 the government is compromising that neutrality.

• (1015)

Elections Canada goes to great lengths to ensure that we have a fair, democratic and unbiased electoral system. We as parliamentarians should respect that principle no matter how these proposed changes may affect us personally.

The process has a built–in appeal structure through which interested groups and individuals, including members of Parliament, can express their concerns about the changes. There has been no great outcry from Canadians to justify Parliament prematurely interfering with these readjustments that are under way.

Those members who are unhappy with the proposed changes can make representation at the appeal hearings. I might add that I have asked to be heard at the appeal hearing in Saskatchewan. Hopefully the process will not be suspended before I have that opportunity.

This is supposed to be a non–political process. An MP should have no more right to effect changes to the electoral boundaries than any other Canadian citizen.

The redistribution that occurred in the past resulted in similar grumblings from MPs but barely a whisper from the electorate. The redistribution of 1974 following the 1971 census was similarly challenged by MPs. It would seem that the Liberal government of the time did not like those proposed changes either and after much debate decided to create 18 new constituencies and send a new commission out to do the work all over again. It sounds familiar, does it not?

Taxpayers will not accept the cost of redoing the commission's work or the cost of additional MPs. This in itself is justification for not supporting the government's proposal for interfering with the electoral process.

There is one aspect of electoral boundary changes that is a political matter and that is the total number of seats. Canadians have made it abundantly clear that they do not see the need for more members of Parliament. The country's finances are not in a condition to warrant adding the expense of more MPs. Even the physical limitations of this Chamber suggest that it is time to consider placing an upper limit on the number of members in this House. This cap on the House of Commons is the only issue where the Parliament has a legitimate place in considering the issue.

Consideration of the cap on the House is conspicuously absent from any government intentions other than that it has talked about reviewing the numbers of seats with no proposal as to how we can achieve the ends we desire.

We are rather resigned to the fact that we will be blocked by the weight of a heavy–handed Liberal government intent on imposing its will on Parliament without occasion for meaningful debate and honest consideration of amendments.

I believe it is abusing a pillar of democracy, namely the certainty that Canadians will enjoy a fair electoral process free of political gerrymandering and manipulation or even the perception of such and that is no small matter.

Suspending the Electoral Boundaries Readjustment Act before placing an alternative before Canadians to scrutinize and be endorsed by this House is of great concern to me and to many other Canadians. This is especially so in light of the fact that Elections Canada informed the procedure and House affairs committee that the current act is being administered properly and with no problems.

We have just returned from two weeks in our ridings. I want to state that I heard no public outcry over the proposed electoral boundaries from residents of Saskatchewan, both in my riding and in neighbouring ridings.

Rather, Canadians are worried about the deficit and government waste. They are worried about the dollar and interest rates and an agricultural trade war with the United States. They are worried about failing social safety nets and the hurt being afflicted on them by a government that cannot manage its wallet.

They are worried about the Bloc Quebecois, a party committed to breaking up the country at any and great cost and they are also worried that the government is committed to thwarting Quebec separation without regard to fairness and without regard to principle.

The Liberal government may be looking for a red herring to divert as much attention as possible from the economic and national unity issues, the lack of equal treatment under the law for all Canadians and its pillow–soft approach to criminal justice reform.

Perhaps the electoral boundary debates are convenient red herrings as well as an inconvenience for Liberal MPs who could care less about the economy but want to make darn sure the boundary of their riding is at Fourth Street rather than Tenth Street.

The suspension of the act can serve the Liberal government in three ways. First, it could allow Liberals to tamper with the electoral system for partisan advantages. They have majority control in both the House of Commons and the procedure and House affairs committee to which they wish to give the responsibility of drafting new legislation.

• (1020)

Second, as a diversionary tactic to keep attention from its shortfalls it does not want opposition parties, its own backbenchers and the media focusing on the economy and the issues that are important to Canadians.

Third, it attempts to deny the public input and judgment of the public in the current process.

There are flaws in Bill C–18 such as the suspension time. One amendment that we have put forward is that the time of suspension be reduced from 24 months to 12 months.

The current boundaries are based on the 1981 census. We may end up delaying boundary readjustment until after the next election which will happen in 1997 or 1998 if all goes as we expect. That means it is possible that not one election may be based on the 1991 population statistics if the following election were to occur say in the year 2003. It could be based then on the 2001 decennial census. This in fact may be unconstitutional. In any case it certainly breaks the spirit of the law.

A second flaw in Bill C–18 is that it will waste $5 million because most of the work of the commissioners that is already in place will become unsalvageable.

Could the Reform Party have supported Bill C–18? Possibly. If the Liberal government had categorically stated that it would cap the seats in the House of Commons at a number not greater than the current 295 seats, perhaps that would have been justification for suspending the current process.

Does the government really have a plan to reform the parliamentary system so sparsely populated regions of Canada will receive a fair shake in the electoral process and in decision making? We have a blueprint for that plan and we would be happy to discuss it at any time in this House.

Third, the government has not reassured us that there will be no allowances for patronage and gerrymandering in a new process to replace the Electoral Boundaries Readjustment Act by agreeing to substantive support from all three recognized parties in the House before enacting a replacement act. We discussed such issues in good faith but the results were not forthcoming.

There has been no public consultation about the proposed boundary changes. Politicians should not arbitrarily decide to quash the changes before the public is consulted. Since there has been no public concern about the work of the commission, the only reason for dismissing the boundary changes at this point are very partisan and very political.

It is the role of Parliament to ensure that this process is conducted as fairly as possible. It is not our role to choose where or where not the lines are to be drawn. Therefore I support our amendments, first to shorten the suspension period of the current readjustment act from 24 months to 12 months; second, not to cease the work of the current commissioners but to leave them in place so that $5 million worth of taxpayers' money will not be wasted should the procedure and House affairs committee not come up with a responsible act to replace the current act.

[*Translation*]

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, I want to assure you as well as all hon. members in this House that, as we are debating this bill, the government wants to respect the non–partisan nature of the electoral boundaries readjustment process. We want it to remain that way and at no time have we made any proposal with a view to changing the non–partisan nature of this process.

I listened carefully to the member from the Reform Party who just spoke. He said that we were right to review the readjustment process, mentioning the fact that, at the present time, with each readjustment, the number of seats automatically increases according to a predetermined formula. He said that, under the present circumstances, it would desirable for us to consider whether or not this number should keep on increasing, which of course leads to further government expenditures.

• (1025)

On the other hand, he also said that we want to limit the debate and that we want to proceed with great haste. Of course, we want to proceed with haste to stop the ongoing process for the simple reason that it costs a lot of money. It is true that a certain amount of work has already been done, but should the process be allowed to go on, even more money will be spent. This is why we tried to come to an agreement with the opposition parties to carry on the review of the process as quickly as possible. I was also surprised to hear the member mention that the government wanted to take advantage of its majority,

[*English*]

the heavy–handed way of the government to try to push this legislation through.

However, there is a contradiction here in that the member says that we want to push this through in a heavy–handed fashion. The member then turns around and argues that if the government were to be heavy–handed in saying that we would limit the number of members in this House at the present level, he would agree with that. I see a contradiction there. It is definitely not the intention of the government to be heavy–handed in that fashion.

We do not want to limit the debate. We want to make sure that every group, every organization and every person who has something to say on the revision of the process has the opportunity to make his presentation.

[*Translation*]

We have problems with the proposed amendments. There again I am surprised. When we drafted this bill and consulted the opposition parties, we proposed an 18 month period but the Reform Party, the very sponsor of the amendments we are debating today, wanted to make sure that the process would be longer; they said that 18 months was not long enough and all of a sudden they propose to reduce this period to 12 months.

We believe that 12 months is too short. We do not believe that this timeframe will cause problems for the committee in charge of reviewing the process, but rather that problems will arise once the committee's review is over. We will have problems in terms of the process which will have to be put in place to implement a new legislative framework based on the committee's recommendations.

We are convinced that the committee of the House in charge of studying this process will propose a solution which will meet and respect the desires of the people and the members who make presentations to the committee; such recommendations will imply changes which will have to be legislated. Therefore, we believe that a 12 month period will not allow the committee or the House to make an in–depth review of the recommendations which will be proposed.

• (1030)

That is it for the first amendment. Motions No. 2 and No. 3 are amendments that would maintain the existing commissions. We would have, on the one hand, a House committee which would study the process and propose changes if needed, and on the other hand, the commissions which would continue their studies and consultations, not in relation to the process, but in relation to the readjustment of electoral boundaries.

We believe that this would be a waste of money, and I am surprised that the hon. member who proposed these amendments would want to waste several million dollars. He said that the commissions are already in place, that they have done some

work, and that their abolition would mean the loss of $3.5 to $4 million worth of work.

His amendment would mean an even greater loss, and if we decided at some point to abandon what has been done, we would have wasted $3 to $4 million.

That is why we cannot support the amendments proposed this morning.

Motion No. 3 is the logical continuation of Motion No. 2 which would maintain the existing commissions.

For these reasons, we cannot support the amendments proposed this morning.

[*English*]

Mr. Hermanson: I rise on a point of order, Mr. Speaker. Statements were attributed to me that are not correct. Prior to the introduction of the bill there was a discussion on whether an 18 month period was the proper time for suspension of the bill. In fact my party and I recommended that it be either 12 months or 24 months.

The Acting Speaker (Mr. Kilger): With all due respect to the hon. member, I believe that is a point of debate rather than a point of order.

[*Translation*]

Mr. François Langlois (Bellechasse): I would like to comment on the three motions before us which were grouped by the Chair.

First of all, I was a bit surprised by the remarks of my colleague from Kindersley—Lloydminster about the Official Opposition's attitude. Once again, we have heard expressions that will be used more and more in the House, as the elections and referendum grow nearer in Quebec. We have heard terms like the breakup of Canada, separatism, that kind of language. I do not see what that has to do with Bill C–18 and I do not know what the member from Kindersley—Lloydminster is getting at. He probably does not know himself.

As for Bill C–18 and the amendments proposed today, the authors of the three motions did raise some good points. In fact, we could speak of two motions, since the third one is just a consequence of the second one.

The main thing that comes out of these motions and the whole debate and what prompts my first comment is that we are considering limiting the number of members in the House. It may be a worthwhile, even noble objective. As you know, Mr. Speaker, Quebec governments, even the least nationalistic ones, have always insisted on a clause guaranteeing 25 per cent of the seats in the House of Commons to Quebec.

• (1035)

Under the present federal system, Quebec is guaranteed this representation. Assuming it remains in the federation, something which is also hypothetical, then Quebec should retain one quarter of the seats in Parliament. Limit the number of seats, by all means, but only after giving Quebec assurances that it will retain its current level of 25 per cent representation in the House of Commons.

Mention was also made in earlier debates of the need for a thorough review of a number of provisions, notably section 51 of the Constitution Act, 1867, and of the possibility that some areas or regions of the countries, in particular the Magdalen Islands and the riding of Labrador, could be considered separately. These ridings could be exempted from the process of determining electoral boundaries on the basis of the number of voters in a province. Thus, other ridings either in the province of Newfoundland or in Labrador, as far as the riding of Labrador and the population of the Quebec mainland is concerned, would not have to make up for the fact that Labrador or the Magdalen Islands would be designated as separate ridings. As you know, until 1968, the Magdalen Islands constituted a separate riding.

With respect to the suspension period which the first motion presented by my hon. colleague for Kindersley—Lloydminster seeks to shorten to 12 months, without of course abolishing the commissions, I fail to see the logic of this motion. If we truly want to do a thorough job and review the entire process which has resulted in periodic readjustments to the electoral map, a process which has not been thoroughly reviewed and closely scrutinized since 1964, then a twelve–month suspension of operations seems clearly inadequate. We would be hamstrung by this provision. To all intents and purposes, we would be better off not passing Bill C–18 instead of limiting ourselves to a twelve–month suspension.

In order to undertake a thorough review, we need the 24 month suspension provided for in the bill. Therefore, I cannot support the proposed amendment, any more than I can support maintaining the current commissions in operation. What work would there be for them to do? Again, we would have a case where commissions would be paid to do nothing. We do not need this. Enough money is being wasted already.

All the same, it is somewhat astonishing to hear a Reform Party member say that he wants to continue wasting public funds. We do not need this. If we have to suspend the process, then let us do it. In two years' time, when the review process is undertaken again, other persons can be appointed. We could reappoint the same persons. Some may have changed careers or even passed away. We will have to adjust accordingly.

Why should we artificially maintain the commissions? Rather, we should establish new ones at the appropriate time, that is, within the 60 day period set out in clause 4 of Bill C–18. There is no reason for us to keep the commissions going, unless the hon. members of the Reform Party have friends on the commissions whom they want to protect. Well if this is the case, then they should say so clearly. But if it is not the case, we have no need of commissions that do not work.

It is quite enough that we have another House that does not work, Mr. Speaker, without having commissions that sit idle. We should minimize the damage. Maybe we could obtain unanimous consent right now to bring in a constitutional resolution to suspend the current operations and duties of the other House until such time as a new House is reconstituted, one which better reflects the aspirations of Canadians. As for Quebeckers, we will deal in our own way with the problem of the second House.

• (1040)

At any rate, Bill C–18 has been tabled, although somewhat late. That is unfortunate, I must say, and the hon. Secretary of State for Parliamentary Affairs probably regrets it too, as it means that we now have to speed up our discussions a little and that a motion for time allocation had to be put forward. Why did the government not act with more diligence? Why was the bill not tabled two weeks earlier, so this situation could have been averted? I do not know why and I will not speculate on this because I would not want to ascribe malicious intent to anyone.

We find ourselves in the somewhat uncomfortable situation where provincial commissions have decided on their own authority to sit since, as the Chief Electoral Officer, Mr. Jean–Pierre Kingsley, explained in his testimony before the Committee on Procedure and House Affairs—please refer to page 13 of the Evidence of the March 24, 1994 sitting of the said committee and tabled in this House by its chair, the hon. member for Kingston and the Islands—the provincial commissions have every right to suspend the hearing process, as long as the September 16 deadline is met. So, the commissions have decided to start sitting.

I respect their decision, while I do not agree with it. Clear indication had been given by this House through a vote in second reading on the principle of Bill C–18 that a brake was being put on the process and that it should be brought to a stop.

Some people are scheduled to appear in a matter of days before provincial commissions, in Quebec in particular, to make representations. Unfortunately, that will all be in vain. I think that it might have been wise to suspend the process for a few days to see what Parliament's decision on Bill C–18 would be, especially in light of clear indications that we were going to stop the process.

That is all I had to say on Bill C–18 for the time being. As I said earlier, as a member of the Committee on Procedure and House Affairs, I have no intention of taking a firm stand on what I plan to defend in that venue. I have always maintained that I would listen to the testimony with a free hand and no blinkers on, and hear the representations all the interested parties may want to make, by teleconference or in public hearings across the country, seeing that the Committee on Procedure and House Affairs is in control of its own proceedings and, based on the notice of motion put on the Notice Paper of this House, the committee will have plenty of leeway to carry out this review.

For all these reasons, I cannot support any of the motions put forward by my colleague from Kindersley—Lloydminster.

[*English*]

Mr. Nelson Riis (Kamloops): Mr. Speaker, I am pleased to have a chance to participate once again in this important debate. Unfortunately we are being asked to debate legislation in what I think is a highly inappropriate fashion. The government has used time allocation before and has suggested that we needed to rush this matter through Parliament.

I have just spent two weeks in my constituency and I must admit that while people are upset about the proposals in our particular part of British Columbia, they did not feel the matter ought to be a priority of the nation. There was certainly no obvious call to rush legislation that would in a sense sabotage the process.

I speak particularly as a member of Parliament from British Columbia. Once again the people of British Columbia will be shortchanged. Once again we will be skewered. Because Liberal members did not presumably like the boundaries in their areas, British Columbia will be underrepresented in Parliament next time. It is a dynamic part of Canada. Its population is expanding daily as people come from other provinces seeking job opportunities.

• (1045)

Basically the government has decided B.C. will be underrepresented in the next Parliament of Canada by deep sixing this updating of the boundaries based on the 1991 census. This is highly undemocratic.

To take up on a point my non. friend from the Bloc raised, these commissions are now going ahead. A number of people in Kamloops are asking whether they should make presentations to the commission. I respond by saying there is no point. The boundaries presumably will be changed again. The process has been set on the back burner for now. Who knows what the future will bring.

We have spent $4 million or $5 million so far on this process. Now we will be spending additional money holding hearings that are nonsensical, meaningless and illogical. There is no point. We are saying there is a public meeting being called on these boundaries where the public's input has no value.

I know periodically we do silly things, or at least things people perceive to be silly. However with something which is so obviously ridiculous I cannot imagine why these commissioners are soldiering on on a mission impossible but I suppose that is a decision they can make. I call upon them to acknowledge that regardless of where and how these public hearings will be conducted it will cost the taxpayers of Canada money.

Whether or not one agrees with what the Liberal government is doing, it is a reality. As my friend from the Reform Party indicated earlier the Liberals have the muscle in Parliament to do whatever they want anyway.

The Liberal government for whatever reason decided to shortchange British Columbia in the next election. It decided to intercept this arm's length and what should be a non–political, fair process by saying it is going to stop this dead in its tracks. If it has to upset the flow of Parliament it will do that. If it has to use time allocation or a form of closure to muzzle MPs from speaking on this, it will do that too. Unfortunately that is the reality. I hang my head in regret when I see my hon. friends opposite participating in such a way.

In terms of the amendment, the suggestion my hon. friend from the Reform Party has put forward that we reduce the time of waiting to one year makes some sense. It at least gives some hope that this process could be rescued in time for the next general election. I do not think it will. From what my hon. friend opposite has indicated I do not think it is going to get the support of the government, but it is a laudable amendment. It is one we should enthusiastically support.

Hopefully as the debate progresses today other members will see the value of trying to streamline this process so there will be at least some possibility of a more representative and democratic electoral system being in place prior to the next general election.

Knowing the government was bringing in time allocation and had rushed this bill through the committee process prior to the Easter recess, the premier of British Columbia asked me to represent British Columbians' point of view, if I had a chance to speak to this piece of legislation.

For years and years they have felt shortchanged with lack of representation, lack of clout at the cabinet table and wherever. Once again very clearly one of the fastest growing parts of Canada will be let down in terms of democratic and representative representation in the House of Commons after the next general election. Particularly, it will have an impact on the lower mainland of British Columbia and on some of the rapidly growing parts of central British Columbia where there has been tremendous population growth in the last decade and likely will continue in the next few years by all projections.

We support the amendments put forward by our friends in the Reform Party at this report stage process, particularly the one giving us some hope to streamline the operation.

• (1050)

It is sad to say with respect but with regret to my friends, to take a particular action which will adversely affect British Columbia and clearly result in one of the most dynamic and fastest growing parts of Canada being improperly represented in the House of Commons is something this party cannot support.

Miss Deborah Grey (Beaver River): Mr. Speaker, I would like to thank the hon. member for Kamloops. He and I flew west on the same plane and the same seat when we were going home before the Easter break.

Mr. Riis: Different seats.

Mr. Grey: Yes, different seats. The same pair of seats then, forgive me. Maybe we are saving a lot of money then. I had better get on with Bill C–18 as soon as possible.

We had an interesting talk on the plane about this whole idea and what it is that is happening here. All of us on both sides of the House need to look at it. Why is something being rammed through as quickly as possible? My antennae go up as soon as I see something like that. I suspect the Canadian public feels very much the same way. As soon as it sees something going into a crisis mode it wants to stop, wait, look and ask why we are being thrown into a crisis mode all of a sudden.

The issue here is the fact this is being rammed through Parliament so quickly. It was most unfortunate for people on the government side that we had to take Easter recess. This was something we know they wanted to ram through on the eve of Easter recess. It was a pity for the government. It was in a flap because it could not get this thing pushed through.

Antennae should go up right across the country when we see something like that happening. We should be asking questions. Why the rush? I do not see the need for the rush, quite frankly, except of course we know the timetable is in place for the current process to have the public hearings start very soon. That then demands there be a crisis for the government because it wants to cut that debate. It wants to shut down and put a lid on the public having any process or any input into these hearings. When people on the government benches go into the crisis mode saying to stop this thing cold and shut it down, then one wonders why this public process is being thwarted.

No, the process was not perfect before. However as soon as we see whatever process is in place, warts, flaws and all of the problems with it, it is a process that has been put into place and the public has not given a great outcry. There has not been a crisis from time to time except in Parliament because people are

self–serving and they see that maybe they stand to lose their ridings.

I have mentioned I am one of those people. Beaver River as we know it now and as we love it stands to be eliminated under the current process. If we are typical politicians therefore, of all people I should probably be self–serving and say that I am going to lose my riding and I am going to hang on to it just as hard as I can. No.

The public is saying: "Let us go to those public hearings. Let us make representation. Let us voice some of our concerns with this current process. Let us not just slam the thing shut". If we are looking at how democratic that really is surely to goodness that is the farthest thing from true democracy.

Before I get into some of the things I heard during my spring tour when I was home, some of the concerns that people have about this process, let me just say it is so frustrating to watch this matter unfold from the inside out. We are looking at something which is going to go to the other place and get thumped through there as quickly as possible. It does make one nervous.

I know it makes many government members nervous as well. It is sad to say the lid has been put on them too in saying: "Oh no, just let those members talk about it". Talk about it we will because it is something that needs to be talked about. We say if there are going to be public hearings let them go ahead. Let the public be heard on this.

In my constituency over the last couple of weeks I conducted my full spring tour of town hall meetings and many other meetings. Following are some of the things I heard.

• (1055)

They are concerned about the process as it is in place now. Let us call it the old process. There are frustrations with it. It is not perfect. However, they are willing to take their lumps and go through the procedures that are set up and put in place. If it is public hearings they must go to, then it is public hearings they will go to. If that is their chance on providing input according to the Constitution and the way this has been carried out for years and years regarding redistribution and limits, then they will do it because that is the process set in place. They are willing to abide by those rules and regulations.

Any number of people asked me again and again: "When are the hearings scheduled for this area, Deborah?" There is concern that they will be at one o'clock in the afternoon when most good people are busy about their day's work. They do have frustrations about that.

Let me assure you they have far more reservations and frustrations about something which is going to be thrown in place. Over and above that, to put the kibosh on this particular process and waste the $5 million that has already been spent to have politicians come up with something better?

I mentioned this in second reading. If you think there are fingerprints on the present process let me assure you there are bigger and blacker fingerprints on any process that will come up as a result of Bill C–18. I can guarantee that because I know exactly what it is that people are feeling. Government members know this and feel it as well.

Many people were pleased that the whole matter will be put on ice. I must say the people in the constituency of Beaver River appreciate it. They like the name. It is a generic name for an area that has any amount of history. I know there is a Beaver River in Ontario as well. My friend and I have talked about that.

Beaver River is a significant area in northeastern Alberta. The voyageurs and the water runners went up the Beaver River and portaged a few miles across to the Athabasca River and then went up north. Historically it is an incredibly exciting area of northeastern Alberta. The best part of its being called Beaver River is that it is an area and not a particular place. There is a store and a little community of Beaver River, but it is a waterway we are looking at and an area with history attached to it.

The new name of this constituency will be Vegreville—St. Paul, if and when the old goes through, if the government for some fluke does not manage to push C–18 through. Who knows what will happen in the other place and whether Bill C–18 will really go through or not.

Looking at the old process, the way it is going right now, if Beaver River is eliminated the new constituency will be called Vegreville—St. Paul. Let me reiterate what I heard from people on my spring tour, for example the mayor of Bonnyville which is north and east of St. Paul, far north and east of Vegreville, and people in the community of Grand Centre—Cold Lake which is far north and east again of Bonnyville. As soon as you pick a place, i.e., Vegreville—St. Paul, people in those communities say: "Let us assure you, there is life beyond St. Paul".

People have real concerns about the name. They want to know why it is that a particular town or a couple of towns are named. I see their point. They make that point well. Let us look at an area rather than singling out one or two towns. I appreciate their viewpoints. I am committed to doing everything I can, whether it is under the old process or the new, to say this is a region, an area. We have gifts. We have abilities in this particular area. Maybe it is wiser yet to celebrate the fact of an area or a group rather than zeroing in on one or two towns. As soon as one town is named then somewhere else is omitted. They are worried about that.

People question why these particular boundaries. Of course the government benches would say it was a Tory mapmaker. Maybe it was but I have no knowledge of that. I do know they were appointments to the commission from the Speaker of the House. However what about Liberal mapmakers? Could there be such a thing as a Liberal cartographer in this country, heaven

forbid? If this were going to happen it might amaze us all to discover that in fact there are Liberal mapmakers in Canada. What process is there in Bill C–18 that would exempt us from naming, heaven forbid, a Liberal mapmaker?

• (1100)

We can see how flawed the process is when somebody goes into crisis mode or when somebody decides we have to do it now. It makes me think of a homebuilding ad: why wait for spring; do it now.

An hon. member: Do it now.

Miss Grey: An hon. member says: "Do it now". He is concerned about doing it now. I would like to ask why now is so important if we have spent $5 million on it. The reason now is so important is that the hearings have started. People are getting to view and voice their concerns publicly. I suspect it would seem very obvious across the country that the public is asking why the hurry. There have been the Charlottetown and Meech Lake accords. I could go on and on. Why the hurry? Why the rush?

Something is underground that needs to surface, that needs to be discussed in the public hearings. Let us not do it now. Let the public hearings go on. Let people talk about it and make representations to the commissioners.

They laugh on the other side of the House. It is most unfortunate. There is no need to proceed with this in crisis mode, as crisis intervention. This is the process put in place. Let us follow that process. Let us see what comes of these public hearings. Then let us have the government make some wise and reasoned recommendations after the public hearings, certainly not before.

Mr. Stephen Harper (Calgary West): Mr. Speaker, I rise today to speak to report stage of Bill C–18, an act to suspend the electoral boundaries readjustment process. Specifically I will take a few minutes to speak on the amendments presented by my colleague from Kindersley—Lloydminster.

Those amendments fit into two categories. The first amendment would limit the suspension for 12 months. The second one would formally keep the commissions that are established and in existence pending the suspension so that they could restart their work in the event it was required.

Both these amendments are not really our preference. Our preference is that the bill not proceed. Let me make that absolutely clear. We have suggested these particular amendments to put the government to the test on a couple of its stated reasons for proceeding and some of its concerns.

The 12 month period is very clear. We have examined the bill and the issue. It seems that if we look at a 24 month suspension as proposed in the bill we are looking at a possible constitutional problem.

Obviously there are different legal opinions on that. The government's own lawyers do not see it that way, but the argument is really quite straightforward. We would suspend the process for 24 months. The process that would then have to go into effect under the law would be the existing process which would restart from scratch. All the previous money spent would have been wasted.

Then we would have a process that would clearly not be completed until after the next election which means the results could not be implemented until the subsequent election. That subsequent election would be after the next decennial census.

Our Constitution requires that we redistribute seats in the Chamber once every 10 years. In effect the purpose of the bill is to violate the Constitution. It clearly violates the demand that the seats be readjusted every 10 years. If the bill were to go through in its current state that would be the legal state. The Constitution would not be obeyed as a consequence of the particular piece of legislation.

The government may argue that in the meantime it will have another process, that it will actually start sooner and all the other considerations, but that is not the legal state created by this piece of legislation.

It is a fairly innocuous amendment. Those who really want to pass the bill could accept this amendment. It would make no difference to their overall agenda here. It is very clear what that is, but they could pass this one in good faith.

• (1105)

Also in good faith they could pass the amendment to allow the existing commissions and commissioners to remain in place. The opposition to this particular amendment is even more bizarre. Some of the arguments we have heard privately and publicly are that we might have to pay these people, as if we could not suspend their pay during the period in question. One member told me they might die in the next 12 months. They might die even if the process continues. I am not sure what particular difficulty that would cause.

Of course we get into the whole argument that all this would save money. With this particular debate we are suspending the process, getting rid of the first $5 million we spent so that we can save money. In the end we restart the process from scratch. We spend all the money we spent before; we spend it over again and then we spend some more.

This is an interesting way to save money, even if there were money to be saved. We could propose on the floor of the House that we suspend the next election altogether. After all elections cost money. Why do we not just sit here forever? I am a young

guy. I could use the job. Maybe I do not want the job that long, but I could use it for a few more years. Why do we not just forget about having elections, save money and suspend the electoral process? These are very peculiar reasons.

Let us look at the history of this matter. The intent is very clear in the way the debate has proceeded. The bill was introduced at first reading and had only been on the Order Paper for a couple of days when we proceeded to second reading. At second reading the government was not prepared to put up many speakers. The benches over there emptied. The wind whistled through and the tumbleweeds blew through. There was really nothing to say on this legislation. We put up some speakers to provide debate on the issue, as did the New Democratic Party. Immediately, after one day of debate, it was labelled as a filibuster. As a consequence closure was brought in for the first time in this Parliament.

What is happening now is that the government decries—and the Bloc Quebecois speaker this morning decried it—that in the meantime they are having public hearings, that the commission has not listened, that Elections Canada has not listened, that they are proceeding with public hearings and that they have to be stopped.

This illustrates precisely why we have this kind of process. Politicians are not supposed to be in charge of it. Elections Canada is an independent agency. The law is on the books. All of that is fairly transparent.

Let me quote no other expert than the hon. member for York South—Weston. In the *Globe and Mail* of March 25 the following statement on which I will elaborate at third reading appeared: "It is hard to see what was done here as anything other than self–interested politics, said renegade Liberal MP John Nunziata of Toronto. It makes no sense other than for self–preservations and MPs' convenience".

That is a frank statement. We all know there is no public outcry over this matter. There is a public hearing process for people who want to discuss it, but there is no demand out there that we stifle the process of redistribution and start it all over again.

The government is bringing in a related motion saying that we should study the process. That is perfectly valid. I said before that we were studying just about everything Parliament is supposed to be doing; we are studying rather than acting. We could study the process of electoral boundary readjustment. That would be valid. If we are to do that I would suggest we really should be doing it for the next time. Now that this process is under way and has already been suspended once before I do not think there is any way we could get ourselves involved in it without the fairly obvious charges of gerrymandering and the other things we are beginning to read about in the newspapers. That is how we should be handling the particular issue.

• (1110)

On the number of seats we repeat once again our offer to the government. When processes have been suspended or changed in the past it has been because there has been an alteration to the amending formula. If there really is concern about costs and the number of MPs we would be prepared to support an amendment to that effect. It would provide a reason to suspend the process the public would support. In the absence of that there is no reason given.

Let me just conclude by making one last statement. I noted very carefully the remarks of my friend from the Bloc Quebecois who talked about Quebec's need for one quarter of the seats in the House of Commons. I have wondered what was behind the Official Opposition being involved in a government desire to change the rules of the electoral game. I hope it is not another back door Meech Lake or Charlottetown. That particular provision is not helpful.

As the hon. member for Kamloops indicated the real loser is British Columbia. The real opposition to the particular direction of setting up a quarter of the seats was by British Columbia. It would require a constitutional amendment. I hope there is no way we will come up with a back door formula through this process that will produce that kind of effect. I look forward to saying more at third reading.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière–du–Loup): Mr. Speaker, when I spoke in the first debate on this bill, we accepted the two–year delay. The Reform Party's arguments against this delay were not considered valid, but we understood that they were fundamentally opposed to it.

However, today we are faced with an in–between position which I think is the worst of the worst. This amendment would have the consultation go on so long that I think it is totally inefficient. I think that over the Easter break, when we were in our ridings more, the people clearly told us that they had other concerns besides redrawing the electoral map. People in Quebec and Canada now want someone to really fight unemployment; they do not want to be satisfied with crumbs like the infrastructure program.

As for the deficit, people were so amazed by the decisions of this government which, after crying wolf for months, brought forth a mouse. When we tell them that we will debate whether the reform of the electoral map should proceed right away, in two years or be amended after twelve months, they think that we are not doing the work we are paid to do. I think that the Reform Party is contradicting itself on some other essential aspects of its program.

However, some Reform members took the floor to say that the Bloc Quebecois was a party that wanted to break up Canada, that wanted to use the back door, as with Meech Lake or Charlottetown, to arrive at another kind of reform. I would like to tell them that the Charlottetown Accord was rejected not only by Quebec but by all of Canada. I think that Canadians were right to do so. They thought that they should oppose all the elected governments in Canada which were offering them something cooked up in secret that did not at all meet their needs.

As for Meech Lake, Quebec did not prevent it from being passed. Its provisions were certainly a bare minimum for Quebec, but it was not necessarily us who had it set it aside. But it made Quebeckers aware that, in the end, our problem is not a matter of plumbing but of architecture.

• (1115)

In this respect, for Canada to take the time to think about the electoral map is not a bad thing because we have basic decisions to make on the future structure of Canada as a whole, whether there will be two countries. It is a decision Quebeckers will be called upon to make in the near future. I think it is much more important to start off by settling the basic question of the most appropriate structure for the future we want to have.

As far as "breaking up Canada" is concerned, I would like to say that no country in the world lasts forever. Structures change and, just as the caterpillar develops into a butterfly, there is a way to change and adjust to new realities. Today's economic markets are very big; it is no longer necessary to be as big as the economic markets we are dealing with. That being the case, I think it is important to give ourselves appropriate structures. We can give ourselves enough time to think about what form the Canadian electoral map we lived with last year should take in the future, so that we can make wise decisions and take into account other factors besides population distribution.

In a region such as eastern Quebec, the proposed reform of the electoral map eliminates one riding and creates another where there is a distance of 300 kilometres between two cities. I reiterate what I said earlier: 300 kilometres in summer and 1,000 kilometres in winter. Such decisions or recommendations by a commission fulfilling its mandate under the current legislation were totally inapplicable and unacceptable, and we prepared to intervene before the electoral commission to argue for maintaining the ridings in eastern Quebec. We were ready to do so.

This bill was undoubtedly tabled late because it puts us in a funny situation where we must prepare in case passage of the bill is delayed while fulfilling our mandate as members of Parliament because, as members of the Bloc, we made a commitment to look after Quebec's interests. We are doing so now in the current context, under this government, to ensure that, if Quebeckers decide to stay within Canada, they have the best tools available. But we think they will make a different choice, especially when we see the federal Parliament spend so much time on such issues that we are entitled to question effectiveness and dual representation in Canada. I think there are more fundamental issues to put forward before spending a whole day debating whether the suspension period should be 12 or 24 months.

We could ask ourselves whether it is worthwhile to spend so much time debating this. I think the Reform Party should examine its amendments to this bill when it argues, strangely enough, that the Bloc Quebecois wants to break up Canada, since the Bloc will vote with the Government of Canada on this bill. It is not a matter of basic principles but of effectiveness, political realism and respect for the people who should have enough time to influence the political system and the electoral commissions so that future decisions take into account other factors besides the purely demographic aspects provided for in the act, as I was saying earlier.

In conclusion, I think it is important to take into account, for example, the number of municipalities or the area to be covered so that when the map is redrawn in 24 months, it will be what Quebeckers and Canadians want, unless Quebeckers decide before then to give themselves a political structure that is much more appropriate for their development.

• (1120)

I am confident that is what will happen in the coming year. I think we should put all our energy into making our political structures more adequate and not only into fixing the plumbing.

[*English*]

Mr. Ted White (North Vancouver): Mr. Speaker, at a time when our dollar is plunging and our interest rates are on the rise, the Liberal government should be ashamed of what it is trying to do with Bill C–18. It is imposing the will of unhappy Liberal MPs on the voters of Canada, members who perhaps are worried that they will not be re–elected to collect their gold plated pension plans.

I do not think they will be re–elected anyway. Therefore, they should support the amendments that we have proposed or preferably should defeat this Bill C–18 altogether.

Without regard to the huge investment of time by the Electoral Boundaries Commissions and without regard to the millions of dollars which have already been spent on a non–partisan process, the government is going to ram through an ill–conceived and selfish piece of legislation.

Politicians have no business setting their own electoral boundaries. Human nature dictates that members could act in their own interests to trim areas of opposition from their ridings or to add little pieces of support to their ridings. Even if that did not happen there could be the suspicion that it was happening.

The important thing is that the whole process should be seen to be non–partisan. Politicians should have absolutely nothing to do with the process.

To illustrate this point I would like to mention something that was said by a government member earlier in this debate. That member claimed that Reformers were being inconsistent in wanting to amend Bill C–18 to alter the period of suspension to 12 months. Reform originally argued against the proposed 18 month suspension because it would have given the Liberal government an advantage in deciding when the election would be and in deciding whether the old boundaries or some new boundaries would apply during the next election.

In negotiations Reform took the position that either 24 months or 12 months was better than 18 because at least then it would be clear what was going to happen. Of course we prefer the 12 month suspension because at least the process could get restarted again and we have a chance that the non–partisan process would be completed before the next election.

All hon. members who value democracy should work to defeat Bill C–18 and at the very least should agree to the suspension by 12 months rather than the 24.

I join many other members who have spoken against Bill C–18 in expressing my concern that B.C. is the province that will be most hurt by the bill. The increase in population of B.C. entitles us to two more seats in the House. Even if we were to hold the number of seats constant, at the very least they should be redistributed to give a more fair representation for the province of B.C.

In my riding of North Vancouver the proposed changes would take a small section at the eastern end of my riding, isolated between the harbour to the east, the harbour to the south, the mountains to the north and sort of append it to another riding on the other side of the harbour, the riding of Port Moody—Coquitlam.

The people in that part of my riding can see that is an impractical way to re–arrange the riding. It is very clear that the member in the Port Moody—Coquitlam area would have to move through two other ridings in order to get to this little appendage that would suddenly be attached to her riding.

However, even though it is clear that isolating this small portion of North Vancouver is not in the public interest, the voters in my area have confidence in the process. They have confidence that by appeal to the commission that this decision would be reversed and a much more sensible decision would be made.

Everyone can see from looking at the map that this particular adjustment was not sensible. Even I, living in that portion and will have my home transferred to another riding, agree with the process and I am prepared to take my chances with the commission and the hearings.

• (1125)

I vigorously oppose Bill C–18. I am proud that the Reform Party members can stand and say that they were against this government attempt to ram the bill through in a clandestine fashion on a Friday afternoon when nobody is watching style of thing.

In time Canadians will recognize that Reformers once again stood up for democracy while the government stood up for the old line Victorian style of politics. Shame on them, Mr. Speaker.

Miss Grey: S.O.S. Save our seats.

Mr. White (North Vancouver): As the hon. member says, S.O.S. Save our seats. That is the whole attitude of the Liberal government. I urge them to take the moral high road and to vote against this bill.

[*Translation*]

Mr. Jean H. Leroux (Shefford): Mr. Speaker, as you rightly stated, last October 25, I was elected to represent the riding of Shefford. Let me first describe my wonderful riding. As you know, the region was settled by a group of Americans who came to Canada when the United States seceded from England. Thus, it is part of Quebec's Eastern Townships.

Over time, the boundaries of the riding changed and now include part of Montérégie, and, as I mentioned, part of the riding is in the Eastern Townships.

Shefford is partly an urban riding. The main city is Granby, a well–organized industrial city. The people of Granby are hard–working and they are proud of their roots.

I have lived virtually all my life in Shefford. At times, I moved from one area to another, but I never left the riding.

A proposal has been made to change my riding, to reduce its size. Other ridings would be extended while mine would be reduced to the size of the provincial riding of Shefford, including the town of Bromont. As you know, there is much discussion these days about Bromont, because of the Hyundai plant. Bromont is currently my neighbour. I would like members in the House to know that Bromont was previously known as West Shefford. This city was then part of the former riding of Shefford. Of course, we would welcome its constituents in the proposed new riding of Shefford, but, to do so, we would have to lose an entire section of the riding. So, the sector which includes Saint–Paul–d'Abbotsford, Saint–Césaire and Marieville is to be removed.

In fact, my riding is being downsized tremendously, while the neighbouring one, Chambly, will become extremely large with a population of over 100,000. While my constituency would have some 72,000 or 75,000 people, the one next to it would become exceedingly large.

I believe that the role of a member of Parliament is to represent his or her constituents. I think one of the objectives of this bill is to make ridings more or less equal in terms of population. If this is the case, we are missing the boat because, as I was saying, my constituency is going to become much less populated, while neighbouring ridings will be much larger.

In view of this situation, I decided to consult the municipalities. I asked members of my staff to consult municipalities and also contact other political parties in the riding. Because as you know, Mr. Speaker, we Bloc Quebecois members do not aspire to remain part of Canada, part of the Government of Canada any longer than necessary. However, one thing is certain: we have to think about the interests of those whom we represent.

• (1130)

As my colleague was saying earlier, we do not know what the future holds, but if what we want to do here cannot be fully achieved, Quebeckers will continue to be represented here in Ottawa, which is something we do not wish, as I mentioned earlier. It is in the interests of our constituents that we consulted a large number of our municipalities, if not all of them, since one of them told us that it did not really care. As you know, there are municipalities close to the boundaries which change ridings every time a readjustment is made. The municipality of Saint–Valérien, in Shefford, told us that it would like to become part of the beautiful riding of Saint–Hyacinthe.

We can certainly understand that, since the residents of Saint–Valérien have constantly been moved from one riding to the other following these readjustments, but this is somewhat unfortunate. These people do not feel as close to the heart of the riding which is the city of Granby.

On the other hand, the municipalities of Saint–Césaire, Saint–Paul–d'Abbotsford and L'Ange–Gardien, all beautiful villages which I hope you will come to visit when you have a chance, Mr. Speaker, have sent us council resolutions asking that they remain in the riding of Shefford because they feel part of it. These people have always gone shopping in Granby on Thursday or Friday evening. They do their business in that city. I believe that it would be somewhat unfortunate for them to become part of another riding.

The small municipality of Béthanie sent me a fax of its council resolution which I want to read because I find it interesting:

Whereas if the electoral boundaries readjustment is approved, the electoral quota of Shefford would only be 73,351, which is less than the majority of other constituencies; Whereas Béthanie is located very close to Granby and several services are provided to us by Granby, including ambulances, provincial police, hospital and other services, the municipality of Béthanie wishes to remain part of the constituency of Shefford, since it participated in the election of its member of Parliament, Jean Leroux, and it wishes to keep being represented by him. It is also easier to communicate with him, since there is no long distance charge and since his office is closer to our area.

This resolution was carried unanimously, Mr. Speaker.

An hon. member: Nice going.

Mr. Leroux (Shefford): Mr. Speaker, Béthanie is a small municipality. On election day, there is only one polling station, and the majority of people there voted for the Bloc Quebecois. Since they live on the periphery of the riding, they have asked to remain part of Shefford, and that to me is what is important. The people who make up the constituency are the ones who should have the last word.

And we are going to stand up for these people and defend the interests of these small municipalities. I think they have their say in this matter.

A member is elected to represent all the residents of his or her riding. What this bill does is divide my riding in two and make the constituents who will have to leave the riding feel like temporary residents. To me, that is unacceptable. I think we should not let these citizens down, and I certainly have no intention of doing so. All of my constituents are entitled to equitable services.

Members are elected to represent their ridings and that is what we are doing here, in this House. Each and every one of us, whatever our political affiliation is, has a role to play, which is to represent our constituents. We also have the privilege to sit in this House and speak when we want to. This is a privilege which is not extended to all citizens. The people put their trust in us and we are here to represent their views. When we rise to speak in this House, we talk on behalf of our constituents. On the matter of electoral boundaries readjustment, our task is made very easy. We intend to make our position known to the Commission, because we think it is fair and equitable. If there are some municipalities which have not expressed the desire to stay in Shefford, we respect their decision. However, the vast majority of municipalities which are affected want to remain part of Shefford. As a member of Parliament, I intend to protect the interests of these people.

• (1135)

The Acting Speaker (Mr. Kilger): Before resuming debate, I want to thank the hon. member for Shefford for his invitation. I must say that I have travelled to Granby several times, with my wife, my children and other members of my family, to participate in hockey tournaments in winter and to visit Granby Zoo in

summer. I wish to thank the hon. member again for his invitation. We always got a warm welcome.

Resuming debate. The hon. member for Fraser Valley East.

[*English*]

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, on that invitation you would be a busy person because I am sure you will be invited to all our ridings.

I am always impressed—

The Acting Speaker (Mr. Kilger): I would accept all invitations. If I accept them all I might have to speak to what other members referred to earlier, a new mode of travel possibly. I do not know if it was a seat sale that was alluded to or otherwise, but I will accept all invitations.

Mr. Strahl: Mr. Speaker, I always take heart, and it happens so frequently in the House as the previous hon. member mentioned, in talking about privileges of the House. The other thing that always impresses me is how passionately every member speaks about his or her own riding as they introduce the subject of what it is that makes their riding. Often it is called a microcosm of the Canadian identity. Often each member in their own way does represent that here in the House and it is always encouraging to me when I hear members talking with pride about their constituencies. Of course I do extend an invitation to you, especially since last week it was 24 degrees in Fraser Valley East. But I do not want to rub that in.

I do want to address the Electoral Boundaries Readjustment Suspension Act and also our proposed Reform Party amendments to it which I think would make it more palatable to Canadians and to those of us who are concerned with certain parts of this suspension procedure.

There is of course a huge boundary readjustment of my own that I am faced with in Fraser Valley East. The boundaries have now been extended to include the Merritt—Princeton area of the interior of B.C. It would make a logistical nightmare in some senses for me to try to service a riding that has three separate highways, each with one small town at the end of it. It would be very difficult.

I think it is important that we deal with the principle involved, not my own personal feelings about whether I agree with the adjustments in my own riding, in boundary alignments and readjustments. That is what I would like to address here this morning.

There are five particular reasons why I think this bill should never become law. First, I believe it thwarts the purpose of Parliament in the electoral process. The Electoral Boundaries Readjustment Act requires the readjustment of the federal electoral boundaries every 10 years. That is a requirement of an act of Parliament that has already been passed.

The first eight sections of the act deal with the appointment of the commissions that will decide these issues for the provinces and how those commissions are made up, how they are appointed and so on.

The important thing is that these commissions have almost a judicial impartiality. It is important that they have the freedom to make choices based on the impartiality that they supposedly have based on the requirements of the act.

When the Speaker or the chief justice of each province appoints someone to the commission, those are almost judicial positions. We have to accept that they are without prejudice. I believe we have to go along with their ideas at least as it fits into the process or else we thwart the purpose of Parliament.

Parliament specifically and importantly prohibits anyone in the Senate or anyone who is a member of Parliament from being part of that commission. The reason of course is because they do not want political interference. They do not want the partisanship that could enter into electoral boundary redistribution to be a part of it. It has to be impartial and it has to be seen to be impartial.

The timeliness of these changes is also important to me.

• (1140)

It states in section 13 of the act that as soon as possible after the completion of any decennial census, which is every 10 years, the chief statistician gives a report to the chief electoral officer and they calculate the seats and so on. The important thing here is the timeliness. As soon as possible after a census we need to make our redistribution so that we can more accurately reflect the needs of the shifting populations and so on in each of the provinces. "Then each commission shall prepare", it says under section 14, "with all reasonable dispatch a report."

The last census was in 1991, which is already going back three years, and so timeliness has already been thwarted once, I believe, by the last Parliament because it suspended the act for two years. That is not a big thing in some people's minds, but again it thwarts an impartial boundary readjustment. I am very nervous when parliamentarians interfere with what I believe should be an independent body and an independent report.

All boundaries were supposed to be redrawn as soon as possible after 1991. The last bill, C–67, halted the whole process. All 11 government commissions were eliminated. It was a total waste of their time and effort and the money involved.

I wonder why at this time we have to again dive into this process and shut the whole thing down again, with another $5 million being spent. I can only speculate. I know the new boundaries may be inconvenient but they are inconvenient for us all. Politics never was totally convenient. It could be that MPs

have to make new political contacts as their boundaries are shifted. Be that as it may, that is also part of this impartiality. It could even include boundaries in some areas that traditionally vote against the member. Some areas vote stronger for certain parties than others. Possibly that has caused some concern on the government side.

I am not sure what it is but regardless of how you slice it we are three years late already in what was supposed to be a very timely thing and now we are going to put it off for another two years, which means there will be another election and so on.

I think it is a mistake to keep putting off what should be an independent—I repeat independent—review. Our first amendment to this bill is that we should bring in a report. If we are going to have this interference, we should at least have it in place for the next federal election.

I am concerned about B.C. which is the fastest growing province and which already should have an extra two or three seats. We are going to go into the next century with the same number of seats and the same distribution that we had in 1981. Since 1981 we have had from within Canada alone over 40,000 people move to B.C., mainly from Ontario. There is a shift in population westward. There are 35,000 additional people who came from overseas. We get 20 per cent of all Canada's immigrants. B.C.'s population continues to grow at a faster rate than the rest of Canada and yet we are going to be stuck with a proportional representation that is mired in the 1980s.

People in B.C. have mentioned that this is unfair, it is not proportional representation, and it is going to skew the power base away from the growing population centres and leave it in the eastern areas, some of which have been nice enough to send us their people to populate B.C.

I am not sure if that is the intention of the government in bringing this in. I am not sure if it is concerned about maintaining a power base where it happens to have most of its seats. I am not sure exactly why it has been done.

I come back to the idea of impartiality, that Canadians have to accept and have to know with regard to boundary readjustments and the way this is put together that the people who sit on the commission are not political hacks. They are not doing things for the favour or the benefit of any one party. They are doing it truly for the benefit of the democratic process. I think that is thwarted, especially by delaying it for two years, which means another election that we would have to go through.

I support our first amendment which would bring it forward in a more timely fashion and would allow us to get on with whatever changes the government deems necessary in time for the next election. That could take some of the sting out of this. Some of the waste and so on would be easier to accept if we knew that a timely settlement of some sort was in the government's mind. I wish it would consider that first amendment thoughtfully.

• (1145)

I mentioned earlier the whole idea of cost. All the commission's work and the money spent in 1991 and 1992 were wasted. On the current process all of us received in the mail or saw in the newspapers a proposal for boundary readjustments. I have already asked to make a submission to the commission about boundary readjustments. I have some ideas, and all of us are free to make presentations to them.

Those meetings have been set up. They have been advertised. The entire newspaper propaganda idea through which all these ideas were sent to every Canadian household has taken place at huge expense. That expense is all for nought. It is a waste of the commissioners' time and it is a waste of our money.

I realize that $5 million is not the end of the world in some people's minds, but as a couple of people coming out of Parliament once said, a billion here and a billion there soon adds up to real money. Possibly government should consider that every $5 million is a significant amount of money, not just a chunk of change.

For all of the reasons that I mentioned earlier and especially because this has been done behind closed doors and brought in by closure and so on, it leaves a very bad taste in my mouth. I hope the government will accept an amendment that will bring it in before the next election and restore faith in the impartiality of our Electoral Boundaries Commission.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm): I am pleased to take part in this debate, Mr. Speaker, all the more so since I did not have a chance to speak at the time of the first debate because the guillotine went down before I could take the floor.

I want to take advantage of the motion moved by the Reform Party to tell you a little about my constituency and explain to you why this amendment by the Reform Party is unenforceable or illogical.

The object of the main motion is to reduce the suspension period of the law from 24 to 12 months and to delete sections 3 and 4 of the said bill. Since it will take more than 24 months to redress the illogical readjustments made to several constituencies, I am against shortening the suspension period of this act.

And I will tell you why. My native constituency was in turn called Berthier—Maskinongé, Berthier—Maskinongé—Lanaudière and, finally, Berthier—Montcalm. It was moved geographically from left to right without ever finding its true niche and it seems to me that following each and every adjustment, the

people most concerned were still making the same complaints and the same comments.

That is why, even though I sincerely hope that the people of Quebec will know where their interests and the best interests of Quebec lie in a possible referendum, I decided to hold a major consultation with my constituents.

Promoting Quebec's sovereignty should not prevent me from doing that since the Electoral Boundaries Readjustment Act is still in force. I think it is my duty as a member of Parliament to follow the work of a commission which will ultimately cost Canadian taxpayers more that $4 million, of which $1 million will be paid by Quebec taxpayers whom I represent here.

One should also remember that, following a referendum win in Quebec, a referendum or even an election could be called at the national level. Somebody had to keep an eye on things, and to follow the situation closely.

• (1150)

I came to Ottawa to defend Quebec's interests and I think that changes to electoral boundaries are in Quebec's interest. That is why I asked some volunteers in my riding to consult the people.

I think that if a member of Parliament wants to make representations to the commission, he should not base them only on his personal assessment of the situation, but on what his constituents told him. I based my position on those consultations and I will make a few comments in this regard later.

In addition to those consultations, I have known my riding for 30 years. As a lawyer, I was called to the court houses of Terrebonne, Joliette, Trois–Rivières and Shawinigan. The jurisdiction of each one of those courts encompasses a small part of my riding, which is very large.

Since 1986, I have had the chance to study the communities of my riding and get to know them a little. In 1988, my political activities gave me the opportunity to learn more about all those communities. I think that I know the geography, needs, history and characteristics of my riding and its social, economic and political organizations very well. But still, I believe that was not enough to make a fair presentation to the commission.

Despite a member's attachment to the riding that he represents, he cannot decide alone on the representations that he will make to the electoral boundaries commission for Quebec to maintain or to modify the area that he represents.

That is why, as I was saying earlier, I undertook a consultation process with the help of volunteers, and I should take this opportunity to thank people like Ghislaine Guilbault, Raymonde Gaudreault, Jean–Marc Ferland and my staff for their good and loyal services. They all had to work very hard to contact 83 municipalities, RCMs and organizations affected by the new boundaries proposed by the commission for the riding of Berthier—Montcalm.

Of all the parties that were contacted, 25 took the time to write to me and 12 got in touch with me directly to make comments. I think it is important because many of them told me: "Michel, we are taking the time to talk to you because we know, having done so in the past, that it is useless to submit a brief or make proposals to the commission. We think that if a member makes representations on our behalf, he is more likely to be listened to."

I have to say that several municipal politicians have also complained about the commission's reasoning, which they find inconsistent. In trying to solve one problem, the commission is creating another. People say among other things that, in Quebec, boundaries of the RCMs were generally taken into account in the proposed electoral map, but not in the riding of Berthier—Montcalm. In this case, they are being split up to satisfy some mathematical criterion.

It also became evident, through these consultations, that many people are frustrated because they were not able to take part in the process until the new boundaries were almost imposed on Canadians. You will understand that the amendment proposed by the Reform Party does not satisfy them, and I am certainly in a position to tell you so.

Representatives of one municipality even told me that they disagreed completely with the proposals that they saw in the newspapers, but did not intend to submit a brief or make other representations to the commission. The mayor of this municipality told me, and I quote: "The commission must take into account various considerations that cannot be reflected in a single brief. So preparing a brief becomes too arduous a task. My position is based on experience, having submitted briefs to two commissions in the past".

Another mayor pointed out to me on April 8 that the new boundaries were detrimental to his municipality. He wrote: "I want to draw your attention to the drawbacks resulting from such a drastic change for us and our neighbours from Sainte–Lucie and Val–des–Lacs, a population already penalized by the economic situation and absolutely dependent on a social centre with its activities, its schools, its shopping facilities, its social services, the LCSC and the Laurentides General Hospital." He concluded: "It is obvious that the commission is ill–informed about our priorities and our needs".

I contacted this mayor and he told me: "Mr. Bellehumeur, I will not submit a brief because I am sure that I will not be heard, that nobody will listen to me".

• (1155)

Mr. Speaker, I cannot help but conclude that reviewing the electoral boundaries is not just a matter of mathematics. There might not be general agreement about this, but I think it is wrong to say that since there are six million people in Quebec, you just have to divide this number by 75 to get the average number of people to be included in each riding. I think there are much more appropriate, fair and accurate criteria that seem not to have been applied.

One of them that comes up often is services provided to the public. Another is administrative regions. It is illogical to split an RCM that has been part of the riding of Berthier—Montcalm, or of Berthier—Maskinongé —Lanaudière since Confederation and to transfer it to the neighbouring riding of Joliette. As I was saying a moment ago, there are many such cases. The criteria the commission seems to have applied in drawing the new boundaries have not been respected in my county. Maybe I am unlucky, but that is a fact!

Then, as for accessibility, is it right that the boundary of a riding run through a neighbouring riding? Is it right to create some kind of doughnut hole in the middle of a federal riding? I do not think so. Has anyone stopped for five minutes to consider whether in terms of geography and accessibility this was viable for taxpayers? I think no one considered that kind of concern for very long.

There are also other criteria that could be examined, but this is not the place to do it. In my capacity as member for Berthier—Montcalm, I intend to submit a brief if the issue is not settled in the House by April 20. Mr. Speaker, any member who wants to represent his riding, as is his duty, should listen to his constituents. But when you want to get things done, it is much better to deal with one member instead of two as the reeve of the D'Autray RCM said. That makes perfect sense and everybody in this House would agree that this should be a consideration.

It is not just a matter of drawing boundaries on a map. The whole context should be examined and consultation should take place before any proposal is made. People should be involved instead of being presented with a fait accompli. We should be listening to the wishes of the people and try to reconcile contradictory views and ideas that do not quite fit. Most of all, we should avoid the traditional practice of forcing new ridings on people.

During the last election campaign, I realized much to my surprise that constituents in the Montcalm area of my riding did not know they were part of the riding of Berthier—Montcalm. They all thought they were part of the Joliette riding and were wondering what I was doing there. Most likely, they did not see much of their former member. True, he needed two terms to get to know the extent of his own riding, so it is easy to understand the confusion the constituents were in.

Mr. Speaker, you will have concluded by now that I oppose the amendment since much more than 24 months would be necessary to correct all those deficiencies. And two years is not that long, after all. Canada may then have only 220 ridings to readjust so that there will be savings there for everybody.

Mr. Ghislain Lebel (Chambly): Mr. Speaker, my friend and colleague, the member for Shefford, talked about my riding, Chambly, a little while ago. Two weeks ago, before the Easter recess, I said in this House that I did not understand why a number of voters of my colleague's riding were transferred to mine, and why the population of my riding increased from 75,000 to 110,000 while the population of his riding decreased from 110,000 to 75,000. I still do not understand.

As my friend from the Reform Party said, are we proceeding with this readjustment simply because the act says that we have to do it every ten years? Are we doing this for the fun of it, because the act says we have to do it once every ten years, without asking ourselves if it is appropriate, if it is good or not? That is not important, just do it.

• (1200)

The member for Maskinongé—Montcalm just said that his new riding will be full of holes. On the South Shore of Montreal, and I assume no one did it on purpose, this electoral redistribution, by a curious coincidence, will result in the Liberal party standing to gain another riding in the next election because on the South Shore or in the Eastern Townships the riding of Saint–Lambert will have a strong contingent of new Canadians. But I assume that is only a coincidence and not a calculated Machiavellian act.

All of us in this House, like the member for Beauséjour, who is always flashing that smile that we all like, or like the members of the Reform Party, did not suddenly become members of Parliament. Before being elected to this House, you must work a long time, get involved in your riding, and meet your constituents. You know, it could be that our door–to–door campaign for the last election was only the end of a cycle. But I am sure that the member for Beauséjour and all the other members of this House have spent many years—10 or 15 years or more—criss–crossing their ridings and meeting disadvantaged groups, social groups, unions, employers in some cases, fishermen for people in the maritimes.

We did not become members of Parliament by chance. We were chosen, elected and sent here by the people. And by constantly rubbing shoulders with these people, which frequently happens almost instinctively, the members here present have embraced or somewhat adopted their constituents' philosophy, so they generally come here with a precise idea of the philosophy or opinion or direction that they convey in their respective

riding. Making an electoral division just because the Elections Act says it has to be done every ten years seems to ignore that aspect of the job of a member of Parliament.

In my case, for example, I will be called to represent between 30,000 and 35,000 new constituents, whom I do not know, in municipalities—I heard earlier my colleague in front of me mention municipalities like Béthanie and so on—where I never set foot in my life. And overnight, I will have to represent these people. There are group dynamics emerging in our society. People get used to living together, they arrive at a consensus and convey it to their member of Parliament if he or she has not already perceived it naturally.

In my case, I am afraid that I do not know what people whom I do not know might want. And if we are to simply change numbers, I am sure that my colleague from Shefford would be a much better representative of these people than I, because I simply do not know these municipalities, these RCMs, these potential constituents.

Of course, the Bloc Quebecois will make it its duty to represent everybody in Quebec. But the fact remains that for specific or particular aspects, the member for Shefford, who is already there, would certainly do a better job than I, because of the group dynamics and the thinking of people in these regions. He would be able to pinpoint what should be done in that riding, whereas for me, as a new member to these people, by the time I go around and get acquainted with everybody's problems, by the time I get to know their municipalities and the problems of these municipalities and these RCMs, I am afraid these people will suffer the consequences. Therefore, I do not agree with the argument that democracy requires that the electoral boundaries be readjusted every ten years, no matter what comes out of the process.

• (1205)

The county of Chambly which I represent and which has about 75,000 constituents is relatively dense. Mr. Speaker, you said earlier that you travel a lot, especially in the county of Shefford. Unfortunately, I never had the pleasure to see you in the county of Chambly, but I hope that you went through it. If not, I invite you to visit it.

The Richelieu River runs right through my county from one end to the other. My county is the heartland of the Patriots. Therefore, I am not the first independentist mentioned in the House of Commons. Incidentally, I was informed recently that five independentists from Beloeil had lost their lives during the battle of the Patriots, in 1837. These people, some Préfontaines and some Lafrances from Beloeil, are from my county. The reason I mention the period of 1837 is because these people live together and know each other. They were builders. They built bridges on the famous Richelieu river. They built churches, they built their parish. These people are used to living together. There is a spirit of community among the residents of a same region. It is an unwritten tradition, but it exists all the same.

When you add 35,000 new electors whom he does not know to an MP, you distort the group dynamics, to the detriment not of the MP or the federal government, but of the constituents concerned. Now if you want to talk about more practical things, take telephone communications.

In my riding, things are not as bad. From one end of my riding to the other, people cannot call one another direct and have to make a long–distance call. As far as I am concerned, as a member of Parliament, if I want to be able to serve my constituents and be available, I have my office in the middle of the riding where I can call everywhere without high charges to my government, meaning the taxpayers. Also, my constituents can call me from anywhere in the riding without having to pay long–distance bills. For some people, specifically older people, long–distance charges are significant and unforseen expenses, particularly when they have to speak to their elected representative, which can penalize them.

So imagine the surprise when I was told that people in my riding would have to constantly use Bell Canada long–distance service in order to communicate with their elected representative. That could be very expensive for them. You could argue that it is only a small technical problem. But when we are talking about the representation of members of Parliament, there is a risk in doing that, because we could become less and less representative through such occurrences. This redistribution of the electoral map could prevent members of Parliament from doing their job. This is my first concern.

[*English*]

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, I rise today in this House to speak in favour of the motions that the Reform Party has placed before all members of this House today. I do this because I feel so strongly that we need changes in government. We need changes in the way we have been operating.

These amendments to this motion would limit the delay to 12 months on this process and would formally keep the commissioners who are already in place. I am very strongly in favour of those motions. Of course my preference and the preference of all members of the Reform Party would be that Bill C–18 not proceed at all.

I am an ordinary Canadian, an ordinary person. I have serious concerns about the things that have been happening in this country such as the way our country has been run, the enormous deficit and debt that all Canadians face, and unemployment. One of the biggest items that every member in this House heard people speak about during the election campaign was that Canadians wanted more accountability. That is worth repeating. The Canadian people demanded more accountability from their

elected representatives during this last election. They demand it now and they want to see it.

• (1210)

This is a sad, sad day for ordinary Canadians, for ordinary people. What has happened here is that the government members opposite are trying to ram through something that takes away a process that the ordinary people in this country can get involved in. They can make their presentations and recommendations to a body that has been set up for redistribution of electoral boundaries. It is a sad day and I urge everyone in this House to think about that. People want more involvement in government and the government is taking that away from them.

This bill sends a message loud and clear that the government and members opposite and some members on this side do not believe that people should be more involved in what happens in the process. They do not believe that what happens in this House should be a part of what the people of Canada are thinking.

I spent some time in the last two weeks in my riding. I heard of major concerns throughout the riding about the way the redistribution was laid out. We would be losing two communities in my riding which have a strong economic tie to the rest of the region of Okanagan—Similkameen—Merritt which I represent. Merritt and Princeton would become separated from that riding and would join Coquihalla riding, a new riding that would be established in B.C.

I had a meeting with the mayor and council of Merritt while I was there last week. They want to make their presentation. They want to go to the commission. They want to submit a presentation on behalf of the people of Merritt. That sounds like a good idea. It sounds like a way for all people to get involved if they have concerns. It is not up to us in this House to draw the boundaries, to draw the lines.

The reason this whole process was established was so that politicians would not be able to tamper or tinker with the drawings of electoral boundaries.

I have had the opportunity to speak to many of my friends across the way in conversations over coffee and sometimes just in the hallways or on the bus from the Confederation Building to here. I have heard from them the underlying reason for trying to stop the redistribution process. They know it is taking way some Liberal stronghold areas. There is no other reason. They are tampering in a process that was set up so that the government and members of Parliament could not tamper with it.

It is unacceptable that this is going on. Possibly, as one other member of the Reform Party has already indicated, this is even unconstitutional. It is a sad day for Canadians. It is a sad day for all of us.

There has been a lot of talk about the cost of this process. Let us take a look at the costs. It budgeted $8 million for this process. So far there has been $4 million to $5 million spent. I thought it was $5 million but this morning I heard that maybe it was only $4 million. It seems that the government is not quite sure how much it actually spent to date on this process. Anyway it is in the area of $4 million to $5 million.

It wants to scrap the whole process. It wants to put everything on hold so that in 24 months it can spend another $8 million to $10 million and restart the whole thing. Is that in the interests of the Canadian people?

• (1215)

Do members opposite believe that Canadians will stand by when the country is facing a massive deficit and debt and place before them another $8 million to $10 million bill when it is not necessary? We could simply put the process on hold for a 12 month period, have a committee study it if they wish, as our amendments suggest, and then Canadians can get value for their dollar, something that they are not doing by eliminating this redistribution process.

Would it not be worth mentioning that we are kind of crowded in this House? We are at the maximum probably in seating without major adjustments to this place. I received a letter yesterday from a constituent who said we should look at capping the number of members in the House of Commons. That is a good idea and I think we should look at it.

People are tired. We have too much government. It is a good idea. Absolutely we should do that. He also suggested we should reduce the number of seats. I think we should reduce the numbers on that side of the House, but maybe strengthen them over here.

What we should be looking at is Senate reform. The west, the northern regions, the Atlantic provinces want accountability too. If we limit the number of seats in the House, then we have to look at strengthening the other place, the Senate chamber. It is something that requires serious consideration.

This whole process, as I said earlier, should have Canadians wondering what the government is all about. Does it really mean that it wants the people involved in government, because it is stifling that by stopping this right now? It is stifling the process for the people of Canada so they cannot make their representations, their concerns and their presentations to these commissions. The commissions were set up independently so government could not be involved and would be at arm's length from the whole process. That is the way it should be.

I have serious concerns about my riding but I am willing to make presentations on behalf of the people of Okanagan—Similkameen—Merritt regarding those concerns. I will not have that opportunity now and the people of Canada do not have the opportunity to do it either.

In closing, I would like to urge all members in every corner of the House to please consider once again what Canadians have asked us to do, to bring accountability back to the House of Commons and to let them be more involved in the democracy process. I want every member of the House consider that. I ask hon. members to support the amendments that are before us today.

Mrs. Brenda Chamberlain (Guelph—Wellington): Mr. Speaker, to my hon. colleague across the way, first he mentioned the fact that it is more costly. There is no issue here. The reality is if we proceed—

The Acting Speaker (Mr. Kilger): I wonder if I might seek clarification from the member? Is she on debate? There is no questions or comments period in the standing orders we are presently under. Is the member on debate?

Mrs. Chamberlain: Yes, I am, Mr. Speaker. Could I ask the Chair a question? When you say am I on debate, what exactly is it that you would like for me to do?

The Acting Speaker (Mr. Kilger): I do not want to put any restrictions on any member, but according to the standing orders of this debate at this time, each member who seeks the floor is recognized by the Chair and has 10 minutes to make his or her intervention.

I wondered if perhaps the member was seeking to ask a question of the member who last spoke. There is no questions or comments period following the interventions at this particular stage of debate. The hon. member for Guelph—Wellington.

Mrs. Chamberlain: Mr. Speaker, the member across the way said that this is a costly process, and this side of the House quite agrees with that. People in general and certainly in my riding of Guelph—Wellington have expressed deep concern at the cost of the process and how much will be gained.

• (1220)

The other issue that the member across the floor has talked about is the fact that this would create more government. For us to create more government at a time that people feel we should not be moving in that direction is not responsible.

I do not believe we are taking the position—I certainly am not—that we do not think people should be involved. People should be involved. People have been involved at the local level from riding to riding. Many people have talked to me on this issue and expressed concern. They wished that the government would take a leadership role in deciding what should happen with this issue. We have attempted to do that.

I believe my role when I was elected was to be a leader, to show leadership and to make decisions supported by concrete facts, information building, public information being included in that communication process. I am comfortable with the direction the government is moving in.

The charge by my hon. colleague about Liberal stronghold areas being protected is not so. I cannot agree with that. That would not be the reason I would look at not supporting this amendment. The reality is that many members—I would put myself in this category—find themselves living outside the actual area that they represent. It seems odd to me that there would be decisions and directions moved in this manner.

Another colleague of ours finds part of his farm in one riding and his house in another. This does not seem reasonable. I hope the member across the way knows that some of the boundaries that were proposed are not credible. They do not make sense.

To have a situation in which we would have public input on every single area, 295 ridings or perhaps more—my colleague talks about maybe 300 or 304 ridings, I do not know where this process would end—is not a good thing at this time. The points of view are varied but in general there is wide support for the government.

I will speak on behalf of Guelph—Wellington and the information that I have received from my constituents. It is that this process, the way it was first initiated, was quite a hodge-podge. They are comfortable with us as a government saying no to this process in the manner that it has been proposed. They are concerned about cost and they are concerned about more government.

My colleague has indicated that is the question. That would be the result of the process we are embarked upon at this time. I would say this to members. From my point of view and from what I have been able to gather from public input, from talking to people, they are comfortable with this decision.

This is exactly what the Reform Party wants us to do, listen to our constituents and find out what they truly want us to do. In acting on that I am comfortable on this topic at this time.

• (1225)

[*Translation*]

Mrs. Monique Guay (Laurentides): Mr. Speaker, I am convinced I will not have to invite you to come and visit my riding since you must have been there already on skiing vacations. The riding of Laurentides has 43 municipalities and 110,000 voters. It is a huge riding but the new electoral map brings appalling cuts to this area. Without any reason, several municipalities will be taken from my riding and will become part of a neighbouring one.

You must understand that the riding of Laurentides is located along a highway, highway 15 or 117. It is a network, a tourist region and it is therefore very important that the area be maintained as a whole and remain united. If you take municipalities out of a tourist network, it becomes very difficult for those municipalities to make a name for themselves in another riding which may be, for instance, agricultural or something else.

I would like to tell you about municipalities that are very disturbed by the new electoral map and which approached me and explained their problem. You have Mont–Tremblant which is booming and must count on the touristic network of my riding to be able to advertise and attract tourists. If Mont–Tremblant became part of Berthier—Montcalm, which is a totally different kind of riding, the people of Berthier—Montcalm would be hard pressed when it comes to the economic development of Mont–Tremblant. Furthermore, they object to Mont–Tremblant being taken out of my riding.

The town of Saint–Jovite along highway 117 and all those towns to the north, including Labelle, which are part of the tourism network, are being removed and added to Argenteuil—Papineau, which has an entirely different focus. So, of course, the mayors, the councillors and my constituents called and said: What can we do? We do not want to leave the riding of Laurentides. We feel at home here. We do not want to be part of another riding where they may be too busy to look after us, because it takes a long time to cover the whole riding. I have a very big riding with a lot of constituents, and it takes a lot of travelling, but we have a network where everything connects. In fact, we used to have the "petit train du Nord", a train that went through all the municipalities now in my riding. Where the train used to run has now been turned into parkland.

If part of this tourism network is removed and added to another riding which is different again, it will make the park far less attractive because the park needs the Laurentides Tourism Association and the services in my riding to develop as it should.

I am against the amendment, and I think the readjustment process was a hasty affair. They took a map and looked at the number of constituents in a given riding. They decided there should be 75,000 inhabitants per riding, so they take this particular part out and add it on somewhere else. Some ridings have a lot of small municipalities with very few people, but the member may end up with 70 municipalities in the same riding. This does not make sense. A member can never do a good job under those circumstances. To do a good job, the redistribution process must be reasonable. There should also be a good infrastructure.

I know some people in my riding who told me during the election campaign: So I am in Laurentides? I said yes, you belong to the riding of Laurentides. They were not aware of this.

• (1230)

It takes a few years for people to get used to belonging to a riding or to identify with the riding. Shifting people from one riding to the next every eight years does not create a sense of community.

I am also against reducing the number of members, because we already have 110,000 constituents and if we get more, I am going to have trouble looking after everyone. It already takes two and a half hours to drive across the riding. It takes me longer to drive from one end of the riding to the other than it takes to drive to Ottawa. These are huge distances.

The tourism network is in good shape, and people want to stay in that network. I will keep doing my job in my riding. I think it is very important for people to identify with a region. I think it is very important for a region's development. I intend to go on working with my constituents, and if these electoral boundaries have to be changed, the municipalities concerned and I—in fact, I would lose a large number of municipalities which have already been identified—will take steps to prepare a brief and protest against changes that make no sense at all in a region where municipalities need each other to survive.

You know that when people go to Saint–Sauveur, they will also visit another municipality next door. They will see a show in Val–David and have dinner in Sainte–Agathe or go boating there. In this region, we all have to help each other. Otherwise, if you take a few small municipalities and destroy their tourism network or move it somewhere else, you lose the dynamics that tourism needs, because this is not an easy sector.

I will go on doing my job in my beautiful riding of Laurentides, and as far as breaking up the riding is concerned, I will do my utmost to keep that from happening.

The Acting Speaker (Mr. Kilger): I would not want the member for Shefford to be jealous, but I have to say I spent even more time in the Laurentians.

The member for Richelieu.

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I almost feel I have to begin my speech by inviting you to come and visit my riding. Even though it has already been said, it is one of the most beautiful in Canada. I think that it comes second after yours, Mr. Speaker. Perhaps I will be allowed one more minute for having said that.

The debate on this bill brings me to make some comments that might differ a little bit from the other comments that were made. First, in terms of the relevance of the legislation, it is surprising

to see a government reject a change based on the principle of a better redistribution of ridings on the basis of population.

The proposed reform, after several years of extensive debate and reflection, to allow the representation in the House of Commons to be directly related to the population of a riding, while also taking into account the sense of belonging to a region, while taking into account, for instance, the principle of the regional county municipalities in Quebec, the principle also of the economic relations that can be established in various regions—of course that will and desire of the House and all Quebeckers and Canadians was extremely valid. However, basically, if we really wanted a reform, would we start with that kind of redistribution? We would probably start by asking ourselves what our institutions represent and how useful they are.

• (1235)

Based on that, the first reform would be to ask if we have one House too many. Do we Quebeckers and Canadians still need two Houses? One is commonly called the Senate but in the parliamentary language of the House of Commons we call it "the other House". Do we still need that other House? That would be the first point to consider.

Then we will talk about the distribution and number of ridings, how many people should be represented by a member of Parliament and so on. Ultimately, many Quebeckers and, I am sure, many Canadians want the other House to be abolished.

By attacking the other House, I do not want to attack the venerable people who sit there; we know that there are some very competent individuals. Of course, there are also some bagmen for the big parties such as Mr. Rizzuto for the Liberals and Mr. Nolin for the Conservative Party. They were appointed to their position and they are well–paid party workers who raise funds for the old parties.

But except for these few cases, let us admit that there are some really capable people who should run for election to this House to make their contribution instead of going to that big dormitory, which sometimes becomes a nursery school, as we saw in some debates. But of what use is that big dormitory to which those hon. sleepyheads go? That is the real question.

If we talked about reform by first dealing with the usefulness of the other House, we would realize that the members of that body have knowledge and skills which would be much more useful to the community in this House here. In fact, that other House is a sort of relic of colonialism, meant to protect the interests of the wealthy and to cool the ardour of the people's representatives. That is why one of the requirements to sit in the other House was to have property worth at least $15,000. That requirement still exists, although it is meaningless today, but back then it was a lot. Therefore it was a House to protect the wealthy from some legislation that could have threatened their wealth or economic power.

Over time, the situation evolved. That other House became the defender of the regions. That is why we often heard about the importance of the second Chamber in western Canada, for example, because that House in a sense embodied the regions. Historically, that House had a certain role to play as a defender of the regions; that was acceptable too.

But now, people band together in associations, unions, environmental groups and all kinds of organizations. They have means to make their demands heard and associations to represent them directly to elected officials and they no longer feel a need to have that House to defend them. That House has become so useless that the time has come for us to think about whether it should even exist. Those associations no longer go through the other place. In fact, I wonder how many could answer if I were to ask all the hon. members here the name of the senator representing them in their regions. In my region of Sorel for example, what is the name of our senator? I am involved in politics myself, yet I do not know. If I, as a politician, do not know who my senator is, you can imagine that he must not be getting much mail or too many calls. There are even senators who refuse to give out their fax numbers. I found that out when some of my constituents said: "Maybe we could stop that unemployment insurance bill from going through in the Senate; give us the fax number." So, I phoned around and, as it turned out, almost half of the senators I phoned refused to give out their fax numbers; they did not want to be disturbed. It is incredible, but true.

• (1240)

My point is that the upper house has lost its raison d'être, and that may be where reform should start. Let us start by reviewing the need for our institutions. Based on that review, we will be able to say: "The other place no longer meets our needs; it must be abolished." That would mean $40 million, $60 million or $70 million less to collect from the taxpayers. Furthermore, the senators' expertise could be put to good use elsewhere. They are obviously committed to politics if they agreed to sit in the other place. So, we are telling them: "Get elected democratically and come and sit with us in the House of Commons. Find a seat. Get the people's seal of approval."

This leads to the next question. Are there enough members in this House or too many? As far as I am concerned, the answer rests in the comparison between Canada and other democratic nations, preferably North American democratic nations.

Let us take the United States as an example. They have a legislative body, the members of which are not called members of Parliament, but congressmen. If I recall correctly, there are some 450 of them representing 250 million people, while we are 295 for a population of 25 million. If the United States were to have as many congressmen as we have members of Parliament in Canada, they would need 2,950 seats in the Congress. Their

population being 10 times ours, they would have ten times more members of Parliament than we do, relatively speaking. Obviously, something is wrong.

Do you think it is right for a small province like Prince Edward Island, a province no bigger than my riding, to have 32 MLAs, four federal MPs, one representative of the Queen, one lieutenant governor and even, at times, one Supreme Court judge? Obviously, something is wrong. And that is the true reform which should take place.

Abolish the other place and reduce the number of MPs. Do not increase their number, reduce it. If there were 150 of us here, it would be more than enough, because what is the role of MPs once they have been elected, especially government members? They do nothing but vote according to the whip's instructions. They are like sheep. The best example is the one provided by the member opposite who is looking at me with a smile. These people roared like big cats when they formed the opposition, but have now become sheep or paper tigers with no role to play. They simply sit and when the bells ring they come and vote like sheep. They do not even ask themselves whether they should have been consulted. They are not consulted at all.

If there were 150 MPs, or half the current number, perhaps the debates would be more democratic, with a greater participation. This is what reform should be all about. A reform should first look at the institutions and their relevancy. Then, there should be a second debate on the number of MPs, followed by a third one on the role of the member of Parliament. It goes without saying that the MP's role is to represent his or her riding, to act as ombudsman and protector of the individual who has a problem with UI, the company which did not get a subsidy, or the person or organization who made representations and did not get an answer from a minister or the government. The MP is also a legislator, but that is unfortunately the role which is most neglected. In my next speech, I would like to elaborate on this extremely important role of legislator which MPs should have but do not have right now in our institutions as they currently exist.

• (1245)

[*English*]

Mr. Mike Scott (Skeena): Mr. Speaker, first I would like to respond to some of the remarks—

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I rise on a point of order. I do not think that we have a quorum.

Some hon. members: Quorum.

The Acting Speaker (Mr. Kilger): I will ask the clerk to count the members present.

And the count having been taken:

[*English*]

The Acting Speaker (Mr. Kilger): We have a quorum. Resuming debate.

Mr. Scott (Skeena): Mr. Speaker, before I talk on Bill C–18, I would like to respond to some of the remarks made by my friend from the Bloc who spoke before me. He mentioned the other place and suggested that we should do away with it. He said there was a growing mood in Canada for abolishing the Senate.

I would like to address that and say that the reason the other place has no credibility right now is that it is not elected and it is not accountable.

I suggest it is essential for the future of Canada and for regional fairness that we have a strong and vibrant Senate. Our vision is that senators should be elected and be accountable and there should be regional fairness in their distribution.

Going to Bill C–18, I have spoken on this issue before. I have to say we are very much opposed to this bill because it smacks of political interference.

It is very clear from the news reports I read in British Columbia while I was there for the recent hiatus that people in that province are deeply concerned that what we have here is business as usual. We have politicians who when they do not like something, instead of going through due process and allowing a fair and unbiased process to proceed, want to get involved by commandeering that process and steering it in a direction that is favourable to them.

Furthermore there is a good deal of concern among taxpayers that we have $5 million invested in this process right now and we are in danger of losing that. As a matter of fact we will lose the value of that money if this process is indeed suspended for 24 months and the commissions are abolished.

At the same time the government talks about a commitment to capping the number of MPs it attacks us on these benches for not wanting to see this happen. We have asked time and again and have moved an amendment to say if you want our support on a motion then instead of saying you are going to review the number of MPs, cap the number of MPs, make a firm commitment to it. There is no commitment in Bill C–18 to do this.

I find it very difficult to support a motion which we only look at reviewing the number of MPs, only look at studying something. If we do not think it is right then we should make a commitment up front that we are going to come up with a formula for capping the number of MPs.

I think the government would find a good deal of support from this side of the House, possibly unanimous support, if it moved in that direction but we have not seen that. I was in my riding recently, as were most members. I received very little expression of concern from my constituents on the matter of electoral boundary changes. Believe me, my riding changes dramatically, maybe not as dramatically as some of the other people in this House but it does change dramatically. It increases by about 25 per cent. I already have one of the largest geographic ridings in Canada. It is very difficult for a member to service now and it is going to become even more difficult under the proposed changes to the electoral boundaries commission.

• (1250)

However, there is a process in place and the people in my constituency are prepared to live with that process. They are prepared to work within it. I believe that should be the position that all of us take as members in this House, that rather than trying to hijack the process we work within it.

Because the process will be suspended for 24 months if this bill passes, British Columbia and Ontario will go into the next century, indeed the next millennium, with the same electoral boundaries and the same distribution they had based on the 1980 census. If there is one thing that generates a good deal of concern and anger in British Columbia, and I am sure that Ontario feels the same way, it is the fact that we are being short-changed. We are not receiving a proper representation based on our population, which is something our democracy ascribes to. I have been hearing a lot from my constituents on that.

Let me suggest that the government proceeds with this bill at its political peril in British Columbia and in other parts of Canada as well. If the country goes into another election without redistribution having taken place, there will be a price to pay and the government should be aware of that. There is a strong feeling and strong sentiment in British Columbia that that is the case. People are not happy with that.

If the government wants to introduce Bill C–18 and wants to have an opportunity to examine the process, why not do it in 12 months? Certainly anything that can be done in 24 months can be done in 12 months. We do not see a reason for holding up the process any longer than is necessary. Furthermore we do not see a requirement to suspend or to abolish the present commissions and come up with new commissions 24 months from now and start all over at square one. Why not at least retain some of the value of the dollars that have been spent?

I support the Reform amendments for those reasons.

I feel very strongly that the government should make a statement that it is going to cap the number of seats rather than just talk about reviewing the number of seats. We have to put a firm cap on the number of seats. We have to show Canadians that we are indeed concerned about the expenditure of taxpayers' dollars. We certainly do not need more representatives in this House than we have now to oversee the affairs of the country.

We want to retain the current commissions and preserve the value of the work that has been done. This can be done and still allow the government the opportunity to review the work of the electoral boundaries commissions and to review the process that is in place. I support very strongly that if we suspend the process we only suspend it for 12 months and not 24 months.

We must keep the process scrupulously non–partisan and non–political. We must do it in a way that Canadians can see that we have not engaged in political interference, that it is not business as usual, that we have not looked at trying to further or protect our own political interests, but looked at the best way to achieve redistribution and electoral boundaries changes based on what is best for the country.

• (1255)

We must ensure that representation by population is observed in the next election. As I said earlier, the government is going to have a very heavy political price to pay if it does not follow that. I reiterate again that British Columbians are very unhappy. They will be very unhappy if they go into an election in 1996, 1997, 1998 or whenever it happens with the same boundaries that they have had based on the census of 1980.

B.C. and Ontario deserve nothing less than a fair shake as do all of the provinces when it comes to distribution. We must continue to subscribe to representation by population. This bill flies in the face of that and will put British Columbia and Ontario at a disadvantage in the next election.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to take a few minutes to respond to some of the things that I have been hearing over recent minutes and hours when I see the opposition delaying this bill today.

There is some irony here. People are saying in this House: "This bill is going to delay the process by 24 months. We are against delay", but they are delaying the bill, ensuring that the 24 months will happen later had they not delayed the bill to start with. Maybe that needs to be said.

What about the fact that the Reform Party wanted this delay to be 24 months when the government initially asked for 18 months? Whose fault is that? Could it be that there is a little duplicity going on, that we are not hearing the facts exactly as they are?

We heard in the speech today that the electors of the hon. member's province are going to be unhappy if the redistribution as presently planned does not take place. Mr. Speaker, I am sure with your being a fond reader of the *Globe and Mail* you will know of the story of some weeks ago which outlined perfectly well how B.C. and Ontario were being short–changed by the redistribution that is going to take place now unless we amend it, that true rep by pop does not exist in Canada at the present time, that it should be restored, that the whole debate about that needs to take place and the process we have now has been there for 30 or 40 years unamended. What about the 1986 amendment that was done by the Conservative government? That amendment made it such that no province should lose seats even if it loses population.

Which provinces are the victims of that? B.C. and Ontario are, and that is the process that the member wants us to proceed with. Then he says to top it all off that we need to elect our senators. This is coming from a bunch of people who voted against the Charlottetown accord and who campaigned against it.

[*Translation*]

Mr. Speaker, I must admit that I fail to see the logic in the hon. member telling us that the 24 month suspension is unacceptable, when in fact he himself, or at least his party, requested it. We proposed a period of 18 months, and now he wants to reduce this to 12. Well, what is it going to be? Make up your mind. What do you want? Twelve, eighteen or twenty–four months? Convene a caucus meeting, discuss the dress code?

[*English*]

Discuss suits. Do something. Discuss it privately and then come back to the House and make up your mind whether it is 12, 18 or 24 that members want I say to my colleagues across the way. We need to review this whole system of redistribution. At second reading the Bloc members across the way voted in favour of the bill if I remember correctly.

Of course they are filibustering a little bit today, but perhaps that will change over the next few minutes or at least we are hoping. If we are serious about not wanting any more delay let the bill proceed so that we can go ahead with this review. If we are serious about not having unnecessary delay, I say to the Reform Party that it cannot have it both ways. It cannot ask to lengthen the delay and say that it is against the delay after it did just that. I say that to the members across the way.

• (1300)

Members must realize that the redistribution as presently planned in the law is most unfair to British Columbia and Ontario according to all independent observers. Rep by pop exists the least in those two provinces because of the structure there now and in particular as a result of the 1976 amendment proposed with the previous government that made it such that no province lost seats.

I call upon my colleagues, if they are serious, forthright and honest about wanting no delay, to proceed with the bill. Let us get the process started. Let us do things and let us do them quickly so that we can have good and proper redistribution to give fair representation to all Canadians.

[*Translation*]

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, following up on what my hon. colleague from Richelieu just said, I would like to participate in this debate and speak about institutions. Not the kind of institution he referred to, namely the other House, the Senate, or the House of Commons, but existing institutions that ensure the development of our local communities. I am referring here to the riding, an institution in itself.

I would also like to say a few words about RCMs, an institution which took root in Quebec in the mid seventies, and about economic development institutions which have a considerable impact on each of our ridings. Of course, I will tie all of this in with the electoral boundaries reform process.

In principle, everyone agree that the objective must be greater equity in the allocation of the number of voters by riding so as to ensure that one riding does not carry more weight than another. Obviously, everyone works toward the attainment of this objective. When the time comes to undertake the process, specific guidelines and criteria must be followed. Above all, demographic measurements must not be the sole consideration. The criteria must reflect the makeup of our communities and respect the will of the people.

Over the past 20 or 25 years in Quebec, a sense of attachment has emerged as a result of a process which was and still is known as joint action. I recall taking part in the early 1970s in the Lac Mégantic region in consultations carried out by the regional development council of the eastern townships. This was the start of the process of pooling the needs of the entire population of the eastern townships. This sense of regional attachment which I alluded to earlier developed over a period of many years and led to tremendous economic and social development over a period of some years.

The process was further cemented by the establishment of regional county municipalities in the mid seventies, as I mentioned. The first task undertaken by the RCMs was to put on the table a development plan to be voted on by all elected officials in a given region or sub–region. In the development plan, the municipalities in each sub–region specified what kind of com-

munity facility they needed and where these facilities would be located.

Subsequently, a complete network of economic institutions and industrial commissions was developed. These operated in various fields, not just in the industrial sector, but in the business and community sectors as well. As a result, our various regions, and I refer more specifically to the eastern townships, developed their own personality and were at last in a position to convince the authorities that economic and social development should be adapted to their needs and the needs of people who live there. When the time comes to readjust the boundaries of electoral districts, these boundaries must take into account a process that has evolved during the past twenty or so years.

• (1305)

The proposed changes, as I said earlier, will have a disastrous impact on much of my riding, especially on the Granit RCM located in the beautiful Lake Mégantic area, which I am sure you will visit one of these days, Mr. Speaker, since I understand you are a fan of Quebec.

The Granit RCM has always been part of the Eastern Townships. In fact, as I said earlier, about 25 years ago I was involved in the consultation process to set up regional development councils. The Lake Mégantic region was part of the economic and social development process in the eastern townships and established contacts with most of the authorities involved, including not only local and regional authorities but also authorities at the provincial and federal levels. Mr. Speaker, you have been in government for a number of years, as I have, and you know it is not easy for the average citizen to find his way through the maze of institutions and governments.

When people have had a development model for a number of years, they are very concerned about the consequences of getting rid of this model overnight. And that is exactly what will happen as a result of boundary changes in this particular part of my riding. The Lake Mégantic region would be added to the riding that includes the Thetford mines region, the centre for asbestos, and thus included in the economic region of Quebec City, which is a very nice area, I will grant you that. Just because we want to stay in the Eastern Townships does not mean we have anything against people in another riding.

I think it should be obvious to anyone who is the least bit involved in this process that people should be consulted on any changes being planned.

I heard the hon. member for the Reform Party say earlier that it was necessary for the electoral boundaries readjustment process to be politically neutral. I disagree. Since we are elected representatives and the people have given us a mandate, it is our responsibility and in fact our duty to be involved in any process that would affect the future of our constituents. If I am not mistaken, two–thirds of the members of this House—more than 200 came here for the first time five or six months ago. My point is that most members of this House are serving their first term. This means that during the past few months they attended many meetings and read all kinds of documentation to get to know their riding, their region, their constituents and the needs of these constituents. They must be involved in these consultations. And we cannot do this in a hurry. We need enough time.

• (1310)

In my own riding, I have started consulting the municipalities, and I can say that with 67 municipalities—yes, 67—it takes weeks before we can get a clear picture of what people want. We need time to consult our constituents and ensure that any changes that are made will reflect the institutions in place.

Mr. Michel Daviault (Ahuntsic): Mr. Speaker, this is the second time I rise on electoral reform. First I would like to apologize to our friends the interpreters for not bringing them my speech, as I usually do. Unfortunately, if the people listening to us could see the wilderness in which we are preaching today, they would understand that sometimes we must be ready to respond quickly.

So this is the second time I rise on electoral reform. I did so as chairman of the Montreal Island caucus. I questioned my Bloc colleagues and tried to gather information on this reform, and today we are discussing the amendments proposed after the report was tabled. The main amendment—the first one—would reduce from 24 to 12 months the suspension period for electoral boundary readjustment. The second and third amendments are a logical consequence of the first one and would let the readjustment proceed while the committee drafts its report so that the commission can do its job.

When I spoke—I will come back to my first speech on this—it was important to me, and many of my regional colleagues spoke of the importance of representing the socio–economic, socio–political communities in their ridings; in the regions, they talk a lot about regional county municipalities, while in the Montreal area, they talk about districts. It is important for members to represent these communities, to have a political representation as integrated as possible at the provincial, federal, municipal, or school level.

In fact, I think that when we talk about the opportunity for politicians to act with the increasingly scarce or limited resources at their disposal, such actions must be better co–ordinated at every level of government. In this respect, there are administrative units that must be represented.

In my first speech I spoke about a fuzzy mathematical logic because, in my opinion, the proposed reform has nothing to do with real life. I told you about problems in the eastern part of Montreal, in Mercier, Hochelaga—Maisonneuve, Papineau—Saint–Michel, the riding of the hon. Minister of Foreign Affairs, that will disappear, the riding of Saint–Léonard that will expand considerably, as well as the riding of Saint–Denis and my own riding of Ahuntsic. By the way, "Ahuntsic" is an Indian word that dates back to the beginning of the colony. Mr. Ahuntsic was a young ferryman with the first settlers and it is

the Iroquois who gave him this nickname. So, that name goes back to the very beginning of the colony.

• (1315)

I re–examined the map and discovered another problem with the riding of Bourassa—Anjou—Rivières–des–Prairies, which seems to me quite significant when you consider only the figures.

The riding of Bourassa encompasses the city of Montreal North, a developing area facing hard times and trying to regroup its community organizations as well as its political demography. The area is pretty well integrated.

Given the proposed readjustments, from a mathematical point of view only, we will add to this riding, which encompasses a whole city, about ten streets taken from the riding of Anjou—Rivières–des–Prairies. Now, Rivières–des–Prairies is a neighbourhood in the city of Montreal. In other words, we will be adding to a politically and economically homogenous entity a tiny area, made up of ten streets, only to respect some mathematical criteria. I will come back later to the spreads, because there are some things which are totally absurd.

I thought I would address the issue of "juggling" figures, and since our friends, the translators, do not have copy of my speech, I am looking forward to seeing how they will translate this nice Quebec French expression, *zigonnage*, which says exactly what I mean.

In my hands, I have a map which I want to show you. I want to talk about the population spreads. In Quebec, there are about 91,500 constituents for every seat and the ridings are drawn according to this average ratio.

If you look at the previous map, in the area of Montreal made up of 23 ridings, 11 ridings were below the average ratio. Now, on the new map, we have 17 ridings which are 5 per cent over the average ratio. So, we went from a minimum scale which we were not following to another scale which we are still not following, since the variations are very large.

In fact, on the former map, the spread was of 20 per cent in three ridings and 10 per cent in four other ridings. With the new map, the spread in 17 ridings on the island of Montreal is over 5 per cent. We even have some pretty obscure spreads, some incredible turnabouts. In Laurier—Sainte–Marie, the spread went from minus 13 to plus 4, for a difference of 17. In Notre–Dame–de–Grâce, we went from minus 14 to plus 10, a difference of 24 between the two maps. In Rosemont, it varied from minus 5 to plus 12, a difference of 17. The two champions in this respect are Anjou—Rivière–des–Prairies, which changes from +20 to –0.54, a spread of 21, and the riding of Vaudreuil, which will go from +20 to –8, a spread of 28.

Why do we have these wide swings? I do not know where the riding of Vaudreuil will be on the next maps, because it will no longer be part of Montreal Island.

In my first presentation, I assumed that the riding of NDG no longer existed, which is not the case. NDG is now Lachine—NDG. The riding of Lachine—Lac–Saint–Louis is now Pointe–Claire—Dollard; Pierrefonds—Dollard will be Pierrefonds—Beaconsfield and Saint–Henri—Westmount will be Westmount—Ville–Marie. Ridings that ran east–west will now run north–south, which creates a juxtaposition of small towns on the West Island, which consists of medium–sized towns. It takes two to make a federal riding, but instead of the usual east–west twinning, they now run north–south.

It is rather messy, and I think we are just perpetuating a system that did not make sense to start with. We have had the same system for the past 30 years, and it led to an incongruous situation that to us in Montreal was really incredible, and I am referring to the riding of Laval–des–Rapides which straddled the Rivière–des–Prairies, being half on the Island of Laval and half on Montreal Island. When you realize, as I do, that the people of Ahuntsic often wish the metro would be extended to Laval, so that the people of Laval could leave their cars at home instead of polluting our neighbourhoods, I find it hard to understand why we should group two communities that so often disagree on major political issues.

• (1320)

So far, four ridings in the region have not been affected: the three ridings of Laval, where Laval Centre is at +11.52, Laval East at +12 and Laval West at +18. A subsequent readjustment would normally create a fourth riding on the Island of Laval. However, considering existing figures and population growth, we can assume that for the next census, a fourth riding would have to include more than just the north shore, on Île Jésus.

Are we to assume, after seeing what it means to have a riding straddling two islands, that according to the same system, we will get another incongruous situation when the next readjustment creates another riding straddling the shores of two islands?

That sounds rather far–fetched, but in any case, I would like to point out that the riding of Saint–Laurent—Cartierville will not change. This is the only riding out of 23 on the Island that will not be affected in any way. Therefore, if we can presume the member is thinking in electoral terms when she talks about the map, we can certainly presume that our hon. colleague, the Acting Speaker, will have no partisan motivation whatsoever when she votes.

This brings us to the amendments. I see myself having to defend this in front of the commission simply because we could not meet the deadline, because here in the House we follow a very peculiar kind of procedure to say the least. To the commission I will say: According to the present rules, you should do this for my riding and according to other rules, you should do that.

It is somewhat incongruous when you think that, whatever happens, this whole process will and must disappear because it is not logical for me to defend bits of Montreal districts that will be taken away to be added to another riding for socio–demographic reasons. One thing is sure: if I win, my neighbour will lose; according to demographic and mathematical criteria, someone somewhere has to lose.

On that point, I agree with the bill and I disagree with the amendments because 12 months will not be enough. I agree with the member for Beauséjour that we need 24 months and that, after the committee has tabled its report, we will need time to come back to the question and analyze it thoroughly and not in a rush as I have to do it today; we will need to take the time to study the issue properly.

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, I am a bit surprised. First of all, I would like to invite you to visit the beautiful riding of Hochelaga—Maisonneuve with your wife and children. You know that the Olympic Stadium is in that riding, along with other tourist attractions which you will certainly enjoy.

On a more relevant point, I am quite surprised by the amendment proposed by our friends in the Reform Party. Surprised, because this does not seem consistent with what they were advocating in the past.

• (1325)

You cannot say that what is good for the goose in not good for the gander. If one has proposals, a strategy regarding public finances, as they claim to have, I say with due respect that one has to be consistent.

I would like to make two points. The first one is that they are trying, clumsily, to make us believe that there is a crisis, an imminent democratic peril. This rather unsavoury hotchpotch is unfocused. It is presented as if the fact that electoral boundaries will not be revised in the near future is going to deprive Canadians of their right to vote and vitiate the democratic process.

A short while ago, I found rather humorous the reference to fair representation. There was one occasion in the history of this country when fair representation was really threatened, and that was in 1840, at the time of the union of Upper and Lower Canada. One cannot say that by not supporting the amendment proposed by the Reform Party we put democracy in peril.

This is my first point and I find questionable, to say the least, this attempt to take us into a process which may involve the spending of public money. I admit that 40 or 50 years ago, when Canadian and Quebec society was evolving rapidly, readjustment of electoral boundaries had to be done without undue delay. Universal suffrage had to be fully established, since entire sectors of society were still disfranchised. It was also a time when rural life was making way for urban life.

I do not think that, at the present time, we are in a position to use this kind of argument. I think that we can live with a moratorium, provided that it is not forever—nobody wants the status quo to last forever—but we think that in view of our present financial situation and given the current political agenda, there are other priorities and urgent problems the Canadian government should deal with, before we undertake such an exercise.

I could mention some of these problems, as we have done previously. There is of course, among others, the question of unemployment. In terms of a democratic emergency, I am much more concerned about the 50,000 unemployed workers who might be excluded from UI in certain areas of Quebec because of the proposed reform. When it comes to democracy, I am much more concerned by this kind of legislation than by the redrawing of the electoral map.

Speaking of democratic emergency, and I discussed it with colleagues from the Reform Party, I think that the real emergency is to initiate an in–depth review of the subject matter of the Canadian Human Rights Act, which we on this side, together with other Canadian and Quebec groups, have been calling for. That is a real emergency.

If we as parliamentarians and opposition parties are truly concerned about democratic rights, I believe that it is legislation of this kind that we must bring to the attention of the Parliament as a priority.

On the other hand, as the member for Ahuntsic said—you could say he is my neighbour since, in Montreal, we are all more or less neighbours—we have every right to be concerned about the kind of boundaries the commission is proposing. Let us take, for example, the riding of Hochelaga—Maisonneuve which, if we went ahead with the present proposals, would be merged just like that with the town of Saint–Léonard, which is poles apart in social and economic terms.

I do not want to say anything bad about Saint–Léonard because I know that it is a town with many attractive features, a town where things worth mentioning happen. Nevertheless if, as lawmakers, we want to promote coherent environments, I believe that it would be somewhat incongruous to propose the merging of Saint–Léonard with the federal riding of Hochelaga—Maisonneuve which, as everybody knows, is a working–class area proud of its roots, and where 92 per cent of the population is French speaking. They are, as we know, two

different entities with their own social and economic make–up, and you do not need a Ph.D. in sociology to understand that you cannot ask two dissimilar entities to live in harmony.

• (1330)

If you are a member of Parliament and want to speak in public and represent people, you should at least do so with some consistency. That is real democracy. Real democracy means ensuring that the conditions of representation are such that the member can reflect the social and political interests of his constituents, not to engage in a process that would soon lead to some strange situations which my colleagues have not failed to point out. That is why I cannot understand the amendment proposed by the Reform Party.

We also find in other ridings some anomalies like those we could come up with if the revision process were rushed. Not only did they want to combine the city of Saint–Léonard with Hochelaga—Maisonneuve, but they wanted to take from us, to amputate, dare I say castrate, the Angus Shops, a recent residential development which is the middle class of Hochelaga—Maisonneuve and helps us achieve some social balance. The people of the Angus Shops always felt that they belonged to Hochelaga—Maisonneuve and always co–operated in the social and community life of the riding. Redrawing the electoral map could cut them off from the riding of Hochelaga—Maisonneuve.

So I think that we must be careful when dealing with questions like that and certainly not create emergencies where they do not exist. I fully realize that it is useful to revise riding boundaries periodically. Yes, things evolve and people move, but I do not think that we should do so now, under the conditions presented to us.

We should ask whether we do not have better things to do as legislators. Could we not find something better to do with our time than to engage in a debate like that? You know how the Bloc Quebecois was able to identify, on the basis of Quebec's interests—I see some government members nodding; they agree with the excellent work of the Official Opposition and it is a pleasure to know that we could co–operate with them on things like that—the Bloc Quebecois was quick to identify some areas where we think the government must act and make proposals to us, areas which involve the vital democratic interests of Quebeckers and Canadians.

I was just talking about the eagerly awaited reform. Many groups in our society long for a reform, which is what Parliament is all about, since it involves the Canadian Human Rights Act. This law was passed in 1977 and has basically never been amended. It is urgent to do so for the sake of democracy. How is that urgency expressed? Just think of the whole issue of employment equity. We know that in his latest report, Commissioner Yalden, who is respected by Canadians as he has been a public servant since 1956, told us that we are far from the goals for employment equity set in the early 1980s. The same goes for recognition of same–sex couples.

All that is to say that we should keep things straight. We think that it is unhealthy to rush this process because we see no urgency for democracy, unlike our friends in the Reform Party. We think that when it comes to redrawing the electoral map, we should take the time to do things right because democracy and issues of representation are at stake. For these reasons, I cannot support the amendment.

• (1335)

Mr. Gérard Asselin (Charlevoix): Mr. Speaker, you have been telling us that you travelled extensively in the province of Quebec, as I am sure you have done right across Canada. But if you have not visited the great region of Charlevoix yet, I invite you to do so because, as you know, this is the region that used to be represented by the former Prime Minister, and he certainly promoted the region, the city of Baie Comeau in particular.

Charlevoix is both a tourist and industrial region on the north shore of the St. Lawrence River, a very desirable tourist region that several members from Quebec and Canada would love to represent. Electoral boundaries readjustment could be used to divide to conquer.

As several members indicated, a sense of belonging already exists within regions, ridings, RCMs, municipalities and even school boards. As I understand it, this government's priority is to create jobs, reduce unemployment, keep students from dropping out and provide increased security to low income families as well as seniors.

The time the government will spend redrawing the electoral map, dividing certain regions in Quebec and other Canadian provinces in the process, will undermine the efforts of the men, women and corporations that have been working together. As you know, at one time, if one municipality—and it is the same with regions—if one got a CEGEP, the neighbouring municipality or region wanted one of its own. You ended up with a lot of duplication between regions. White elephants were built in various cities and regions, which the people now have to pay for with their school taxes and their municipal taxes.

I think that more and more, since the last electoral boundaries readjustment, people had thought—and they still do—that the electoral map would remain the same for the next 20 or 25 years. More and more, in socio–economic summits and sectoral round tables, people have been taking charge of prioritizing viable economic initiatives to create employment and this has prompted mayors and councillors in some municipalities to

assume responsibility for themselves and even make compromises so that each region could get its fair share of benefits.

With respect to the infrastructure program developed by the current Liberal government, several municipalities and RCMs have met with the Union des municipalités du Québec or the Federation of Canadian Municipalities, as far as smaller municipalities are concerned, to try to make the program as effective as possible. Also, many small municipalities cannot afford to pay for their share of this tripartite cost–sharing program.

So, many have decided to get together to invest in joint projects within a given RCM and buy sanitary landfill equipment or some other piece of equipment, just to take advantage of the program, create jobs and make the system useful and profitable for the region without getting into debt, especially the small municipalities, as in some cases the per capita subsidy could be $15,000. They got together and conceived a major project that would benefit small municipalities. In addition, Mr. Speaker, we hear more and more about high school drop–outs at the Grade 9, 10, 11, and even 12 level. In my riding where there are four school boards, they co–operate to design programs to make primary and secondary schools more cost–effective and interesting and to prevent kids from dropping out of school in every community. I am sure that this is done in Charlevoix and it must be done in every other region.

• (1340)

The Charlevoix region took control of its own destiny in this regard and will do so again in the future to ensure its industrial development. To ensure such development, we must deal with small and medium–sized businesses and other economic issues. For this, we need dialogue and co–operation between municipalities, and that is when some municipalities will give priority to certain issues rather than others.

Mr. Speaker, the riding of Charlevoix includes 42 municipalities on the North Shore of the St. Lawrence forming four regional county municipalities, four chambers of commerce and four school boards.

I think that this government has a lot of work to do to create jobs and improve social security, and that it would be a good thing to defer this bill for at least two years to let the economy recover and allow us to dot the *i*'s and cross the *t*'s. I also think, as the member for Charlevoix, that there is a lot to do at home, in every region of Quebec, and mainly in Canada.

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, like my colleagues, I too wish to speak on Bill C–18 and express my opinions, which are heavily slanted in favour of the riding of Richmond—Wolfe which I have the pleasure of representing in this House.

First of all, I would like to review some of the events leading up to this debate on Bill C–18. As you know, every time the census rolls around, Canada's chief statistician asks the Chief Electoral Officer to establish electoral boundaries commissions with a view to redrawing the electoral map to keep pace with demographic growth and to ensure more balanced representation in the House.

As a fundamentally democratic party, the Bloc Quebecois is fully aware of the importance of such a process. One of our party's fundamental objectives, in particular with an eye to Quebec independence, is the exercise of democracy in its broadest sense. Mindful of the inherent democratic rights of the citizens of Quebec and Canada, the Bloc Quebecois wishes to support any measure which will bring about a thorough review of legislation which dates back thirty years, namely the Electoral Boundaries Readjustment Act.

Therefore, in this regard, and with certain reservations, the Bloc Quebecois supports Bill C–18 which calls for the suspension of the operation of the Electoral Boundaries Readjustment Act for a period of two years and the abolition of the eleven existing electoral boundaries commissions.

The Reform Party has moved three amendments to Bill C–18. The first would shorten the suspension period from 24 months to 12 months, the second would delete the clause providing for the abolition of the commissions and the third would amend the clause which grants the government the authority to abolish the commissions. The Bloc Quebecois does not see the relevance of such amendments and will certainly not support them. The democratic objective pursued by our party leads our members to support an in–depth review of the Electoral Boundaries Readjustment Act. However, as I mentioned earlier, the Bloc Quebecois supports Bill C–18 with certain reservations.

• (1345)

First, we believe it is essential to point out the arbitrariness and inconsistency of some boundaries established in the past and, to that effect, we must emphasize the importance of administrative divisions in Quebec.

As some of my colleagues have done, I will illustrate that point by referring to the division of regional development councils. These administrative zones not only have a strategic importance for Quebec: they are also based on fundamental geographic, economic, industrial, and cultural considerations. Consequently, as long as the province remains part of the Canadian Confederation, the federal commissions readjusting electoral boundaries will have to take into consideration regional county municipalities, as well as administrative regions.

We also feel that the decentralization of decision-making authority is an essential component of the regional policy of the year 2000, something which is definitely not a component of the current central government's policy. Indeed, we are well aware of how uncomfortable the federal government is when it comes to delegating powers to regions and to provinces in particular.

Our second reservation regarding Bill C-18 has to do with the total lack of consideration of regional autonomy in the provincial and federal policies of English Canada as a whole. Regarding this aspect, I would like to quote some reactions following the announcement of the proposals made by the Electoral Boundaries Commission.

As soon as the proposals made by the Electoral Boundaries Commission for Quebec were announced, on February 9 of this year, they were criticized by a good number of people representing the political, social and economic sectors in the Eastern Townships. Let us take the example of a municipality which plays an extremely important role in the economy of the riding of Richmond—Wolfe. I am referring to the city of Valcourt, which benefits from the presence of Bombardier, a company playing an extremely strong and powerful role in the development and the economy of the area. The mayor of Valcourt, Mr. Denis Allaire, finds it hard to understand why, under the new boundaries, his municipality would become part of the riding of Drummond, and he intends to voice his opposition to such a change.

It must be understood that the electoral boundaries readjustment is not an opportunity for a mayor or for corporate or ordinary citizens to say that they do not want to become part of a riding: these people are merely reaffirming their sense of belonging to a riding and to an economic and socio-cultural region. It is interesting to note that Mayor André Leclerc of Warwick worried about the opposite situation, which would see his municipality become part of the riding of Richmond—Wolfe. The mayor feels that Warwick would be removed from its natural ties, operations and activities with the region of Victoriaville, in the riding of Lotbinière.

He also felt that this readjustment would disrupt the economic regions.

I would also like to refer to a comment made in *La Tribune* by the hon. member for Mégantic—Compton—Stanstead, who said: "The member for Mégantic—Compton—Stanstead is not pleased at all to see that part of his constituency will become part of the Thetford Mines region"—this will help illustrate the mistakes which can be made to the detriment of a region's natural development—"and he intends to express his discontent loud and clear to the commissioners when they hold their hearings in Sherbrooke." It is not that he holds a grudge against the citizens of the asbestos region, but Mr. Bernier maintains that there is no affinity between the two poles. He said he knows the riding very well and he is convinced that people of Mégantic relate first to the Sherbrooke region and only secondly to Saint-Georges-de-Beauce. Therefore, the Mégantic region has no connection whatsoever with the asbestos region. Except for family ties, the people of Mégantic and those of the Thetford Mines region have pratically nothing in common.

• (1350)

I would even add that in the Richmond—Wolfe riding, the integration process which affected the municipalities of Rock Forest, Saint-Élie, Deauville, Valcourt, Racine and Richmond, made it so that the majority of the population, involved in the development of a strategic plan for the RCM of Le Val Saint-François associated with another extremely important RCM, Sherbrooke, would see the best part of its discussions, efforts and co-operation go up in smoke, just as the outcome of the plan for joint action on economic, social and cultural development in that region.

Evidently, the people in these communities have developed a sense of responsibility over the years; they were asked to do so— They were always told they should take their future into their own hands and accept responsibility for their own economic, social and cultural development. They were told it was important for them to bring the decision centres closer to their region. In this respect, the readjustment of electoral boundaries goes against all the work that has been done over the years in Quebec in the area of joint action and the establishment of decision centres closer to the people involved and more attuned to their analysis of local problems.

In Quebec, in recent years and more precisely since 1985, regional conferences have given priority to joint action and development projects focusing on municipalities and surrounding regions. Over the years, this process has led to thinking and developing a strategic plan involving the creation of regional county municipalities—or MRCs as they are called in Quebec—which co-ordinate their own plans at a higher level, that of economic development councils or regional development councils. As a result, each region in Quebec signs a general development agreement with the government and the Department of Regional Development.

The exercise of electoral boundaries readjustment demonstrates that Ottawa is not sensitive to that. It does not take regional development into consideration, does not understand it, and sets limits which have nothing in common with natural economic development and, in particular, nothing to do with the fact that local governments are trying to make their own decisions, to do their own analysis of problems, and to implement their own solutions to development problems.

Clearly, we support this review and, if Quebec remains within Confederation, we would like people in charge of preparing new legislation to take notice of these fundamental structures in Quebec. Regionalization and taking charge of one's destiny is something for the 21st century, and the Liberal government, the government in power, will have to understand that some day.

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, I will start by denouncing the attitude of Reform Party members to their own amendment. It is curious, not to say strange, that members elected on a platform to reform Parliament let the other opposition party monopolize debate on their own amendment. This is curious.

In my native region of Saguenay, we call that: "Do as I say, not as I do". Like my colleague who just spoke, I am totally against the amendment proposed which would reduce from 24 months to 12 the period allowed to study a new electoral map.

• (1355)

Indeed, I think that we clearly indicated that we would agree with the government position to defer this whole issue by 24 months. Why do we need more time ? First, we think that criteria other than demographics must be considered. It is true that we must have balanced electoral districts with about 70,000 people, but we should also consider other criteria such as the size of the territory.

We know that my riding of Beauport--Montmorency—Orléans entirely encompasses the provincial riding of Montmorency, a part of the provincial riding of Charlevoix and a part of the provincial riding of Beauport—Limoilou. So, a single federal district includes all or part of three provincial ridings. I am sure that it is exactly the same in the other Canadian provinces.

Second, of course, if we have large federal electoral districts, chances are that we will have a very large number of municipalities in that territory, each municipality having different characteristics and different needs.

The third reason or third criterion that leads us to prefer a 24–month deferral is the number of regional county municipalities, entities that are specific to Quebec and that essentially constitute regional self–governments. When we have a large federal riding, it sometimes overlaps more than one RCM, once again with different characteristics, needs and concerns.

Finally, the fourth point that leads me to prefer this deferral is the social and economic components of each of these municipalities.

Since we have an opposition role to play and are not here to praise the government in office, despite what the member for Saint–Boniface is saying, we can blame the Liberals for delaying the bill with the consultations that are getting under way. In this issue, it is as if the arms did not know what the brain is asking for. I leave it up to you to determine who constitutes the arms and who constitutes the brain, but we realize, because of the delay in tabling this bill, that the consultations should never have started.

In our opinion, the reform should have a greater scope. Without calling it by its name, I would be remiss if I forgot that the Bloc Quebecois, and the majority of Quebeckers in general, are asking for the abolition of the other House, knowing how efficient members of that House are and how efficient that institution as such is. We know that in 1993, the other House sat for 41 days, at a cost $43 million to the Canadian treasury. Reform could also encompass out right abolition of the other House.

In concluding, I would like to tell you that, nevertheless, in Quebec, we are convinced that the reform will have a greater scope because, very soon, Quebeckers will have to decide their future in a referendum that will be coming in the new year.

The Speaker: I know that the hon. member has a little time left to speak. If he is not done, he may continue after three o'clock.

It being two o'clock, pursuant to Standing Order 30(5), the House will now proceed to statements by members, pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

THE CANADIAN FLAG

Mrs. Brenda Chamberlain (Guelph—Wellington): Mr. Speaker, while our country is made up of people from different cultures, backgrounds and histories, we are united under certain symbols we hold close to us.

One of those symbols is our flag. Our flag is displayed throughout the Parliament buildings. I am pleased to see so many members of Parliament displaying the Canadian flag in their offices. While some may also display the provincial flag the Maple Leaf is always prominent.

The flag reminds us that first and foremost we are Canadians. While we represent our individual ridings we do so in this national forum for the good of all Canadians.

The pride we feel when the Maple Leaf is raised during the Olympic Games is a reminder of how important our flag is for all of us. We should never forget how much our flag means to us and what it symbolizes to the world. I encourage every member to display our Canadian flag proudly.

[*Translation*]

REPORT OF THE COMMISSIONNER OF OFFICIAL LANGUAGES

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, this morning, the Commissioner of Official Languages tabled his 1993 annual report.

Many instances of discrimination against francophones were reported again in federal institutions as well as in several provinces. In fact, the commissioner stressed, and I quote: "that the system of providing federal services in both official languages . . .was not yet functioning as it should".

This year again, access to French language education is difficult, if not impossible in certain regions. Also, the issue of school governance by francophones has not yet been settled in several provinces.

The Prime Minister stated recently: "The million francophones outside Quebec, that is my Canada". Unfortunately, this report reveals a huge gap between political rhetoric and reality.

* * *

[*English*]

CHARTER OF RIGHTS AND FREEDOMS

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, our Charter of Rights and Freedoms assures us of security, fair treatment and equality under the law, freedom of thought, belief, opinion, conscience and much more. Most of us know our rights and freedoms, but what about our responsibilities?

Our responsibility to look after ourselves: to protect our health; to gain as much education as we can: to be productive citizens; and, to make the best of our life circumstances?

Our responsibility to family: the foundation on which our children grow; where they are love; learn respect; compassion; and, the difference between right and wrong?

Our responsibility to country: to take pride in our heritage; to attempt to repay what society has given us: to participate in Canadian politics and vote to register our views: to contribute to the future of our nation; and, to be willing to serve in times of need or peril?

We have a Charter of Rights and Freedoms. What we must add is a charter of responsibilities.

S. O. 31

OFFICIAL LANGUAGES

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have just received the booklet entitled "Official Languages Myths and Realities". I recommend it as reading to every member of Parliament and every senator.

Look at the facts and then share them, share them with Canadians so that we can in fact make sure that there are no longer any unnecessary language conflicts.

[*Translation*]

Mr. Speaker, this is a wonderful tool to educate, share and get to understand one another better, and I certainly hope that every member of Parliament and every senator will raise these issues and share these facts openly.

* * *

[*English*]

VIA RAIL

Mr. Roger Gallaway (Sarnia—Lambton): Mr. Speaker, public concern regarding the future of VIA Rail service in the Sarnia–Toronto corridor continues to rise. A number of mayors and municipal councils have expressed concern following the release of certain internal documents attributed to VIA management.

The transport department has done nothing to deny or disavow such information. It is indeed ironic that in this time of heightened emphasis on infrastructure our most elementary public service, that is intercity rail service, is overtly and benignly discouraged by government.

If Canadian National can charge its other customers using rail service at the same rate that VIA pays, CN would have an income of $30 billion per year and not the $3 billion per year it had last year.

I call on the transport department to order Canadian National to charge VIA a rail usage charge based on reality. Indeed VIA receives federal subsidies which flow through to CN because of this unilateral usage charge.

Let us make some sense of VIA by rolling back track rental rates to a realistic number based on real market value numbers.

I call upon the department to make economic and environmental sense and to guarantee passenger rail service to both urban and rural Ontario.

* * *

CURLING

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, two weeks ago my home town of Truro, Nova Scotia proudly hosted the '94 Pepsi junior curling championships. At that prestigious national event curling was showcased at its best

as we saw the men's team from Alberta and the women's team from Manitoba emerge as the Canadian junior champions.

From the Truro Nationals, the Alberta men's team led by Colin Davison went directly to Bulgaria for the world championships. Under the women's rules last year's Canadian champions competed in this year's international championships.

• (1405)

In Bulgaria this past week both the Kim Gellard junior women's team from Toronto and the Colin Davison's junior men's rink from Alberta won their respective world junior curling championships.

As a member of Parliament, I am very proud of our young Canadian athletes and congratulate our young men and women as they return home from Bulgaria as world champions of junior curling.

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[*Translation*]

COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, as the member for Saint–Jean, I am proud to congratulate Isabelle Robitaille, Jacques Lessard, Claude Martel and Éric Dion, four graduating students of the military college in Saint–Jean.

Yesterday they won the Jean Pictet debating competition on international humanitarian law against 19 other teams from Quebec, Europe, Africa and Latin America.

This achievement demonstrates the dynamism and competence of the military college in Saint–Jean. It is, however, overshadowed by the announcement that the college will be closed because the Liberal government has stubbornly refused to review its unjustified decision.

If the government's senseless decision is maintained, these students could be the last to attest to the excellent teaching done at the military college in Saint–Jean.

* * *

[*English*]

TERESA MALLAM

Mr. Philip Mayfield (Cariboo—Chilcotin): Mr. Speaker, last Saturday one of my constituents, Teresa Mallam of Quesnel, British Columbia, came to Ottawa.

Teresa, *B.C. Report* magazine's Cariboo correspondent, was here to receive the Canadian Association of Journalists prestigious prize for investigative journalism, an award that Teresa won for an article written in June 1993 about the 1989 brutal murder of Mary Jane Jimmie of Quesnel.

Mary Jane Jimmie's murderer has not been apprehended, but Teresa's persistence in going after the facts and attempting to find out what really happened may now lead to the person responsible being convicted and sent to prison.

I would like to offer my congratulations to Teresa for winning the award and for the high standard of journalism she has brought to the interior of British Columbia.

* * *

ELDERS CONFERENCE

Mr. Peter Adams (Peterborough): Mr. Speaker, Trent University has the oldest native studies program in Canada.

It recently hosted its 11th annual Elders Conference with 2,000 participants from all over Canada, from the west coast to the east and as far north as Igloolik. The conference was run by more than 200 Trent students. It included exciting workshops and a wide variety of social events. A play by the children from the Kawartha First Nations, a large powwow at Curve Lake and games highlighted the weekend.

The Elders Conference once again received considerable support from the greater Peterborough area. This is gratefully acknowledged by the organizers.

It is truly national events like this one, bringing together native and non–native people, young and old, that demonstrate Canada's strengths. They are evidence that our future lies within the vision of the current Minister of Indian Affairs and Northern Development of this country rather than within the tunnel vision of some members of the House.

* * *

THE ECONOMY

Mr. Sarkis Assadourian (Don Valley North): Mr. Speaker, during the campaign the hon. leader of the Reform Party made the statement that the government's $2 billion infrastructure program to help kickstart the $700 billion economy would be like using a flashlight battery to start a 747 airplane.

With our unemployment rate being reduced from 11.6 per cent to 10.6 per cent and with the creation of over 114,000 jobs nationwide in the last two months, I think Canadians would like to know what kind of battery the Prime Minister used. I hope he uses the same batteries over and over again to create more jobs.

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NORTHERN ONTARIO

Mr. Raymond Bonin (Nickel Belt): Mr. Speaker, northern Ontario boasts a population of 825,000 and is a significant wealth creating and exporting region of the country.

However, due to a multitude of factors northern Ontario has traditionally been a forgotten region of the country. In the coming months we will attempt to rectify this oversight and assert northern Ontario's position within the federation.

Following extensive consultations I hope to bring the region's communities together to set policy priorities, develop an economic vision and establish the regional partnerships required to realize the opportunities set out in the government's red book.

I trust the government will provide our region with the support it needs to attain its goal of greater economic self–reliance.

[*Translation*]

The people of Northern Ontario are entitled to voice their expectations, to be heard, and to play a more important role in the development of the regional and national policies affecting them.

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• (1410)

PEOPLE OF QUEBEC

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, recently, the Prime Minister of Canada said that one had to get out of the Saguenay—Lac–Saint–Jean area to find out what the real world was like.

Similarly, his Minister of Foreign Affairs was glad to see members of the Bloc Quebecois come to Ottawa, because this would get them out of the backwoods and broaden their horizons.

Yesterday, their spiritual father, Pierre Elliott Trudeau, made another of his nasty statements when he said, and I quote, "that Quebec students do not know their French and when they become intellectuals, they are intellectuals of the worst kind."

Mr. Speaker, these ghosts from the past should realize that Quebeckers are far too sensible to pay any attention to their contemptuous remarks and that whatever this herd of snorting dinosaurs may claim, Quebec is a modern and open society that looks to the future.

Quebeckers will soon make themselves heard, and out of these so–called backwoods will rise a great French nation in the Americas.

* * *

[*English*]

TAXATION

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, the ultimate tax revolt occurred at the Boston Tea Party of 1773 and the rallying cry behind it was "no taxation without representation".

Did the Americans do wrong in opposing British taxation without representation in the British Parliament?—of course not. Taxation with representation is not only an entrenched concept in our Liberal democracy. It is a fundamental rule of fairness and common sense.

The burden of debt this government is inflicting on our nation will fall on the shoulders of Canadians not yet old enough to vote. They seem to go unrepresented in this government, yet they deserve a say in the spending habits of their parents because they are the ones who will end up paying the bills.

Parliament does not have the luxury of sending mixed signals to money markets, investors and taxpayers, but most especially we need to send a strong, unified message to young Canadians. Let us start treating taxpayers' dollars like funds held in trust.

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[*Translation*]

REPORT OF COMMISSIONER OF OFFICIAL LANGUAGES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, earlier today, the Commissioner of Official Languages tabled his annual report.

As our language rights ombudsman, it is his role and his duty to point out the shortcomings in the system, not to complain about discrimination, as a member of the Bloc Quebecois was saying, but to improve the system by pointing out its defects. He has a role similar to that of an opposition party that reveals what is wrong in the government, to protect the interests of the people.

There is bad news, but there is also good news in this report. For instance, the Commissioner of Official Languages has commended the government for reinstating the Court Challenges Program. He also indicated that the rate of bilingualism among teenagers in Canada has risen in every Canadian province and territory. Furthermore, and this is an important point, the cost of providing bilingual services in Canada was approximately 30 cents per $100 of service provided or 0.2 per cent of the federal budget.

* * *

[*English*]

YOUNG OFFENDERS ACT

Mr. Bill Gilmour (Comox—Alberni): Mr. Speaker, two years ago in Courtenay, B.C., six–year old Dawn Shaw was brutally raped and killed.

Her killer, now 17, is Jason Gamache. The biggest surprise to come out of this trial was not that he had done the deed. Jason Gamache was a repeat sex offender who was not allowed to be with children and he was 11 months into therapy when he murdered Dawn Shaw.

Not even the Courtenay RCMP was aware of this young offender's record of sexual assault. Why? It was because the Young Offenders Act prohibits any professional treating a young offender from discussing the case in public.

This case calls for two changes in our justice system: first, major changes in the Young Offenders Act and, second, a public registry of sex offenders. We cannot let Dawn Shaw's death be in vain.

* * *

YOUNG OFFENDERS ACT

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, yesterday in the House I raised the question of young offenders and pointed out that there was much we had to do in prevention. I would also say as part of that prevention, we must also look at the structural unemployment of young people. Officially we have an unemployment rate of over 17 per cent of young people, whereas in fact it is much higher.

• (1415)

I know the government has a youth corps program. It is a start, but it is not addressing the high unemployment of young people. I urge the government to bring forward a real plan for youth.

We are all concerned about youth crime. We know there were provincial, territorial and federal meetings on the Young Offenders Act. I would like to see similar meetings on the very high rate of youth unemployment.

ORAL QUESTION PERIOD

[*Translation*]

MANPOWER TRAINING

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. Today, *La Presse* published sections of a document prepared by the Department of Human Resources Development for the next federal–provincial conference to be held next week, on income security.

According to the document, the government has excluded any possibility of transfers to Quebec of authority, budgets or officials. This position is a direct contradiction of Quebec's demands as reiterated last Friday by Premier Johnson, who is supported by a strong consensus in Quebec on this issue among the parties involved.

Are we to understand that this document represents the government's official policy on manpower training, and that having rejected all transfers requested by Quebec, the Prime Minister will only allow joint use of the same building, where the wasteful practices we have witnessed for a number of years, which have prevented the unemployed from getting the training they need, would be perpetuated, but now under the same roof?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, the working paper from which sections were produced in this morning's media is a paper being used as a basis for discussion at the deputy minister level.

It is quite possible that the ministers will continue to negotiate on the basis of a document that may be amended. So far, we have had a number of friendly and useful negotiations with Quebec. We believe that we can continue those negotiations on the same basis.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, this document which appears today on the first page of Montreal's biggest newspaper was prepared by the Minister of Human Resources Development and reflects the minister's position.

The document, and therefore the minister's position, indicates that bilateral agreements on joint use of buildings will be signed immediately with the provinces. However, yesterday the Minister of Intergovernmental Affairs informed the House that there would be no administrative agreements with the provinces on manpower training for the next two years.

I want to ask the Prime Minister who is right in this case?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, once again, this document was used as a basis for discussion at the last meeting. Documents that are used as a basis for discussion basically contain matters that have yet to be negotiated.

Furthermore, yesterday I did not say there would be no single window, certainly not. I said that we suggested to the Province of Quebec, as we did to the other provinces, that we could have a single window for providing manpower training programs, and that is our position. Consequently, the position the Minister of Human Resources Development is exactly the same as mine.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I think it is easy to interpret the minister's remarks. In any case, the document is correct in that there will be no transfer of officials, authority or resources.

Finally, the bottom line for both ministers is that the same 25 provincial and 27 federal programs will now be administered in the same building, so the client does not have far to go to be utterly confused.

I want to ask the Prime Minister, who must be aware of the contradictions here, whether he realizes that by refusing to transfer federal responsibility for manpower training to Quebec, he is perpetuating an annual waste of $300 million, at the expense of Quebec's unemployed, of whom 20,000 are still

waiting to register for training courses that could help them improve their chances of getting back to work?

• (1420)

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, I repeat that my position is that we are pursuing negotiations with the Province of Quebec and that we have an agreement with the Province of Quebec on eliminating existing overlap.

As I said yesterday, and I say it again today, we are about to negotiate an agreement on income security with the provinces, and meanwhile, we are prepared to negotiate agreements which, at the very least, will include the single–window concept and which may include other aspects of manpower training. Once the reform project has been finalized, we are prepared to conclude more extensive agreements with the provinces, including Quebec.

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MILITARY INDUSTRIES

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, my question is for the Prime Minister.

During the campaign, the Liberal Party, in its red book, promised to assist military industries in their conversion to civilian production. Once in power, the government started by cancelling the helicopter contract and then reduced the Defence budget without introducing a defence conversion program. As we can witness today, this government's decisions have had a disastrous impact on companies such as Paramax and Oerlikon.

Is the Prime Minister ready to recognize how important it is to implement, as soon as possible, a defence conversion strategy, as he promised, in order to alleviate the impact of military budget cuts on employment?

Hon. John Manley (Minister of Industry): Mr. Speaker, we are quite aware of the situation at Oerlikon, but as the member knows perfectly well, it will be several years before this company closes its doors. We already have assistance programs in place and military industries in Quebec such as Pratt & Whitney and Canadair are already receiving a lot of support from the federal government. I would suggest that the member take the time to review the situation at Oerlikon.

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, is the minister aware that because of his pussyfooting and in the absence of a short–term strategy, high–tech industries such as Paramax and Oerlikon will soon have to resort to massive lay–offs? We do not feel like waiting. Action is needed right now. Why abandon all thought of putting in place civilian research and development programs to help the defence industries?

[*English*]

Hon. John Manley (Minister of Industry): Mr. Speaker, the member seems to be quite mistaken about what programs actually do exist.

The government's program is set out not just in the red book which he referred to but also in the speech from the throne, the budget, and in many discussions we have had in which the member has participated. We have reinforced the importance of the conversion to a knowledge based, scientific innovation economy. That is the plan of the government. That is the direction we are going.

I hope he will get on board and help us to go in that direction.

* * *

THE ECONOMY

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

Yesterday the Minister of Finance told investment dealers that further deep spending reductions are coming. He said: "There are no sacred cows. There are a whole series of government programs that we simply did not have time to get at in the government's first budget".

In March, however, the Prime Minister told an Edmonton audience that all spending reductions for the next three years were on the table.

Will the Prime Minister end this stream of mixed signals coming from the government and tell the House whether the government will be announcing additional spending reductions in the months ahead?

• (1425)

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I said that the cuts that we had provided for in the budget were needed to achieve our goal of 3 per cent of GNP for the deficit. But we said that there was other work being done.

We are looking at this time at other opportunities for cuts. The minister of federal–provincial relations, who is responsible for renewal of the government, is looking at all the boards and commissions that are reporting to Parliament or to the Prime Minister or to ministers in order to cut more. More cuts are coming and we are working on them.

I repeat that the program we put forward in the budget is the program that will lead us to the goal that we stated clearly in the campaign and in the budget. We will do everything necessary to reduce the deficit in relation to GNP at 3 per cent.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, a supplementary question. Let us get this absolutely clear.

If I understand the Prime Minister, he is saying that there will be additional spending cuts in addition to those outlined in the recent budget.

Is that the correct understanding of the government's position?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I will make the answer very clear. C'est oui.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, just so that we have this absolutely clear, we all know that the finance minister is talking about further spending reductions to try to boost investor confidence in the Canadian economy. However, investors realize that the Minister of Finance will not prevail unless he is fully supported by the Prime Minister.

Will the Prime Minister assure us that he supports the finance minister when that minister calls for additional spending reductions not contained in this year's budget?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, yes, mais oui ça veut dire yes.

The Minister of Finance has my full confidence, my full support. He has the full support of all members of cabinet and all members of the caucus.

* * *

[*Translation*]

OERLIKON AEROSPACE

Mr. Yves Rocheleau (Trois–Rivières): Mr. Speaker, my question is directed to the Minister of Industry.

The daily newspaper *Le Soleil* reported that a ministerial briefing note addressed to a federal Cabinet minister expressed concern about the demise of Oerlikon Aerospace's operations in Saint–Jean. The note warned the government that the firm had very few orders on the books and that without a true diversification and conversion program, it was in danger of folding.

Now that the minister knows about Oerlikon's very uncertain future, does he intend to move quickly to support the diversification of the company's operations and thus ensure the survival of this high–tech firm which has seen its workforce shrink from 750 to 300?

Hon. John Manley (Minister of Industry): Mr. Speaker, I understand full well that the hon. member, like the member who earlier raised questions on the same subject, is very concerned about this company's problems. Oerlikon is working on a number of contracts. In fact, it recently received a contract worth $15 million.

Our goal is to find ways to help companies grow, not just in the field of military equipment, but in others areas of research and development, in keeping with the new economic climate.

We are prepared to work with Oerlikon, just as we are prepared to work with other firms.

Mr. Yves Rocheleau (Trois–Rivières): Mr. Speaker, I have a supplementary question.

Will the minister not recognize the need to take urgent action instead of waiting for the company to shut its doors, as we saw happen with Hyundai?

• (1430)

Hon. John Manley (Minister of Industry): Mr. Speaker, I think that Oerlikon shareholders also want to take action rather quickly. First, the company needs to address this issue. Secondly, governments may also help Oerlikon, but not necessarily by granting subsidies. Oerlikon needs to have a commercially–sound business plan. This will be the key to its success and to the success of other firms.

* * *

[*English*]

THE ECONOMY

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

Ministers of this government continue to send out mixed signals on important economic issues. Yesterday the Prime Minister suggested that the drop in last month's official unemployment rate was the result of successful Liberal economic policies. On the same issue the Minister of Finance admitted that much of the drop was due to 28,000 young Canadians giving up their job search.

Does the Minister of Human Resources Development regard driving young Canadians out of the job market as successful economic policy?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the figures released last Friday show that over the past two months 115,000 new jobs were created in Canada. Most important and what we can take some confidence in is that 75 per cent of those jobs were full–time jobs.

I share the hon. member's concern about the real problem this country's young people face. One of the reasons we have started a major recasting of many of the programs is so that we can specifically target the needs of young people.

In this case the Prime Minister was certainly correct when he said that generally the economy is improving as a result of the new sense of confidence Canadians have as a consequence of this government's actions.

At the same time we are also aware of the need to begin to deal adequately with youth unemployment. If the hon. member can show some patience for a day or two I think he will see the

beginning of a very serious attack on that problem by this government.

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, my supplemental is also for the Minister of Human Resources Development.

The Prime Minister suggested yesterday that the infrastructure program should receive some credit for the drop in unemployment in March. The fact is that not one dollar of infrastructure spending has yet been spent. It should be no surprise that financial markets are confused by the contradictory statements made by the ministers of this government.

At this time when credit rating agencies are reconsidering Canadian issues and no level of government has any spare cash, will the minister cancel the infrastructure program and save $6 billion in borrowed money for Canadians?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the only confusion is that of the hon. member.

The Prime Minister said very clearly what we have all said. The investments under the infrastructure program are an added bonus that will create further confidence and activity and will help get the engine of this economy going.

I can tell the hon. member that last week, in the company of the President of the Treasury Board in my own province of Manitoba, a neighbouring province to his, we announced 133 projects for over $130 million creating close to 3,000 jobs in that one province alone. Manitobans are very happy about that.

* * *

[*Translation*]

MIL DAVIE SHIPBUILDING

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, the future of MIL Davie Shipbuilding in the Quebec City region remains very much in doubt. To survive, the only shipyard in Quebec needs a quick decision from the federal government on two specific issues. However, the government is still deferring its decision on the proposal to build a ferry for the Magdalen Islands and refuses to disclose its intentions regarding the multi–functional "smart ship" project.

My question is for the Minister of Industry. If the government still believes in employment, why is it putting off its decision on these two projects, when they are part of a real defence industry conversion strategy and would ensure the future of this shipyard?

• (1435)

[*English*]

Hon. John Manley (Minister of Industry): Mr. Speaker, it is clear with respect to both of the projects the hon. member mentioned that it is important for the government as the steward of the taxpayers' money to make decisions that are fundamentally in the best interests of the taxpayers ultimately.

With respect to the project of replacing the *Lucy Maud Montgomery* I know my colleague the Minister of Transport is giving active consideration to what his department's needs are with respect to that ferry. The decision will be taken in due course. As to where the contract will be let, that will need to be done on a commercial basis.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, does the government realize that, with every passing day, its inaction threatens the survival of the biggest private business in the Quebec City region and that it would be dangerous to put off its decision for partisan purposes until the election in Quebec?

[*English*]

Hon. John Manley (Minister of Industry): Mr. Speaker, I would certainly agree with the hon. member that it would be wrong to put off important decisions for partisan reasons.

I would point out to him however it is important that a large decision involving a lot of the taxpayers' money must be made for the right reasons. It will not be subject to this kind of pressure in order to make a decision which would prove to be the wrong one.

* * *

OFFICIAL LANGUAGES

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, my question is for the Prime Minister.

Today the 1993 annual report from the Commissioner of Official Languages was tabled in the House. In his report Victor Goldbloom states: "Given the present economic circumstances, we are more convinced than ever that the bilingualism bonus should be eliminated". Last year those bonus payments cost taxpayers nearly $51 million. Increased budgetary expenditures as opposed to the government's stated intent of deficit reduction sends out a mixed signal.

Will the Prime Minister follow the commissioner's strong recommendation to eliminate bilingualism bonuses, thus assuring tax weary Canadians his government is serious about deficit reduction?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I do not think the commissioner has made a strong recommendation. He has recommended we look into that and we will look into that.

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, I wonder if the Prime Minister might explain if any decision to act in this long overdue area will result in the cancellation of tens of millions of dollars in retroactive bilingualism bonus payments to the RCMP?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, there are always some administrative problems with any program. We are looking into it.

This program has been a very good incentive in Canada in helping a lot of people to learn the other official language. It is a great asset when people can do that.

In fact, the report indicates that the number of young Canadians who have become bilingual since the program was instituted has gone from 3 per cent to 11 per cent. That means the number of young anglophones who have learned French and francophones who have learned English has quadrupled since this program was instituted. It is a great thing for Canada.

All those who can have the two official languages feel better about it. The hon. member who is bilingual should be grateful we made it possible for him to learn the other official language.

* * *

[*Translation*]

RAIL TRANSPORT

Mr. Paul Mercier (Blainville—Deux-Montagnes): Mr. Speaker, my question is for the Prime Minister. The future of rail transport is being compromised by current government plans. Yet, rail freight remains a major development tool in several regions.

As far as the Official Opposition is concerned, a moratorium must be declared on the elimination of further sections of railway in eastern Canada to allow true consultation to take place with those affected.

• (1440)

Here is my question: Will the Prime Minister agree, first of all, to declare such a moratorium and, second, to hold regional public consultations before taking actions that could prove to be extremely harmful to the economic future of several regions?

[*English*]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I thank the member for his question.

As he knows, this question has been asked of the Minister of Transport a number of times in this House. Also, he should know that the critic for his party and the Standing Committee on Transport are looking at rail rationalization.

I should point out to the members there is a regime in place called the National Transportation Agency that is to look at rail abandonment and rail rationalization. That is the vehicle by which rationalization is considered. No, we have no plans to declare a moratorium. There is a system in place for that to occur.

[*Translation*]

Mr. Paul Mercier (Blainville—Deux-Montagnes): Mr. Speaker, I would have preferred my question to be answered by "yes". Perhaps I will get an affirmative answer to my supplementary question.

Is the Prime Minister prepared to reconsider government plans that are liable to further emphasize disparities between Eastern and Western Canada?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I would like to answer that question. I think that transportation is an important issue, and the parliamentary secretary answered the question well. However, at the present time, we have many programs to review. Just yesterday, his leader was asking us to cut budgets. Today, the hon. member is asking us to increase government spending.

* * *

[*English*]

FISHERIES

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

In February of this year Canadian fishermen were absolutely elated that the Minister of Fisheries and Oceans was able to obtain a NAFO moratorium on the fishing of 3NO cod. However that celebration was quickly muted by the fact that the European union abstained on the vote thereby retaining their right to fish this very endangered stock.

Can the minister tell us what the current status is? Has he been able to convince the European union about the seriousness of the situation off the east coast of Canada?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I want to thank the member for that very difficult question.

As the member well knows the Prime Minister made clear on behalf of this government that we intended to deal with the problem of foreign and domestic overfishing and that we would do so by agreement if possible and by unilateral action if necessary.

I am pleased to report to the member that this morning in Brussels the European Council of Ministers unanimously ratified the February 17 moratorium on 3NO cod. The government promised action. We have begun the process of taking effective

action. More action will follow in the weeks and months to come.

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OFFICIAL LANGUAGES

Mr. Randy White (Fraser Valley West): Mr. Speaker, I wish the answers we got to our questions were as good as the ones the Liberal members get from their ministers. Talk about mixed signals.

My question is for the minister of heritage. The minister of heritage released a 40–page book during the spring break telling Canadians that any and all questions about out of control costs of the Official Languages Act are based on misconceptions. He says it is a myth that the costs are in the billions and that the true cost of providing services in both official languages in 1992–93 was $319 million.

Can the minister tell this House why his number is dramatically lower than even the number of the Commissioner of Official Languages, which was $654 million?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, the figures are correct but they do not pretend to cover all forms of support to the official languages of Canada.

Mr. Randy White (Fraser Valley West): Mr. Speaker, that is what we have been saying all along. The fact is that the true costs, the full costs, the direct and the indirect costs are not known. We have been asking in this House for a debate on that very issue. Will the minister commit to a debate on that very issue?

• (1445)

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, the figures are available. If my colleague has not been able to read them, I would be glad to provide them to him.

* * *

[*Translation*]

FISHERIES

Mr. Yvan Bernier (Gaspé): Mr. Speaker, cod fishermen in the Gaspé region believe that there will be an increase in crab quotas and they want part of it. Of course, crab fishermen are defending their turf and tension is rising. Cod fishermen are poor and idle, many of them are nearing the end of their unemployment insurance benefits. They are fighting for a decent living, they are fighting to put bread on the table. The minister cannot keep on ignoring them.

My question is for the Minister of Fisheries and Oceans. Since the minister has not yet tabled his fishing plan for crab in zone 12, nor his plan for the future of fisheries, nor his financial aid program for fishermen, when is he going to give a clear answer? Will he wait for the situation to deteriorate even more?

[*English*]

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I thank the member for his question and for his interest in this matter. I offer him the same courtesy as I have done so in writing to both him and his leader and that is for a full briefing on any matter that affects the fishermen of Atlantic Canada.

I can tell him that while he has not found the time the fishermen and their unions in Quebec have found the time and I have met with them repeatedly on this subject. Were he as well briefed as they, he would know that within a matter of a few weeks both the Minister of Human Resources Development and I will announce a wide–ranging and comprehensive response to the fishing crisis in Atlantic Canada, one that is generous, one that recognizes the depth of the crisis in the region, but one that is responsible in terms of the fiscal capacity of the government of the day.

[*Translation*]

Mr. Yvan Bernier (Gaspé): Mr. Speaker, by being indecisive, the minister has created tensions in the fisheries. Does he not recognize now that fishermen are expecting more than a government statement, that they want precise explanations on the decisions to come? People are waiting, tension is high.

[*English*]

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, both the Department of Fisheries and Oceans and the Department of Human Resources Development have been engaged in the broadest consultation on the future of the fishery that has ever been undertaken by the Government of Canada in its history. We think that consultation is going to result in a positive, constructive and realistic announcement within a matter of a few weeks.

If the member is serious about wanting to know more he should take me up on the offer that I have given to the fishermen from the province of Quebec, fishermen from the Gaspé region, and come and receive a full briefing on the subject.

I would be interested in hearing the member's positive and constructive comment on this difficult situation. It is easy to make noise. Sometimes it is more difficult but more worthwhile to try and make some sense.

* * *

JUSTICE

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, my question is for the Prime Minister.

Could the Prime Minister clarify the mixed signals his government is sending out on criminal justice. On one hand the justice minister talks about tightening the criminal justice system. On the other hand a senior Liberal member has been

widely quoted on his agenda of having lifers paroled at 15 years. The justice minister says he welcomes such suggestions.

Would the Prime Minister please tell the Canadian people which of these two members reflects the Liberal position?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, may I suggest that the hon. member is not being fair to the facts. The truth is that two weeks ago or perhaps three the chair of the justice committee, if that is the hon. member's reference, gave his own views with respect to penalties for murder. I was quick to say on that occasion that he did not speak for this government, that he was expressing his own view. Indeed, I disagree with him.

He is but one voice on a committee of 15 persons on which his own party is well represented. The committee will have ample opportunity to influence the policy of this government on criminal justice.

As to mixed signals, may I make it plain that our position has been uniform and clear throughout. It has been that we are going to deal with crime in this society just as we said on the platform, both by making the laws of this country more effective and enforcing them more effectively. That means, among other things, changes to the Criminal Code and the Young Offenders Act as necessary, at the same time recognizing the importance of crime prevention and all that that means to the same effort.

• (1450)

There are no mixed signals. Our position has been straightforward and consistent throughout.

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, Canadians want action. They want a clear guarantee from the Prime Minister that killers who perpetrate drive–by shootings, kill people in restaurants and invade peoples' homes will be locked away until they are no longer a threat.

Will the Prime Minister give that guarantee today?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I spoke yesterday in response to a question in this House expressing my own horror at the recent savage and senseless crimes. I expressed my view as well that we must not let our anger and our concern regarding those recent events have us jump to conclusions about simple solutions to these problems.

Yes, it is time for action. As I said yesterday, this government is at present putting together proposals which will come soon to this House to make the criminal laws of this country more effective and also deal with the need to respect the importance of crime prevention in these initiatives.

Before long the hon. member and this House will see concrete action from this government.

* * *

VIA RAIL

Mr. John Richardson (Perth—Wellington—Waterloo): Mr. Speaker, this question is for the Minister of Transport or his designate, the secretary.

Recently the newspapers have been full of rumours about VIA Rail cuts to passenger rail service for Canadians, more specifically, the route from Sarnia, London, Stratford, Kitchener, Waterloo, Guelph, Brampton to Toronto. This route is presently one of the most patronized routes in all of Canada.

Could the minister or his designate provide the assurance that this rail route will not be abandoned?

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I appreciate the question from the member for Perth—Wellington—Waterloo.

I should point out that these rumours are simply that, rumours, and are based on unfounded speculation. This government has not made any decisions on service levels to VIA but members in this House should understand that the levels of budget for VIA have been established by way of the budget that was tabled in February.

VIA is presently undertaking negotiations with its labour unions. We are hopeful that it in fact can gain the efficiencies that it needs, that labour will co–operate in those deliberations and that in fact the public will also participate because the solution to a viable passenger rail system in this country is that all stakeholders can in fact make it possible.

No decisions have been made by this government, nor will they until such time as those negotiations have been completed.

* * *

[*Translation*]

SEXUAL VIOLENCE

Mrs. Pierrette Venne (Saint–Hubert): Mr. Speaker, my question is for the Minister of Justice.

After he promised on International Women's Day to consider the possibility of criminalizing excision, the Minister of Justice told us yesterday that he does not intend to amend the Criminal Code or to introduce specific provisions to deal with this form of sexual violence.

The minister considers the present provisions on assault to be sufficient. However, many countries, including France and Great Britain, have felt the need to legislate specifically on excision.

Why does the minister refuse to criminalize excision, when by doing so he could send a clear message to those who are guilty of it?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, yesterday I tabled a document with the House following question period in which I furnished written information with respect to the conclusions to which I had come on the subject of female genital mutilation, making it clear that I concluded after investigating the matter during the past month that the response lies not in further change to the Criminal Code but rather more effective education and enforcement of the present laws.

The document I tabled made it clear that during the past 30 days I conferred with among others the attorney general of Ontario. I have spoken to members of a task force which she put in place. I met in my office with the chair and members of the National Women's Committee that produced the report that gave rise to the original question. I examined the factual situation in Ontario, Quebec and British Columbia, the provinces in which this problem is most pronounced. The consensus of opinion was that the focus of the federal government at this time should be on education in partnership with the provinces and community groups. That is where we are going to solve this problem and lessen its incidence, not in further amendments to the Criminal Code. That is the conclusion to which I came.

• (1455)

[*Translation*]

Mrs. Pierrette Venne (Saint–Hubert): Mr. Speaker, would the minister have us believe that these opinions and studies and those of his advisers will be more effective than formal legislation making excision illegal?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, female genital mutilation is already a criminal misdeed in this country. It is plainly contrary to at least three sections of the Criminal Code.

Yesterday I furnished the hon. member with a copy of the document that I tabled with the House setting forth the analysis upon which I rely for those conclusions.

In my respectful view, it is not going to help dealing with this difficult and tragic problem for us to refine further a code that already prohibits the misconduct. Our focus must be on ensuring that the people who arrive as immigrants and the people who are in Canada already are aware that it is against the law and that the provincial authorities work with us in enforcing those laws sternly and efficiently. I believe that is the way to come to grips with this problem and that is the conclusion which I expressed in the document that I tabled.

VIOLENT CRIME

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, my question is also for the justice minister. Perhaps that is reflective of the growing fears of Canadians of the incidence of home invasions, drive–by shootings and other random acts of violence in this country.

I would ask the minister what specifically he intends to do to curb this urban terrorism and protect the safety of law–abiding citizens.

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, may I first take this opportunity to say that I do not share the alarmist sense that the hon. member communicates in her question.

Of course I am appalled, as all Canadians are, with the savagery and the senselessness of the crimes to which she has referred. Clearly we cannot tolerate such violent crime in this country.

At the same time I urge the hon. member and Canadians to keep this issue in context. This country has a justice system which works. The statistics demonstrate that in terms of violent crime and crime in general in Canada we are still a civilized society.

I will conclude by saying that we should not be stampeded by these single events by jumping into what seem to be simple solutions. At the same time, we have to take them for what they are, symptoms that further actions require. By changes to the Criminal Code, the Young Offenders Act and by focusing on crime—

The Speaker: The hon. member for Calgary North.

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, I sincerely respect this minister, but I would say that voicing the concerns of my constituents and other Canadians should not be labelled by the minister as alarmist.

In fact, I would suggest to the minister that his continued answers to the effect that, yes, there is a clear problem that we are deeply concerned about but let us stay cool is not an answer at all to Canadians.

I would ask when the minister is going to table the changes to the Criminal Code and the Young Offenders Act that Canadians have been demanding and expecting. They want to know a timeframe.

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): I will be brief, Mr. Speaker.

When I said that I did not want the hon. member to be an alarmist, I respect the concern. I am just saying that we should keep it in context and that basically we have a safe and civilized society.

In terms of timeframe, I have already said that I propose to bring to this House before the end of June specific proposals to

change the Young Offenders Act and, at the same time, to turn it over to the parliamentary committee for its detailed review.

I have said as well that we are going to have legislation before the House before the end of June on other changes to the Criminal Code, including with respect to sentencing. We propose to fulfil that undertaking.

The Speaker: I thank the minister for being brief.

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• (1500)

WORLD NORDIC GAMES

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, my question is for the Minister of Canadian Heritage.

In March 1995 Thunder Bay will host the World Nordic Games. Our community, through the great work of all the volunteers, has worked very hard for the last four years to make sure that this event is an international success. The city and the province have also committed over $8 million, but unfortunately the federal government has failed to even come close to this amount, in fact less than a quarter.

Since the games are less than a year away, I ask the minister how much he is going to commit financially today to the Nordic Games, when will he make that commitment, and when will he announce what services will be provided so that the people who are involved in this process can get on with their job of making it a success?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I thank the hon. member for his short question.

I share his concern that the Nordic Games be a great success because I think it will bring a lot of tourism and business to North Bay.

The federal government has committed $2 million and is honouring its commitment. It is looking into the possibility of providing services to make sure that the games are a success. We are in close consultation with the minister concerned in Ontario and with the mayor of Thunder Bay. I am confident that putting our efforts together will ensure great games at Thunder Bay.

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PRESENCE IN GALLERY

The Speaker: Order. I wish to draw to your attention the presence in the gallery of Mr. Olexander Stoyan, member of the new Parliament of the Ukraine.

Some hon. members: Hear, hear.

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I would like to make a little correction to an answer I gave earlier on the number of people who are bilingual in Canada, when I referred to the francophone and anglophone population. What I should have said was that in 1971, 3 per cent outside of Quebec were fluent in the two official languages, and now because of our policy of bilingualism in Canada it has almost quadrupled at 11 per cent.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): On a point of order, Mr. Speaker. I remind the Minister of Canadian Heritage that if he is going to North Bay to look for the World Nordic Games he won't find them.

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PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I want to raise a point of privilege with respect to a statement made by the hon. member for Crowfoot in the House on March 25, the last sitting day before the Easter recess. This is the first opportunity I have had to raise the matter.

In a question to the Minister of Justice the hon. member stated that I had said: "that convicted murderers like Clifford Olson should not have to serve more than 15 years for their crimes."

Mr. Speaker, I want to make it absolutely clear that I never made such a statement. The statement by the member is absolutely false and I would ask him to apologize and withdraw his statement.

The Speaker: Order. The hon. member surely has a point of debate. I am sure there are other avenues that he can pursue at this time, but he does not have a point of privilege.

GOVERNMENT ORDERS

• (1505)

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION ACT, 1994

The House resumed consideration of report stage of Bill C-18.

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, I also have the pleasure—

[*English*]

The Acting Speaker (Mr. Kilger): Order, please. I wonder if members would come to order so that we might be able to resume debate.

[*Translation*]

Mr. Bergeron: Mr. Speaker, it seems that the question period was very lively. The debate is still heated.

So, I also have the pleasure to speak to Bill C–18, the Electoral Boundaries Readjustment Suspension Act, 1994.

Of course, as you were able to see from the various statements made since this morning, the Bloc Quebecois is in favour of the bill. Since the beginning of the electoral boundaries readjustment process, the Bloc Quebecois members, in keeping with the Elections Act, have decided to get involved in that process so as to defend the interests of their constituents, of their fellow citizens.

This morning, you heard our colleague, the member for Shefford, say that he has always resided in the riding of Shefford and that with the new provisions or new proposals introduced by the Chief Electoral Officer, he would become a resident of the riding of Chambly. So, it would be somewhat unusual for an individual who has always resided in one particular riding to represent a riding in which he has never resided, simply because of changes made to electoral boundaries.

That is why we support the principle of this bill, which is to temporarily suspend the electoral boundaries readjustment process. Of course, we also support the principle of an equal vote for all citizens. But that principle, when applied too restrictively and too mechanically, can produce unfortunate distortions, and I will have the opportunity to get back to that later.

The readjustment of electoral boundaries at fixed intervals prevents the development, the building of a sense of belonging to one's riding. The example that I mentioned earlier concerning my colleague from Shefford is certainly one of the best we can give. He explained it to you very well a while ago. He has been a resident of the riding of Shefford for many years. He now represents this riding in the House of Commons and by virtue of the amendments proposed by the Chief Electoral Officer, he would become a resident of the riding of Chambly but would remain the member for Shefford. Therefore, I believe there are anomalies that must be avoided.

• (1510)

This case of my colleague from Shefford shows that people who live in the fringe areas of their electoral district and then switch periodically from one district to another on account of readjustments of the electoral map find it very difficult to develop a sense of belonging and to identify with their riding because of all this moving around.

As far as demographic criteria are concerned—as I said earlier—we fully support the principle of a equal vote for each citizen of Canada and of Quebec. We do support the principle that each citizen must be represented by a member of Parliament and that this representation is as important as that of any other citizen throughout this country. However, the demographic criterion used for the readjustment of the electoral boundaries too often masks other criteria which should be as important, such as social, economic cultural factors which, I think, should also be taken into consideration in the readjustment of the boundaries of this constituency.

As I emphasized earlier, this sense of belonging, the possibility of identifying with our riding, with the people of our riding are surely as valid as the strictly mathematical calculations mainly used for the readjustment of the electoral boundaries. These calculations inhibit the creation of a type of interaction specific to a riding, to a community. It is a fact that has been recognized, not so long ago, only a few months ago, by the National Assembly which amended its elections act to prevent further readjustment of the electoral boundaries for the next ten years.

It is thus assumed that there will not be any readjustment of the electoral boundaries in Quebec for ten years, which means that for ten years, the residents of a district will be able to feel part of their community and to identify with their MNA. Electoral boundaries are not readjusted at each election as was the case before under the Quebec elections act.

I think that we are now considering the spirit behind Bill C–18. We support the bill, for the reasons I have just stated. In fact, we are not afraid to say that. I will come back to that a bit later. If we have to consider amendments, we will perhaps have to think of redrawing the electoral boundaries on the demographic basis that I talked about earlier. However, as my colleague for Richelieu mentioned earlier this morning, we have to contemplate a more thorough reform of the parliamentary institutions and, in doing so—we know we cannot use certain terms—reassess the role of the other Chamber, the Upper House.

My colleague from Richmond—Wolfe, who is with us this afternoon, and my colleague from Richelieu talked about that issue regularly, and I think that it is quite justified. My colleague from Richelieu said that there are in fact, in the Upper House, a number of people with quite valuable and useful expertise, but those people often end up in that Chamber for reasons that are not too valid. People often get appointed to the Senate strictly on a partisan basis.

• (1515)

Therefore, their legitimacy is very questionable. The suggestion of my colleague from Richelieu was that those people who are qualified, who have plenty of skills should be able to use their skills in this House where people are democratically elected and where their legitimacy cannot be questioned. It was suggested that we should eventually revise and reform our parliamentary institutions and abolish that timeworn and rusty institution that supports friends of the party, friends of the government who periodically, depending on which party sits on the other side of this House, cause changes in the majorities in the other place. Then we could eventually consider such a reform.

Speaking of reform, I am wondering about the participation of our colleagues in the Reform Party in this debate. We are presently discussing a motion brought by them, but for some time now I have seen only members of the Bloc Quebecois taking the floor. I believe therefore we should question the seriousness of our colleagues who bring in a motion and leave it to members of the Bloc Quebecois to speak on that motion.

I therefore invite my colleagues in the Reform Party to be consistent and to rise on their own motion. We should not be surprised by the silence of our Liberal friends, although it is absolutely deplorable for the electors of the various ridings represented by Liberal members to see those members being so absent and silent during a debate of such significance for the future of their constituents. The interests of the constituents of those ridings represented by those Liberal members are at stake.

That being said, I will now leave the floor, at least I hope, to a member of the Reform Party.

Mr. Maurice Dumas (Argenteuil—Papineau): Mr. Speaker, all my colleagues have already invited you to visit their riding. I do not have to do the same, since you probably have been to Mirabel Airport a few times to catch a plane. You were then in the riding of Argenteuil—Papineau.

With the last electoral reform, the population of Argenteuil—Papineau would rise from 72,000 to 98,000. Should I rejoice in this increase, or deplore the changes in the electoral map?

Before making my case, I would like to talk about some of the anomalies or aberrations created by the reorganization of electoral maps or any other boundary change requiring expropriations. I would like to relate a rather bizarre event which took place when part of Sainte–Scholastique was expropriated to make room for Mirabel Airport.

I do not know who determined what lands were to be expropriated, but an astounding event occurred in the village where I live, Saint–Canut. A line was drawn through the middle of a house, through the middle of a property. Really, it did happen. The house was later demolished but, at the time, people wondered why certains parts of the village were being expropriated and others not.

• (1520)

This reminds me of different electoral map anomalies. My colleague from Laurentides represents the neighbouring riding, where two municipalities are included in totally inappropriate territories. For example, the village of Sainte–Sophie is adjacent to the riding of Laurentides. Children go to school in Saint–Jérôme which is in the riding of Laurentides. Sainte–Sophie is socially part of the riding of Laurentides, but on the electoral map, it is part of the riding of my colleague from Joliette.

Moreover, that same riding of Laurentides includes the municipality of Chertsey, which is much closer to the riding of Joliette. In view of this fact, how, I wonder, do senior officials, cartographers, geographers, all those people who draw boundaries, manage to get such results?

Personally, I cannot complain about the electoral reform since the areas which would be added to my riding, namely the city of Saint–Jovite, the village of Lac–Carré, as well as La Minerve, La Conception, Labelle, Lac–Supérieur and Mont–Tremblant, are all part of a strong sovereignist riding which, for decades now, has been represented by the Parti Quebecois in Quebec's national assembly. So, as a sovereignist and partisan of a sovereign Quebec, I should be pleased with an addition to my riding which I am likely to benefit from.

However, Mr. Speaker, I must tell you that in the best case scenario, I will not be campaigning in the next federal election, for the simple reason that important events will have taken place in Quebec. Indeed, the Parti Quebecois will surely be elected in the coming year. A referendum will be held the following year and, at that time, Quebec will become a country and a sovereign nation. Consequently, my colleagues from the Bloc Quebecois and I will no longer be in the picture during the next federal election. However, the fact remains that, as members currently representing Quebec, we have to play the role which we assumed and we must defend Quebeckers' interests, and this is precisely what we are doing today.

Two municipalities would be added; I just mentioned Saint–Jovite. Earlier, my colleague from Laurentides deplored the fact that Saint–Jovite and the surrounding municipalities which I just named would become part of the riding of Argenteuil—Papineau. I have no complaint about that, but I think that these municipalities have nothing in common with Argenteuil—Papineau, since they are located in the south–north axis from Saint–Jérôme to Mont–Laurier. Moreover, these communities all have an identical profile, they belong to similar regions

which they must continue to be part of, and I believe that Saint–Jovite should remain part of the riding of Laurentides.

Thurso is also being added to my riding. This municipality is of course located on the way to Ottawa, and its mayor, councillors and citizens have openly voiced their opposition to their community becoming part of Argenteuil—Papineau. I can understand that, since this municipality is much closer to the Outaouais region than to the regions of Lachute, Mirabel or even Oka, which are also part of Argenteuil—Papineau.

• (1525)

Consequently, I have little choice but to oppose the amendment proposed by the Reform Party.

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, I listened very carefully to the excellent speeches made by my colleagues and I will not repeat what they just said. I simply want to know how some decisions that make absolutely no sense are arrived at.

What are the reasons for making a riding in eastern Quebec disappear? And I am talking about my riding, Matapédia—Matane. Geographically, it is one of the most beautiful ridings, and the people who live there and whom I have the pleasure of serving are truly attached to their RCM and to their parish. I have travelled throughout the riding and people are very disappointed. Is this decision based simply on a demographic ratio? Are numbers the only important factor? Apparently, yes, Mr. Speaker.

For a region like mine, a rural MP is terribly important. I do not mean to say that MPs from urban areas are not important, but I would say that maybe rural MPs are particularly important because of the distances involved. The various parishes are approximately ten miles apart. It takes hours, if not days, just to go around my riding.

In our part of the country, the MP plays an essential role. Just spend one day in my office in Matane, Amqui or Mont–Joli and you will know what is asked of an MP there. It is incredible. After going everywhere else, people end up inevitably in their MP's office because they trust him. He has a say in the important decisions on regional development.

Regions experiencing growth face different problems than regions which are in decline. Unfortunately, our region is in decline. Is the importance of rural people being neglected in the distribution of electoral districts? I think so. Rural people are not considered important and I would even say that they are treated as second–class citizens. I am sorry, Mr. Speaker, but there is no such thing as a second–class citizen. Every person has the right to live where he or she wants to, to feel a sense of belonging to the place where he or she lives, and that sense of belonging must be respected. Unfortunately, this was not to be the case in my riding.

In our view, the commission's proposal will only further impede recovery in an area that is already considered to be among the poorest. It will mean the loss of a much–needed voice in Parliament for eastern Quebec. It would make it harder for a member of Parliament to defend the interests of an ever–larger riding.

• (1530)

This proposal would not allow cultural, political and socio–economic forces to do all they could to bring about the economic recovery everyone wants, especially in our underdeveloped regions. This goes beyond simple statistical calculations and the straightforward application of a demographic formula.

I am very happy that the subject has been raised in the House because when I toured my riding, I noticed that there was widespread dissatisfaction. People were asking: Will we feel like voting in a federal election if the federal government shows no respect for our community, our living environment?

In Quebec, regional county municipalities are becoming more and more important and I think that it is a good thing. The boundaries of a federal riding are also very important. People are wondering whether they will go to vote if they change ridings.

As I said earlier, there are now five ridings in eastern Quebec: Bonaventure—Îles–de–la–Madeleine, Gaspé, Kamouraska—Rivière–du–Loup, Matapédia—Matane and Rimouski—Témiscouata. The ridings of Kamouraska—Rivière–du–Loup and Rimouski—Témiscouata have a population of about 73,000. The riding of Gaspé is the largest with an area of 12,268 square kilometres. My riding, Matapédia—Matane, is close behind with an area of 10,959 square kilometres, and the riding of Kamouraska—Rivière–du–Loup, is the smallest with 5,476 square kilometres. As for Bonaventure—Îles–de–la–Madeleine, it is the least populated, with 52,000 inhabitants. Is the number of inhabitants the only criterion? I say no. There are other criteria.

As for the number of municipalities in each riding, Kamouraska—Rivière–du–Loup has the most, 49. In Matapédia—Matane, there are 46. The riding of Gaspé has the fewest, 30.

In the proposals made by the commission, the number of ridings in the East would decrease from five to four. The riding of Matapédia—Matane would no longer exist. The riding of Gaspé would see its population increase from 62,000 to 80,000 with the reform. The riding of Gaspé—Matane would cover a gigantic area of 17,783 square kilometers.

If you tried to cover that distance in Toronto or Montreal, you would soon be all over the city.

The riding of Bonaventure—Îles–de–la–Madeleine will also be significantly enlarged to 11,375 square kilometers from 8,155 square kilometers.

The Bloc Quebecois cannot accept eliminating a riding in the East. If we lose a riding, we will lose political influence in the House of Commons, and so will our region. However, I share my colleague's view that hopefully in four years we will not have to ask ourselves these questions.

As a rural region, eastern Quebec would once more be marginalized by this redrawing of the electoral map. The rural community is in crisis. It is particularly the people from those small parishes who come to see their member of Parliament more often.

• (1535)

At a time when many organizations and stakeholders want to decentralize government services and bring elected representatives closer to the people, reducing the number of ridings would go against the wishes of the people.

We deplore that, again, taxpayers will have to bear the cost of this reform.

The riding of Gaspé—Matane would include communities like Amqui, Cap–Chat, Gaspé and Matane. So try to imagine the distance the member will have to travel to meet his constituents, and vice versa.

Earlier, a member said that VIA Rail did not exist anymore in our region. Buses are a rare sight. Our roads are in bad shape. What is left for these people to travel? They have nothing, and the government now wants to increase the size of their riding. That is absolutely senseless, and that is why I share my colleagues' view.

[*English*]

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, I have a comment for the hon. member for Matapédia—Matane. I grew up in rural New Brunswick—

The Acting Speaker (Mr. Kilger): Order, please. I do not mean to interrupt the member, but I just want to be sure we all understand that there is no comment or question period as such. However the member can certainly use up to 10 minutes to make an intervention on this particular piece of legislation.

Mrs. Brushett: Mr. Speaker, the intervention is to share the sentiments of the hon. member for Matapédia—Matane and his values for the rural communities of Gaspé. Rural New Brunswick and rural Nova Scotia have the same values, needs and long distances between small communities. We too know that representation must come from each geographic region and not necessarily from statistics.

It is important to bring forward ideas. Somehow the hon. member is presenting ideals that we all share and want, yet at the same time he feels they will not be here for the next election. That is entirely contradictory in spirit and thought.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, I wish to express my support for Bill C–18 which suspends the process of redrawing federal electoral boundaries.

My riding of Bourassa takes in the entire city of Montreal North. Currently, I represent the 85,516 residents of this municipality. Under the proposed readjustment, the riding's population would increase to 94,214, whereas the average population of federal ridings is 91,500.

If the proposed reforms are carried out, my riding will extend beyond the limits of Montreal North. This municipality is steeped in history. It has its own well–established traditions and a very strong identity. For over 75 years, it has been home to a vibrant community, organized with people, not just administration, in mind.

• (1540)

In our opinion, the new administrative distribution is totally arbitrary. Montreal North has its own community, economic, social and cultural agencies. There are many community agencies in Montreal North that are doing an amazing job. Montreal North has over 3,000 volunteers. My riding, like the rest of the province, was hard hit by the economic crisis from which we are just now emerging. Fortunately, we can count on community agencies that are doing incredible work.

One local community social service centre in Montreal North recently celebrated its 20th anniversary. A few days ago, a benefit dinner and gala were organized by the CLSC foundation of Montréal–Nord. All local officials were in attendance, including yours truly in his capacity of federal MP. I want to take this opportunity to praise the remarkable work of the director general of the centre who has been there since day one. I also want to assure the centre that it can count on my complete co–operation.

The residents of Montreal North also have close ties to the mayor of their city who has held this post for over thirty years. He recently celebrated three decades in office and I was on hand for the festivities. He enjoys the public's support. Unlike me, he is not a sovereigntist or a member of the Bloc Quebecois. However, I would add that—

An hon. member: Just give him time.

Mr. Nunez: That will come. I wish to point out his contribution to the economic, social and cultural life of Montreal North. Montreal North also has a recently formed economic and community development corporation that is doing a great job for the people of Montreal North, especially with boards on economic issues that bring together representatives of the people.

The citizens of Montreal North want a federal riding that they can really identify with. In fact, I have consulted the residents of Montreal North about changing the name of my riding.

My riding is named Bourassa, after an outstanding man, a former director of *Le Devoir*, a great intellectual. But we have a problem because there is a provincial riding with the same name, Bourassa, and there is always confusion. My constituents want the riding to be called Montreal North, so it is more closely identified with our city, just as ridings in other Canadian cities are called Calgary West, Calgary East, Edmonton North, Edmonton South and Québec–Est; they take their name from the city where the riding is located. That is not the case in Montreal North and I am often asked where Bourassa is. Sometimes it is also confused with the former Premier of Quebec, Robert Bourassa.

• (1545)

We want to keep our riding as it is now. For all these reasons, I oppose the amendments moved by the Reform Party and I support the bill. Rather than proceed with arbitrary administrative revisions, I think that we should instead look at the basic criteria for forming federal constituencies. Once again, Mr. Speaker, I would vote for this bill.

Mr. Jean Landry (Lotbinière): Mr. Speaker, it is with pleasure that I rise today to speak on Bill C–18, concerning the revision of the electoral map. I must tell you that, when I heard that the Liberal Party had decided to introduce this bill, there was no doubt in my mind that they could count on my support.

The first thing I wondered about was those people who had decided to draw lines any old way, in their offices, without knowing what they were doing. When they got to my riding of Lotbinière, a beautiful riding along the St. Lawrence River up to the Pierre Laporte Bridge, in Quebec City, or just about, let me tell you that what they had in mind, what they wanted to do to my riding was complete nonsense. It made no sense in practical, professional, political, social or cultural terms.

I can tell you this: many of my constituents called to ask me: "Mr. Landry, what is going to happen to Lotbinière? Will you, as a Bloc Quebecois member from Quebec, come to our defence or settle for come what may?" At that time, to reassure my constituents, I told them in a conference and the newspapers: "Look, I am a Quebecer. I am in Ottawa and I intend to stand up for the riding of Lotbinière at the federal level, as well as the interests of Quebec and Canada. That is my duty, and as long as I will be sitting in the federal Parliament, this will remain my vision of the riding of Lotbinière at the federal level."

But there is more to it. From then on, I looked at the basic criteria used by the commission. I was told: "Look, we have to standardize all this as much as possible to make ridings match the RCMs." I was told that the population pool also had to be taken into consideration. I must say that, in my riding of Lotbinière, we met all the requirements. We had the required population and regional county municipalities. What the revisal office was planning to do was basically to tear apart this most beautiful riding of mine because there is only one major town in my riding, namely Victoriaville–Arthabaska.

Let me tell you what was going to happen to Victoriaville–Arthabaska. In their office here in Ottawa, officials decided to draw a line right across here and chop off Victoriaville–Arthabaska, the biggest town of the riding, and tack it onto the riding of Richmond—Wolfe. Which meant I would find myself with no large town in the riding of Lotbinière. That is nonsense. I must also tell you this because it is very important. Not only were they taking away a town, but there were ties involved, the ties between the people of that town and the rest of the population of the riding. Victoriaville–Arthabaska is the queen city of the area which includes Princeville, Daveluyville and Warwick, and it was shunted off towards Sherbrooke, to be attached to Richmond—Wolfe.

• (1550)

Such a drawing of electoral boundaries leaves me speechless. To me, and to the whole riding of Lotbinière, it did not make sense.

If such electoral boundaries had been implemented, the riding of Lotbinière would have been wiped off the federal electoral map in a few years.

If that was the intent, it was a mistake. I am glad to see that our colleagues from the other side adopted the same position as we did because it is sad to see so much money being wasted. Some would say that money is not the only thing, but we are going through difficult times and we need money.

Instead of going ahead with the new boundaries suggested, I would rather see the money used to create jobs and train workers. Then, I would find that we put the money to good use. We must not forget that we are talking about not a few hundred thousand dollars, but millions. And you know that millions can go a long way.

Of course I do not accept the Reform Party's amendment at all. I am glad that we took a position that will soon be adopted, confirming the present boundaries of the riding of Lotbinière. In four years from now, if the Bloc Quebecois is not here any more, I will at least be able to say with pride that as the member for the federal riding of Lotbinière, I took a stand when I had to. That is what is the most important for me and my constituents. In four years from now, we will see whether we have to change our position.

In my riding, social and cultural life is centred on Victoriaville and Arthabaska. It is all there.

I am glad that there has been a change in direction because I felt we were heading the wrong way. My constituents are quite pleased also because I told them last week that we would probably not have to appear before the commission. I certainly hope this bill will be passed soon and that all consultations will be called off.

Mr. Speaker, when my colleagues across the way or my colleagues on this side come up with good ideas on electoral boundaries readjustment, I can look at them with an open mind. I like to be able to stand back to get a better understanding before I make a decision with this team.

I like this House and, for the time being, I am here to defend the interests of both Quebec and Canada. At this very moment, I do not talk as a separatist as such. I am here to look out for the interests of Quebec and Canada, and my position on the electoral boundaries readjustment is quite clear.

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I thank the hon. member for Verdun—Saint–Paul for his applause at the start of my remarks, but it might be wiser to wait and see what I have to say.

I think what my colleague meant is that, for the time being, he takes to heart the interests of both Canada and Quebec. That is my interpretation.

Mr. Speaker, I am pleased to take part in this debate on Bill C–18 and more particularly on the amendment moved by the Reform Party. I have to say I do not agree with the amendment, because it does not give us enough time to examine fully the impact of those boundary readjustments.

• (1555)

I remember that in 1985–86 we went through the same exercise. We had to redefine a riding on Montreal's south shore, a process which took quite a bit of time because it was suggested then to cut out from Longueuil the area which was expanding. Indeed, a proposal had been made to remove from my riding the whole industrial zone where lots were available for development purposes. I was going to find myself trying to promote the economy of my region with almost no opportunities left to do so. Primarily for that reason, I asked the mayor of Longueuil for his opinion on this issue, and I also consulted with representatives of the Liberal Party, who were opponents but also colleagues, and we agreed that it would not be a good idea to divide Longueuil in that fashion.

Consequently, we had to redefine five or six ridings. The decision not to reduce the number of constituents in the eastern part of the riding but rather to the south meant that we had to redraw the ridings of Saint–Hubert, La Prairie, Saint–Jean, Chambly and Verchères. You can imagine how long this exercise took. This is why I support the bill proposed by the Chief Electoral Officer in the document on new electoral boundaries.

There is another reason why I believe more time is needed, particularly in the case of Longueuil and the vast region on Montreal's south shore. The Montérégie is the region which has been experiencing the strongest growth in Quebec over the last fifteen years. It is in that region that the largest number of jobs were created. I believe it is also where the population has increased the most. In fact, it is for these reasons that a new riding is proposed on Montreal's south shore, as well as on the north shore, in Laval.

I should point out too that many studies are currently underway, including the Pichette report, commissioned by the Quebec government, which also proposes the creation of new regions on the south shore. The south shore would no longer be managed by the Société montérégienne de développement or SMD, but would be divided into two sub–regions which would be managed by the greater Montreal area. We would have Montreal, two regions on the south shore, Laval, the West Island, as well as the east end of Montreal which could form a large community for the purposes of economic development. Obviously, this will result in major changes on Montreal's south shore.

As I just mentioned, the south shore is currently managed by the Montérégie. I personally sit on the Partners for Employment committee—along with members of Quebec's national assembly, mayors, reeves, representatives from regional county municipalities, as well as senior federal civil servants—and I realize that the Montérégie region is not necessarily easy to manage. There are many interests which are not common.

• (1600)

The people in Granby, Bromont and Saint–Jean do not have a lot in common with the residents of Longueuil, Boucherville and Saint–Lambert. That is why we have undertaken an in–depth review of how to better manage the Greater South Shore of Montreal in order to be more efficient at all levels, whether it be economic development, social affairs, cultural affairs, or tourism. So, we are currently conducting this in–depth review to make sure our region can prosper in the areas I just mentioned.

So, the fact that we have two years and commissions to help us examine in detail how we can divide the ridings on the South Shore is very useful, and I think we really need all of these things.

Of course, for the last fifteen years, I have been very involved on the South Shore of Montreal. I do not need to be reminded, but I feel I must point out that, in 1983–84, during my term as chairman of the Chamber of Commerce of the Greater South Shore of Montreal, we addressed this issue. As you can see, it is a lengthy process.

In those days, we talked a lot about decentralization and accountability. If we want to get to know each other better, we need to feel a sense of belonging to be able to take charge of our lives and meet our responsibilities.

I for one have always believed that decentralization and accountability will help us pull through and take charge.

Unfortunately, the Liberal government tends to centralize everything and to manage from the top, which I think hinders progress, and I cannot agree with them on this. We absolutely need to ensure that the people at the grass root level, those who know their needs, who know what they have, who know their resources and their market, can take charge.

How can we go about it? By giving this responsibility to smaller areas. And it is in this spirit that I have been working with the Partners for Employment committee on the South Shore for a long time now.

Here is another suggestion. If we want to make people aware of their responsibilities, we will also have to ensure that municipalities have the resources they need to prosper and to help businesses to prosper.

Again, who is closer to small and medium–sized businesses and thus better able to help them create jobs? People who know well the needs of these small and medium–sized businesses must be the ones to give them the support they need to prosper and create jobs.

That does not seem to be important to the Reform Party. On the contrary, it appears to me that a sense of belonging to a region must absolutely be achieved if we want to create more jobs and work together to improve everybody's lot. It is in that spirit that we, in Quebec, have been working for a long time to delimit regions that are so homogeneous that people living in them can recognize and understand each other, grow and prosper together.

Thus, Mr. Speaker, I will vote against this amendment by the Reform Party and I hope that it will be defeated—and I think it will, since the government is against it—so that we can all prosper, create jobs and do better.

• (1605)

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, I am pleased to rise in the House today to participate in this debate for several reasons. I will start by pointing out how recommendations were made regarding the readjustment of electoral boundaries. The act is rather obsolete as it goes back to 1964. It is obvious that conditions have changed in 30 years. But what irritated me the most in all this is how the Ontario electoral commission proceeded to propose new boundaries.

This commission proposed that each riding should have at least 80,000 residents without taking into account regional affinities or distances to be covered so that every member can serve his constituents properly. I could give you a few examples of regional affinities.

First of all, my immediate region, that is the eastern part of the riding, was divided in two. A region that, since its foundation, has always shared the same economy, the same culture, the same social programs. It is more than a habit, it has become a tradition for this region to stay together. But it has been divided in two. The western part of the region was twinned with Algoma, which extends as far south as Lake Ontario. The name James Bay was added to Algoma, as the riding would now be shaped like a snake going around the region of Timmins to go east and then north to the western shore of James Bay. It makes absolutely no sense.

The second part was twinned with the city of Timmins, which would become Timmins—Cochrane. After consulting with people and with business, municipal and other leaders, it became obvious that it would be totally inappropriate to twin a small, rural part of a riding with a large city for the simple reason that the constituents, the voters of the large city would prevail over those of the small, rural region because of their numbers. And God knows that numbers in this country speak loud and clear. So much for the eastern part of my riding.

In the western part of my riding, the situation is somewhat similar. The western part of my riding was twinned with the existing riding of Thunder Bay—Nipigon. Again, municipal leaders and chamber of commerce directors told me they wanted to stay rural so that their identity would not be diluted, would not be lost within the big city of Thunder Bay that boasts some 100,000 residents.

What I am telling you, Mr. Speaker, is that the electoral commission's proposal was, in my opinion, outright provocation. A provocation that ignored regional affinities and distances to be covered in the vast region of northern Ontario. It is an immense region! There is a limit to taxing the energy of a member. I know what I am talking about because my riding is the fifth largest in Canada and, naturally, the largest in Ontario.

This bill was born as a result of the representations made by all parties in this House.

• (1610)

The proposed legislation will be used to correct the glaring errors and outdated provisions and will give birth, if you want, to a new act which will define the terms of reference of electoral commissions throughout Canada.

I personally look forward to this new legislation, not really because my riding was going to disappear, but because two ridings in northern Ontario were supposed to disappear. Of course, once again, southern Ontario stands to inherit, or shall I say gain these ridings. With the four ridings already proposed by

the commission, that would have meant six more ridings for southern Ontario.

Again, Mr. Speaker, I am telling you that we would have fought like crazy to at least keep the 12 ridings we currently have in northern Ontario, and I would like to make a digression, if I may. Native people are slowly but surely heading towards self–government. And 13,000 Native people live in my riding and 30,000 more live in the neighbouring riding of Kenora—Rainy River, represented here by my colleague, Robert Nault. I have always believed, and my colleague will agree, that it is about time we create a new riding which would be 98 per cent native and where the main goal would be to elect an Indian or a native member to represent these constituents in the House of Commons.

If you link all of this to the fact that we were about to lose two ridings, you will understand that it was out of the question. If we were to think positive, we would in fact consider adding a thirteenth riding.

One final word, Mr. Speaker. It is obvious that our party will vote overwhelmingly in favour of Bill C–18 and we hope, as I mentioned earlier, that the next bill which will define the terms of reference of the commissions will be a little more reasonable and sensible than the current legislation.

Mr. Paul Mercier (Blainville—Deux–Montagnes): Mr. Speaker, I am glad that the bill before the House gives me an opportunity to introduce my constituency to the House at last.

Most people know where my constituency, that is Blainville—Deux–Montagnes, is located. It extends from the Mille–Îles River, in the south, up to but excluding Mirabel, in the north, and many of us have gone through it to reach Mirabel Airport or to spend a relaxing weekend in the Laurentians.

People who travel through the riding would be well advised to stop once in a while to enjoy its special attractions.

As for electoral redistribution, the problem in my constituency does not come from big distances as it does in the constituency of my colleague who spoke before me and who told us about its huge territory. On the contrary, mine is mainly a very densely populated urban constituency, and I can easily get around the riding by bike, as I often do. Small distances have their advantages.

Our problem does not stem from big distances but from the rapid population increase, so much so that an electoral redistribution based on the current population would probably be outdated at the time of the next election.

This rapid population growth in my constituency is due to several factors which I will now enumerate.

• (1615)

First of all, there is residential development which is growing extremely fast. Many people from Montreal and Laval choose to come and live with us because of the advantages of this semi–rural and urban riding, where we are both close to leisure activities and occupations in Montreal and leisure activities in the Laurentians. Because of these advantages, the population is growing very rapidly. Cities such as Lorraine and Rosemère have mostly very high–standard houses. Other cities in the riding have a wide variety of dwellings that attract people. Thus, a city such as the one that I know best since I was its mayor for a long period of time needs a new primary school every year to deal with this population growth. So, we do not know what the distribution figures for the new population will be in three or four years. The fact is that a division that would be decided today would be outdated by that time.

Apart from that very rapid residential development advantage, there is also the fact that our riding is the location of several industries, from a giant company such as GM, in Boisbriand, to many small and medium–sized businesses created by the strong dynamism of the people, and medium–sized industries such as Stablex, Novabus or Hyprescon.

Nevertheless, we must not forget that part of the riding is covered by provincial Bill 90 which protects agricultural land and that agriculture in the riding is on a very high level, especially market gardening, since we are close to Montreal, which means that the riding's economy is expanding despite the recession and will continue to expand, which in turn makes it attractive to investors.

In the riding, we have autoroute 13 and autoroute 15 running north–south and autoroute 640 running east–west. The riding is very conveniently located in terms of its distance from Dorval Airport and Mirabel Airport. It is also 20 kilometres from the Port of Montreal, which means it has an ideal infrastructure. It has a number of very modern, well–situated industrial parks set up very recently, especially Boisbriand and Blainville which are along one of the major highways, and we are very proud of our labour force whose skills are very attractive to investors.

We have a number of educational institutions of very high calibre, including the Institut d'ordinique which is well–positioned to help develop high–tech industries, and also Lionel Groulx CEGEP and other institutions, so that we are able to provide a quality labour force.

Another aspect which may be interesting for people who go to the Laurentians for recreational purposes is that we have a number of recreational resources but are much closer to Montreal. Of course, we still have a lot of green space. There is still a lot of countryside in the riding. For instance, we have the "Domaine vert", a protected area where no construction is

allowed, a huge expanse that has equestrian trails, bicycle paths, hiking trails, and so forth.

We also have a large number of golf courses. Then, there is the Blainville Equestrian Park where every year two international events are held, as well as a very impressive fireworks display.

We also have an historic event which has become a tourist attraction. There is a church in Saint–Eustache that still bears the marks of shots fired at Quebec's patriots by the British. Fortunately, those shots hit the stones of the church and we have carefully preserved those stones to remember this extremely important event.

• (1620)

This being said, I will now conclude by saying that, since our riding offers some advantages that stimulate its demographic growth and since the makeup of its population changes constantly, any decision made today regarding the distribution of electoral districts would likely become obsolete tomorrow. In a nutshell, this distribution would divide our riding into two ridings that would include three cities that are not part of the existing riding. On one side, we would have Sainte–Thérèse, Boisbriand, Saint–Eustache, Deux–Montagnes and Sainte–Marthe, for a total of 130,000 people, and on the other side we would have Blainville, Rosemère and Lorraine, which already belong to our riding, plus Bois–des–Filion, Sainte–Anne–des–Plaines and Terrebonne, which would be added to our riding to the detriment of neighbouring ridings.

In closing, Mr. Speaker, I support this bill to postpone the decision regarding the distribution of electoral districts.

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, an electoral map is much more than a matter of paper and lines. An electoral map is not a sheet of paper where we find what we call ridings at the federal level, or, more colloquially in Quebec, counties. An electoral map is above all people that have some common cultural traits, economic resources and infrastructure links.

When technocrats, in an office tower, pore over the map and try to redistribute the population in fairly equal numbers among the electoral districts, lines start to move. We are sometimes left with the impression that the movement of these lines is based exclusively on a mathematical formula aimed at roughly balancing out the 295 electoral districts in Canada.

If this were really the way of doing it, a computer could no doubt do it better and faster. Let us take, for example, the existing electoral map for my riding of Portneuf. There we find, in the eastern most part of the riding of Portneuf, a small portion of Quebec City. Yes, Mr. Speaker, in the riding of Portneuf there are about 600 constituents who live in Quebec City. They live on the other side of CFB Valcartier, which puts about two kilometres between them and the rest of the riding. They are to be found on both sides of Valcartier Boulevard, along a stretch of about a kilometre and a half.

No matter how hard I try, Mr. Speaker, you will understand that I have great difficulty, as a member of Parliament, identifying with these constituents, since their problems are not really related to those experienced by the rest of the riding of Portneuf. So, no matter how hard I try, I must face the fact that those people would be better served if they belonged to the neighbouring riding, strictly on the basis of geography, of belonging to one municipality rather than to another, of commuting to one's work place, etc.

• (1625)

Because of the proposal before us regarding the electoral map, in the next election, if any, these people will now be part of the neighbouring riding further east. But that is not the only sacrilege, if I may use that term, that we can see in the electoral map of the riding of Portneuf. At the other end, on the west side, I have two municipalities that belong to the RCM of Mékinac. These are people who deal particularly with municipalities in the neighbouring riding of Champlain.

Here again, we see the problems with relations and services. For instance, if these people have to deal with the Canada Employment Centre, they will not go to the office in Portneuf, but to the one from the neighbouring riding. And, of course, it is still possible to communicate with that employment centre, but that increases the paperwork. In fact, yours truly has to interact with four employment centres. That is a lot a employment centres, a lot of people to get to know, a lot of contacts to make and to maintain. Ultimately, that creates a waste of time, a waste of effectiveness, and citizens are not being served as well as they could be otherwise.

In fact, just recently, at the beginning of the break preceding Easter, I had the opportunity, with my colleague from the riding of Champlain, to meet the council of the municipality of Lac–aux–Sables. One night, two members of Parliament and a municipal council met at Lac–aux–Sables to consider the possibility of letting my colleague assume my responsibilities at the employment centre and in other organizations in his riding since, for reasons of distance, it would be easier for him than it would be for me to assume those responsibilities for residents of Lac–aux–Sables. My intention was not to give up on those responsibilities but simply to rely on a colleague that I fully trusted and who would be in a better position than I to carry out those responsibilities from day to day.

We discussed the issue. I must stress that the meeting was held at the request of the municipal council. After a long and useful discussion, we came to the conclusion that it would actually be much simpler for the constituents of my riding to be served by the member of the neighbouring county because their belonging,

their spirit, their culture, their ways, their communications were closer to the neighbouring riding.

However, the new proposal regarding the electoral map that we are discussing does not mention anything about that municipality and perhaps the neighbouring municipality becoming part of the neighbouring riding. I want to say, and I might conclude on that, that when a review of the electoral map takes place, it might not be a bad idea for those who are working in office buildings to come and visit the various ridings, to go into the field and see where the real borders are between people.

Again, an electoral map is not a piece of paper with straight borders running across. A riding is made up of people. Those people have needs and I am sure that it would be very easy to communicate with the member from each riding and the members from neighbouring ridings to see how people could be better served.

• (1630)

The decision on where to draw the line has nothing to do with the number of constituents. The basis representation is not only a matter of numbers, but also, and more importantly, of culture and cohesion among people. I think I have spent the 10 minutes I had. I would like to thank the House for listening and I hope that it will listen as carefully to the following speakers.

Mr. Jean–Paul Marchand (Québec–Est): Mr. Speaker, I was anxious to rise and speak on Bill C–18, a bill that proposes a review of electoral boundaries. I must say that the current proposals for readjustment are very favourable to my riding of Québec–Est, since it would add to it the beautiful town of Loretteville. Québec–Est is a rather large riding with about 80,000 voters, which also includes the two small municipalities of Vanier and Ancienne–Lorette. They are within the territory of Quebec City, the capital of the future country of Quebec. It is entirely logical to add Loretteville to the riding of Québec–Est.

One of my problems is with the name Québec–Est, because the riding is not on the east side of Quebec City, but rather to the northwest. The name has been kept for the sake of tradition, because the riding has a long history. Several Prime Ministers were born in that riding and at least one has represented it. This is a riding I love, a riding I am proud to represent.

I have no objection to taking Loretteville, that would be an asset for the riding. Québec–Est does not have the ski runs of the Laurentians, we do not have the Rockies, we do not have any geographical feature which would set us apart, but we have a quality of people second to none in Quebec or Canada. It is important to talk of the quality of the people, because a riding links groups together, and in this case it links three municipalities which work well together, and have a special drive because of the quality of the people.

In the town of Ancienne–Lorette—a town I like, and where I live—there is a group called *Solidarité Emplois*. It was set up by two retired persons, Mr. Dubé and Mr. Déry who said: "We are fed up with unemployment. We are not going to wait for the Liberal Party to do something, because when the time comes to create employment you don't wait for the government. We are going to act now".

• (1635)

These people have put in place a program called "Solidarité–Emploi". They have brought together a number of volunteers and have made representations to find unemployed people in the city of L'Ancienne–Lorette. With the assistance of volunteers, they have found some employers and served as contacts between the employers and the unemployed. This is what a number of people in L'Ancienne–Lorette, in my riding of Québec–Est, have achieved.

This is an example of the quality of the people who live in Québec–Est. Surely we could add the city of Loretteville because I have no objection to this revision of the electoral map.

The other example comes from the town of Vanier. The town of Vanier is completely surrounded by Quebec City. This is a small municipality which is pretty dynamic. Vanier also has its own problems of unemployment, among others. Perhaps it is one of the municipalities which has to struggle the most against unemployment and yet, it surprisingly shows lots of dynamism.

There is a particular organization called "l'ADEC–V". We still have volunteers, some good citizens of Vanier, who campaign every year to raise funds to help people on welfare and give Christmas gifts and food baskets to the needy.

In this group called l'ADEC–V run by a certain Mr. Lemoyne, there are 65 volunteers who carry on a whole series of activities all year round.

Mr. Boudria: Mr. Speaker, I apologize for interrupting a Franco–Ontarian colleague in such a flight of oratory. However, I invoke the rule of relevance, citation 459 in Beauchesne, which says that members persistent repetition or raise issues which clearly have nothing to do with the bill being considered.

It is very interesting to hear him talk about volunteers from his riding, but we must admit that it is just a little too much. This is stretching things out.

The Acting Speaker (Mr. Kilger): I am sure that other members were wondering if this was relevant. I am also sure that the member from Québec–Est is soon going to show the connection and come back to the issue under consideration.

Mr. Marchand: Thank you, Mr. Speaker. You are quite right and I applaud your great wisdom! I was coming to that. I was going to make the connection between these eminent individuals who live in the riding of Québec–Est and stress with great emphasis how important it is not to change the electoral map

without thinking about it for a while. As we well know, it could have disastrous effects.

In the past, it had disastrous effects and because of changes in the electoral map, people had to get used to a new riding. As we know, it takes years to build a riding such as Québec–Est.

I do not disagree with the planned electoral boundaries readjustment since in my case, Loretteville would be added to my riding, and I welcome this change.

• (1640)

It is obvious that reviewing electoral boundaries takes much longer than 12 months; it takes at least two years. And it requires a lot of serious thinking. We know that the only reason why the Reform Party is putting forward this motion to conduct this review in 12 months is because it wants to take advantage of these changes as soon as possible. Twelve months. In the next election, they could even—As we know, they hope to win more seats.

At any rate, I submit that it takes a minimum of two years to review any changes in the electoral boundaries and that it would give the Reform Party a bit more time to refine its parliamentary strategies so that in two years, when those changes are made, it might actually win more seats. As it stands today, should an election be called, it could lose some of its most important members.

In conclusion, I would say that this bill is very important and that we need at least 24 months to make sure that the readjustment process is fair and equitable. I thank you for your attention.

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

Some hon. members: No.

Mrs. Madeleine Dalphond–Guiral (Laval–Centre): Mr. Speaker, electoral boundaries readjustment, be it in Canada or in Quebec, even though always the result of logical decisions that could be based on questions of demographic or geographic balance, is nonetheless never sheltered from what can be called the "political touch". Indeed, only the magic touch would explain some of these readjustments, but I am not one to get shocked at such things.

As you know, Mr. Speaker, I have represented Laval–Centre here since October 25, 1993. Laval, the second biggest city in Quebec, now encompasses three federal ridings, named very logically. In the east, there is Laval–East; in the centre, Laval–Centre, and in the west—yes, you guessed it, Mr. Speaker—Laval–West. This electoral boundaries distribution within Laval redressed a previous rather absurd situation in which the Laval–des–Rapides constituency was partly in Laval and partly in Montreal. This great riding was separated—what an ugly word—by the Back River, or Rivière–des Prairies, that no one could swim across. The river was not an example of pollution clean–up in those days nor is it today.

To see our member of Parliament, we had two options: cross the bridge or watch TV. Mind you, the then member for Laval–des–Rapides, who also sat in your chair all those years, did a remarkable job. Like you, Mr. Speaker, she was a TV star. However, when I look at the distribution within Laval proposed by the reform which Bill C–18 would suspend, I am surprised that some strange particularities are maintained. I will come back to that at the end of my speech.

This debate is not about the need to review the distribution of electoral boundaries but about the need to rush into some minor and some major adjustments.

• (1645)

According to Mr. Bernard, distinguished professor of political science at the Université du Québec in Montreal, it is impossible to create several identical ridings; some will have more affluent constituents, some will be more rural. An unbalanced distribution of constituents among the ridings will be advantageous for some parties at the expense of others.

Laval is a region with a total area of little more than 250 square kilometres, but 315,000 people live on that small territory. A third of the labour force works off the island.

Are the three ridings in Laval similar? No, Mr. Speaker. Of the three, Laval Centre is undoubtedly the most urbanized, but the poorest.

The majority of households in Laval Centre rent their housing; over there, they celebrate Canada Day by moving. Just think, between 1988 and 1991, 50 per cent of the population in Laval Centre changed address. I am sure that in the neighbouring riding of Laval West, represented by the Minister of Canadian Heritage, they must celebrate Canada Day differently.

Social and economic conditions in Laval Centre are the worst in the region. The education level is slightly lower and, with the large number of single individuals and one–parent families, 20 per cent of the population of Laval Centre lived below the poverty line in 1990.

To believe one can form equal ridings in Laval is wishful thinking.

I have no problem in saying, as Professor Bernard did, that the desire to reduce inequalities among ridings while preserving the benefits their party could derive from it has created and is still creating important problems for lawmakers.

For political reasons the riding of Laval–des–Rapides has straddled a river for a long time. The same political considerations probably explain why the border between Laval East and Laval Centre, a border everybody knows in Laval, is the Boulevard des Laurentides, but this border stops abruptly, right between two Hydro–Québec power lines.

Would you believe that this enclave is located west of the Boulevard des Laurentides. It is part of Laval East. Does this make sense? I bet you could not find one voter in that area who could make sense of it.

Democracy requires that citizens fully participate in the making of decisions which affect their community. Whether it is through their representatives in Parliament, such as all of us, or through public consultations, Canadians and Quebeckers have the right to be heard and I have no doubt that this Parliament will be listening to them.

[*English*]

The Acting Speaker (Mr. Kilger): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Mégantic—Compton—Stanstead, Federal Deficit; the hon. member for Brome—Missisquoi, Old Age Security; the hon. member for Richelieu, Rights of Francophones; the hon. member for Kamouraska—Rivière-du-Loup, Unemployment; the hon. member for Hochelaga—Maisonneuve, Human Rights.

• (1650)

[*Translation*]

Mr. Gaston Péloquin (Brome—Missisquoi): Mr. Speaker, today's debate on electoral boundaries readjustments brings out two basic elements of the mini-reform the governments wants us to swallow. There are two things that really bother me in all of this. Although I really wonder about the very relevance of today's debate, I must say that I am more than puzzled by the provisions and directions stipulated in Bill C-18. I have a feeling that not only is the Liberal government not doing much, but it has the bad habit of going backwards.

First, let us talk about the relevance for us, members of Parliament, to go over the readjustment of Canadian electoral boundaries. I really wonder if this issue is very high on the list of priorities of most Canadians. The government brags about listening to the people. The Liberals hold public briefings and national consultations in order to establish their priorities and we end up today, in this House, discussing the number of ridings we should have in Canada. What a crucial debate that is for the political, economic and social future of our country.

Has the minister taken part in these public consultations? If not, there must be some way to provide him with a report on these hearings. If so, then it is very disturbing. Either the consultations took place on another planet or the minister does not give a damn about what Canadians think. If the minister asked the people of Brome—Missisquoi what the federal government's priorities should be, I do not think that many would say the readjustment of electoral boundaries. I want to tell the minister that the people want the government to take action, and what the real priorities they would like to see on the agenda of the House are.

I will conclude by appealing to the reason of a government which seems to have no more compassion. The issues that should be discussed in this House are job creation, control of expenditures and preservation of social programs. The slow economic recovery, the astronomical unemployment rate and the disastrous state of public finances should convince the government of the need to act quickly. And if, despite everything, the government sticks to its idea of electoral boundaries readjustment, let us at least hope that it will do it intelligently and reduce, not increase, the number of members of Parliament. Thank you, Mr. Speaker.

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, like many of my colleagues in the Bloc Quebecois, I also consulted the people I represent in the riding of Chicoutimi on the proposal made by the electoral boundaries commission for Quebec. So that you know exactly what I am talking about, Mr. Speaker, and I will be brief because I know that time is nearly up, the riding of Chicoutimi is made up of seven municipalities.

• (1655)

They are, of course, the cities of Chicoutimi and La Baie, and the five rural municipalities of Ferland-Boileau, Saint-Félix-d'Otis, Rivière-Éternité, Anse-Saint-Jean and Petit-Saguenay.

Under the commission's proposal, these five rural municipalities that make up the area called Lower Saguenay would be taken away from the riding of Chicoutimi and added to the riding of Jonquière.

Each one of these municipalities refuses categorically to become part of another riding. There are many reasons for that. The riding of Chicoutimi has two major economic centres, namely the cities of Chicoutimi and La Baie. The municipalities of Lower Saguenay have always been economically associated with the city of La Baie. Several services located in La Baie are provided to residents of Lower Saguenay. I will list only a few examples: the Canada Employment Centre, the Small Business Development Centre, La Baie Hospital.

Moreover, the Lower Saguenay municipalities had set up services in which they had invested time and money, like the Chamber of Commerce, the Société touristique du Fjord and the Société de développement de La Baie. Excluding these municipalities from these organizations because they do not belong any

more to the riding of Chicoutimi would jeopardize their entire economic and tourist development.

People in the riding of Chicoutimi have been working for years to reduce the very high unemployment we have in our area. So, for them, electoral boundaries readjustment is not a problem. They want those millions of dollars to be used to find ways of reducing unemployment.

These five municipalities have been working together for a long time on these matters which are essential to their development. unemployment now stands at 16 per cent, and that is what the people of Chicoutimi want us to talk about. They want solutions. That is the reality, Mr. Speaker.

For decades, they trusted the Liberals and the Conservatives. Today, they have had enough. They want to work. They are tired. They are fed up with being overtaxed. So, it is time to stop the futile debates in this House and to tackle these problems first of all.

My constituents in the riding of Chicoutimi are fed up with seeing their purchasing power diminish, which causes more unemployment. They have enough of all the obstacles those two political parties and the former governments invented in the last 30 years to put a damper on job creation in small and medium–sized businesses.

In the Saguenay—Lac–Saint–Jean region, those governments have caused an exodus of young people by stripping them of all hope of survival in their region, because we do not get our fair share of R and D. Both governments have neglected regions like mine. Those are the problems, Mr. Speaker, which my constituents and taxpayers in Chicoutimi want us to talk about.

• (1700)

[*English*]

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76(8), a recorded division on the motion stands deferred.

The next question is on motion No. 2. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76(8), a recorded division on the proposed motion stands deferred.

The House will now proceed to the taking of the deferred divisions on Bill C–18, an act to suspend the operation of the Electoral Boundaries Readjustment Act. We will vote on the deferred motions as listed on the Order Paper. The first vote will be on motion No. 1.

Call in the members.

(The House divided on the motion, which was negatived on the following division:

(*Division No. 26*)

YEAS

Members

Abbott	Ablonczy
Althouse	Benoit
Breitkreuz (Yellowhead)	Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)	Cummins
de Jong	Duncan
Epp	Forseth
Frazer	Gilmour
Gouk	Grey (Beaver River)
Hanger	Hanrahan
Harper (Calgary West)	Harper (Simcoe Centre)
Harris	Hart
Hayes	Hermanson
Hoeppner	Johnston
Manning	Mayfield
McClelland (Edmonton Southwest)	Meredith
Mills (Red Deer)	Morrison
Penson	Riis
Ringma	Robinson
Schmidt	Scott (Skeena)
Solberg	Solomon
Strahl	Taylor
Thompson	White (Fraser Valley West)
White (North Vancouver)	Williams—46

NAYS

Members

Adams	Alcock
Allmand	Anderson
Arseneault	Assad
Assadourian	Asselin
Augustine	Axworthy (Winnipeg South Centre)
Bachand	Baker
Barnes	Beaumier
Bellehumeur	Bellemare
Berger	Bergeron
Bernier (Beauce)	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Bertrand
Bethel	Bevilacqua
Bhaduria	Blondin–Andrew
Bodnar	Bonin
Bouchard	Boudria
Brown (Oakville—Milton)	Brushett
Bryden	Bélair
Calder	Canuel
Caron	Catterall
Cauchon	Chamberlain
Chan	Chrétien (Frontenac)
Chrétien (Saint–Maurice)	Clancy
Cohen	Collenette
Collins	Comuzzi
Copps	Cowling
Crawford	Crête
Culbert	Dalphond–Guiral
Daviault	de Savoye
Deshaies	DeVillers
Dhaliwal	Dromisky
Dubé	Duceppe
Duhamel	Dumas
Easter	Fillion
Finlay	Flis
Fontana	Fry
Gaffney	Gagliano
Gagnon (Bonaventure—Îles–de–la–Madeleine)	Gagnon (Québec)
Gallaway	Gauthier (Ottawa—Vanier)
Gauthier (Roberval)	Gerrard
Godfrey	Godin
Graham	Gray (Windsor West)
Grose	Guarnieri
Guay	Guimond
Harvard	Hickey
Hopkins	Hubbard
Ianno	Iftody
Irwin	Jackson
Jacob	Jordan
Keyes	Knutson
Kraft Sloan	Landry
Langlois	Laurin
Lavigne (Beauharnois—Salaberry)	Lavigne (Verdun—Saint–Paul)
Lebel	LeBlanc (Cape Breton Highlands—Canso)
Leblanc (Longueuil)	Lee
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Lincoln	Loney
Loubier	MacAulay
MacDonald	MacLellan (Cape Breton—The Sydneys)
Malhi	Maloney
Manley	Marchand
Marchi	Marleau
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest)
McTeague	McWhinney
Mercier	Milliken
Minna	Mitchell
Murphy	Murray
Ménard	Nault
Nunez	O'Brien
O'Reilly	Ouellet
Pagtakhan	Parrish
Paré	Patry
Payne	Peric
Peters	Phinney
Picard (Drummond)	Pickard (Essex—Kent)
Plamondon	Pomerleau
Proud	Péloquin
Reed	Regan
Richardson	Rideout
Ringuette–Maltais	Robichaud
Rocheleau	Rompkey
Sauvageau	Serré
Shepherd	Sheridan
Simmons	Skoke
Speller	St–Laurent
Steckle	Stewart (Brant)
Szabo	Telegdi
Terrana	Thalheimer
Tobin	Torsney
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Ur	Valeri
Vanclief	Venne
Verran	Volpe
Walker	Wells
Whelan	Zed—190

PAIRED MEMBERS

Brien	Bélisle
Debien	Fewchuk
Lalonde	Lefebvre
Martin (LaSalle—Émard)	Mills (Broadview—Greenwood)
Peterson	Young

● (1745)

The Speaker: I declare Motion No. 1 lost.

Mr. Gagliano: Mr. Speaker, I think you will find unanimous consent to apply the vote we just took to the remaining motions in amendment plus the report stage.

[*Translation*]

Mr. Massé: I rise on a point of order, Mr. Speaker. I was not here for the first vote, but I would like to participate in the second one if I may.

[*English*]

The Speaker: Hon. members have heard the proposal. Is there unanimous consent?

Some hon. members: Agreed.

Mr. Hermanson: Mr. Speaker, just to make it clear, we are supporting the second vote on the motions; only the vote on the report stage would be reversed. I think we better make that clear.

The Speaker: It is absolutely clear.

(The House divided on Motion No. 2, which was negatived on the following division:)

(*Division No. 27*)

YEAS

Members

Abbott	Ablonczy
Althouse	Benoit
Breitkreuz (Yellowhead)	Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)	Cummins
de Jong	Duncan
Epp	Forseth
Frazer	Gilmour
Gouk	Grey (Beaver River)
Hanger	Hanrahan
Harper (Calgary West)	Harper (Simcoe Centre)
Harris	Hart
Hayes	Hermanson
Hoeppner	Johnston
Manning	Mayfield
McClelland (Edmonton Southwest)	Meredith
Mills (Red Deer)	Morrison
Penson	Riis

Ringma
Schmidt
Solberg
Strahl
Thompson
White (North Vancouver)
Robinson
Scott (Skeena)
Solomon
Taylor
White (Fraser Valley West)
Williams—46

NAYS

Members

Adams
Allmand
Arseneault
Assadourian
Augustine
Bachand
Barnes
Bellehumeur
Berger
Bernier (Beauce)
Bernier (Mégantic—Compton—Stanstead)
Bethel
Bhaduria
Bodnar
Bouchard
Brown (Oakville—Milton)
Bryden
Calder
Caron
Cauchon
Chan
Chrétien (Saint-Maurice)
Cohen
Collins
Copps
Crawford
Culbert
Daviault
Deshaies
Dhaliwal
Dubé
Duhamel
Easter
Finlay
Fontana
Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gallaway
Gauthier (Roberval)
Godfrey
Graham
Grose
Guay
Harvard
Hopkins
Ianno
Irwin
Jacob
Keyes
Kraft Sloan
Langlois
Lavigne (Beauharnois—Salaberry)
Lebel
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Lincoln
Loubier
MacDonald
Malhi
Manley
Marchi
Massé
McGuire
McLellan (Edmonton Northwest)
McWhinney
Milliken
Mitchell
Murray
Nault
O'Brien
Ouellet
Parrish
Patry
Peric
Phinney
Pickard (Essex—Kent)
Pomerleau
Alcock
Anderson
Assad
Asselin
Axworthy (Winnipeg South Centre)
Baker
Beaumier
Bellemare
Bergeron
Bernier (Gaspé)
Bertrand
Bevilacqua
Blondin-Andrew
Bonin
Boudria
Brushett
Bélair
Canuel
Catterall
Chamberlain
Chrétien (Frontenac)
Clancy
Collenette
Comuzzi
Cowling
Crête
Dalphond-Guiral
de Savoye
DeVillers
Dromisky
Duceppe
Dumas
Fillion
Flis
Fry
Gagliano
Gagnon (Québec)
Gauthier (Ottawa—Vanier)
Gerrard
Godin
Gray (Windsor West)
Guarnieri
Guimond
Hickey
Hubbard
Iftody
Jackson
Jordan
Knutson
Landry
Laurin
Lavigne (Verdun—Saint-Paul)
LeBlanc (Cape Breton Highlands—Canso)
Lee
Leroux (Shefford)
Loney
MacAulay
MacLellan (Cape Breton—The Sydneys)
Maloney
Marchand
Marleau
McCormick
McKinnon
McTeague
Mercier
Minna
Murphy
Ménard
Nunez
O'Reilly
Pagtakhan
Paré
Payne
Peters
Picard (Drummond)
Plamondon
Proud
Péloquin
Regan
Rideout
Robichaud
Rompkey
Serré
Sheridan
Skoke
St-Laurent
Stewart (Brant)
Telegdi
Thalheimer
Torsney
Tremblay (Rosemont)
Valeri
Venne
Volpe
Wells
Zed—191
Reed
Richardson
Ringuette-Maltais
Rocheleau
Sauvageau
Shepherd
Simmons
Speller
Steckle
Szabo
Terrana
Tobin
Tremblay (Rimouski—Témiscouata)
Ur
Vanclief
Verran
Walker
Whelan

PAIRED MEMBERS

Brien
Debien
Lalonde
Martin (LaSalle—Émard)
Peterson
Bélisle
Fewchuk
Lefebvre
Mills (Broadview—Greenwood)
Young

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada) moved that the bill be concurred in.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 28*)

YEAS

Members

Adams
Allmand
Arseneault
Assadourian
Augustine
Bachand
Barnes
Bellehumeur
Berger
Bernier (Beauce)
Bernier (Mégantic—Compton—Stanstead)
Bethel
Bhaduria
Bodnar
Bouchard
Brown (Oakville—Milton)
Bryden
Calder
Caron
Cauchon
Chan
Chrétien (Saint-Maurice)
Cohen
Collins
Copps
Crawford
Culbert
Daviault
Deshaies
Dhaliwal
Dubé
Duhamel
Easter
Finlay
Alcock
Anderson
Assad
Asselin
Axworthy (Winnipeg South Centre)
Baker
Beaumier
Bellemare
Bergeron
Bernier (Gaspé)
Bertrand
Bevilacqua
Blondin-Andrew
Bonin
Boudria
Brushett
Bélair
Canuel
Catterall
Chamberlain
Chrétien (Frontenac)
Clancy
Collenette
Comuzzi
Cowling
Crête
Dalphond-Guiral
de Savoye
DeVillers
Dromisky
Duceppe
Dumas
Fillion
Flis

Fontana
Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gallaway
Gauthier (Roberval)
Godfrey
Graham
Grose
Guay
Harvard
Hopkins
Ianno
Irwin
Jacob
Keyes
Kraft Sloan
Langlois
Lavigne (Beauharnois—Salaberry)
Lebel
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Lincoln
Loubier
MacDonald
Malhi
Manley
Marchi
Massé
McGuire
McLellan (Edmonton Northwest)
McWhinney
Milliken
Mitchell
Murray
Nault
O'Brien
Ouellet
Parrish
Patry
Peric
Phinney
Pickard (Essex—Kent)
Pomerleau
Péloquin
Regan
Rideout
Robichaud
Rompkey
Serré
Sheridan
Skoke
St-Laurent
Stewart (Brant)
Telegdi
Thalheimer
Torsney
Tremblay (Rosemont)
Valeri
Venne
Volpe
Wells
Zed—191

Fry
Gagliano
Gagnon (Québec)
Gauthier (Ottawa—Vanier)
Gerrard
Godin
Gray (Windsor West)
Guarnieri
Guimond
Hickey
Hubbard
Iftody
Jackson
Jordan
Knutson
Landry
Laurin
Lavigne (Verdun—Saint-Paul)
LeBlanc (Cape Breton Highlands—Canso)
Lee
Leroux (Shefford)
Loney
MacAulay
MacLellan (Cape Breton—The Sydneys)
Maloney
Marchand
Marleau
McCormick
McKinnon
McTeague
Mercier
Minna
Murphy
Ménard
Nunez
O'Reilly
Pagtakhan
Paré
Payne
Peters
Picard (Drummond)
Plamondon
Proud
Reed
Richardson
Ringuette-Maltais
Rocheleau
Sauvageau
Shepherd
Simmons
Speller
Steckle
Szabo
Terrana
Tobin
Tremblay (Rimouski—Témiscouata)
Ur
Vanclief
Verran
Walker
Whelan

NAYS

Members

Abbott
Althouse
Breitkreuz (Yellowhead)
Brown (Calgary Southeast)
de Jong
Epp
Frazer
Gouk
Hanger

Ablonczy
Benoit
Breitkreuz (Yorkton—Melville)
Cummins
Duncan
Forseth
Gilmour
Grey (Beaver River)
Hanrahan

Harper (Calgary West)
Harris
Hayes
Hoeppner
Manning
McClelland (Edmonton Southwest)
Mills (Red Deer)
Penson
Ringma
Schmidt
Solberg
Strahl
Thompson
White (North Vancouver)

Harper (Simcoe Centre)
Hart
Hermanson
Johnston
Mayfield
Meredith
Morrison
Riis
Robinson
Scott (Skeena)
Solomon
Taylor
White (Fraser Valley West)
Williams—46

PAIRED MEMBERS

Brien
Debien
Lalonde
Martin (LaSalle—Émard)
Peterson

Bélisle
Fewchuk
Lefebvre
Mills (Broadview—Greenwood)
Young

* * *

● (1750)

BUDGET IMPLEMENTATION ACT, 1994

The House resumed from April 11 consideration of the motion that Bill C–17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994, be read the second time and referred to a committee; and of the amendment.

The Speaker: Pursuant to Standing Order 45(5)(a), the House will now proceed to the taking of the deferred division on the amendment.

The question is on the amendment.

The House divided on the amendment, which was negatived on the following division:

(*Division No. 29*)

YEAS

Members

Althouse
Bachand
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Canuel
Chrétien (Frontenac)
Dalphond-Guiral
de Jong
Deshaies
Duceppe
Fillion
Gauthier (Roberval)
Guay
Jacob
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Shefford)
Marchand
Ménard
Paré
Plamondon
Péloquin
Robinson
Sauvageau
St-Laurent
Tremblay (Rimouski—Témiscouata)
Venne—55

Asselin
Bellehumeur
Bernier (Gaspé)
Bouchard
Caron
Crête
Daviault
de Savoye
Dubé
Dumas
Gagnon (Québec)
Godin
Guimond
Landry
Laurin
Lebel
Leroux (Richmond—Wolfe)
Loubier
Mercier
Nunez
Picard (Drummond)
Pomerleau
Riis
Rocheleau
Solomon
Taylor
Tremblay (Rosemont)

NAYS

Members

Abbott	Ablonczy
Adams	Alcock
Allmand	Anderson
Arseneault	Assad
Assadourian	Augustine
Axworthy (Winnipeg South Centre)	Baker
Barnes	Beaumier
Bellemare	Benoit
Berger	Bernier (Beauce)
Bertrand	Bethel
Bevilacqua	Bhaduria
Blondin–Andrew	Bodnar
Bonin	Boudria
Breitkreuz (Yellowhead)	Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)	Brown (Oakville—Milton)
Brushett	Bryden
Bélair	Calder
Catterall	Cauchon
Chamberlain	Chan
Chrétien (Saint–Maurice)	Clancy
Cohen	Collenette
Collins	Comuzzi
Copps	Cowling
Crawford	Culbert
Cummins	DeVillers
Dhaliwal	Dromisky
Duhamel	Duncan
Dupuy	Easter
Epp	Finlay
Flis	Fontana
Forseth	Frazer
Fry	Gaffney
Gagliano	Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gallaway	Gauthier (Ottawa—Vanier)
Gerrard	Gilmour
Godfrey	Gouk
Graham	Gray (Windsor West)
Grey (Beaver River)	Grose
Guarnieri	Hanger
Hanrahan	Harper (Calgary West)
Harper (Simcoe Centre)	Harris
Hart	Harvard
Hayes	Hermanson
Hickey	Hoeppner
Hopkins	Hubbard
Ianno	Iftody
Irwin	Jackson
Johnston	Jordan
Keyes	Knutson
Kraft Sloan	Lavigne (Verdun—Saint–Paul)
LeBlanc (Cape Breton Highlands—Canso)	Lee
Lincoln	Loney
MacAulay	MacLellan (Cape Breton—The Sydneys)
Malhi	Maloney
Manley	Manning
Marchi	Marleau
Massé	Mayfield
McClelland (Edmonton Southwest)	McCormick
McGuire	McKinnon
McLellan (Edmonton Northwest)	McTeague
McWhinney	Meredith
Milliken	Mills (Red Deer)
Minna	Mitchell
Morrison	Murphy
Murray	Nault
O'Brien	O'Reilly
Ouellet	Pagtakhan
Parrish	Patry
Payne	Penson
Peric	Peters
Phinney	Pickard (Essex—Kent)
Proud	Reed
Regan	Richardson
Rideout	Ringma
Ringuette–Maltais	Robichaud
Rompkey	Schmidt
Scott (Skeena)	Serré
Shepherd	Sheridan
Simmons	Skoke
Solberg	Speller
Steckle	Stewart (Brant)
Strahl	Szabo
Telegdi	Terrana
Thalheimer	Thompson
Tobin	Torsney
Ur	Valeri
Vanclief	Verran
Volpe	Walker
Wells	Whelan
White (Fraser Valley West)	White (North Vancouver)
Williams	Zed—182

PAIRED MEMBERS

Brien	Bélisle
Debien	Fewchuk
Lalonde	Lefebvre
Martin (LaSalle—Émard)	Mills (Broadview—Greenwood)
Peterson	Young

● (1800)

The Speaker: I declare the amendment lost.

The House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

PRODUCT PACKAGING

Mr. Rey D. Pagtakhan (Winnipeg North) moved:

That, in the opinion of this House, the government should seek to ensure that all manufacturers of foods and beverages be required to print "best before" and expiration dates clearly and legibly on the outside of the product packaging in a non–encoded format.

He said: Mr. Speaker, I rise today to encourage each member to support Motion No. 217.

Simply put, this motion is about the integrity of Canadian food in terms of freshness information, quality and health safety, as well as the interests of food manufacturers.

Where safety is the primary concern, an expiration date is critical. Products which pass their expiration date must be removed from the shelves. This applies primarily to vitamin products and single source foods which supply basic nutrition such as infant formula. The problem in the latter case may be one of loss of vital nutritional quality which could seriously affect the health of infants.

I would like to focus, however, the remainder of my debate on the issue of best–before dates. But whether we speak of best–before or expiration dates, it is in the best interests of all that they meet the standards of quality and legibility. It is also important that these dates not appear in a coded format. They must be easy for consumers to interpret.

• (1805)

The motion represents in this sense a win–win situation for all parties concerned. It is an opportunity for the House to assume a leadership role on behalf of both the welfare of Canadian consumers and the competitive interests of Canadian industry.

At stake here is nothing less than the consumer confidence of a solid majority of Canadians. They would like to be assured that the foods and beverages they consume are safe, nutritious and wholesome. They would like to be assured that subtle and unseen defects in food quality are made known to them before more obvious, visible changes occur. They would like to be reassured that securing the integrity of Canadian food is given top priority by government.

The printing of best–before and expiry dates clearly and legibly on all products in a format easily understood by all is something Canadians should be able to claim as a right.

Currently food and beverage manufacturers are required to place best–before dates only on products with a shelf life or so–called durable life of 90 days or less, that is on most perishable goods. Yet as far back as 1987 consumers had expressed their wish to see date marking extended to canned and frozen foods which currently are often exempt from such requirements.

This consumer interest has not abated. A survey conducted in 1993 by the Grocery Products Manufacturers' Association of Canada showed that 97 per cent of consumers looked at best–before dates when buying a food product for the first time. Recent statistics therefore make the case for the motion before us more compelling and timely.

Many consumers groups including the Consumers' Association of Canada actively support the extension of date marking to all foods. The association has even gone one step further, supporting the view that prepackaged foods with a shelf life of less than 90 days should also bear a packaging date indicating when the product was first placed in its container and offered for sale.

Given the clear desire expressed by the consumers group for better, more comprehensive freshness information, and given that business thrives best when consumers wishes are met, one would expect the food industry's response to be one of voluntary compliance. This regrettably has not happened yet.

The Canadian industry's stance has to be revisited, particularly in light of the globalization of markets. It is known that European industries offer precisely what consumers want and expect where date marking is concerned.

The government, in the nation's interest should ask how would Canadian food products without the desired changes in date markings as alluded to earlier eventually compete with imported products? Industry representatives have cited cost, wastage of products and the need for consumer education as reasons for their opposition to a new date marking system.

These are valid arguments, but I would ask these business people to consider the possibility that if consumers are able to access imported foods bearing more detailed dating information they may simply purchase these imported items rather than those made in Canada.

In other words, these food industry representatives may ultimately do themselves a disservice by allowing cost associated with implementing a new dating system to prevent them from honouring consumers' wishes. A new date marking system would best ensure competitiveness that in the end would allow for recovery of attendant costs.

I am encouraged that industry officials who participated in a recent Food and Drugs Act regulatory review stated their commitment to respond to consumers' preferences. This is a positive sign. At the same time I am discouraged that manufacturers are not yet providing on a voluntary basis the information consumers want.

• (1810)

Since current Food and Drugs Act regulations are not meeting consumer demands this House should indicate its support for regulatory change. That quite simply is the purpose of this motion.

I would like to call to the attention of the House the three recent documents relevant to this motion that have been produced. This is a three volume document titled *A Strategic Direction for Change—A Review of the Regulations under the Food and Drugs Act*. I have here two of the volumes. These were recently completed by the health protection branch of Health and Welfare Canada in consultation with the former Department of Consumer and Corporate Affairs whose food labelling function has since been transferred to the Department of Agriculture and Agri–Food Canada.

The first two volumes of this thorough one–year review of the regulations under the Food and Drugs Act were released last November and December respectively. The proposed implementation plan, volume three, was released just last month. I am encouraged that the proposed implementation plan addresses some of the desired ends of the motion. However, I believe more can be done and soon.

The implementation plan is disappointing on several counts. It states that the government will only "support the use of best–before dating on other products with a durable life of more than 90 days on a voluntary basis".

The revocation of durable life date exemptions for commissary foods and prepackaged doughnuts are the only concrete

steps taken to extend the best–before requirements. This is not enough. These requirements must be extended to all products.

In fact other parts of the plan state that in the course of drafting new regulations, the health protection branch will merely review current practices and consider requiring, dates on low acid or previously frozen foods. The words supporting, reviewing and considering, though well–intentioned, do not spell action to the consumer. Consumers want action, and now. To wait until October 1995 for prepublication of the new Food and Drugs Act regulations, as the proposed implementation plan calls for, will not give timely justice to the issue.

Admittedly there are some who would argue that they would not like to see yet another regulatory burden placed on Canadian businesses. This motion makes the case that this so–called regulatory burden would in fact be a regulatory blessing not only to consumers but to businesses as well. We have a responsibility as a nation to champion the causes of both private and corporate citizens.

Fellow members, recognize that limiting manufacturers' obligations to print best–before expiry dates shifts the burden of making informed purchases to the consumers. Recognize that Canada has an obligation to ensure its consumers are able to access superior products, preferably those manufactured in Canada, in their markets. Recognize as well that we, elected representatives, have an obligation to institute regulations which protect private and corporate interests. Recognize further that we have a duty to regulate in the national interest.

Permit me therefore to cite a specific example of an instance in which a better date marking system could benefit Canadian consumers. A man goes to a grocery store and purchases a jar of tomato sauce. The jar does not display a best–before date as it has a shelf life longer than 90 days if unopened.

One night the man opens the jar, pours out half of its contents and returns the remainder to his refrigerator. Several days later he re–opens the jar and notices that its contents have a foul odour. He examines the jar thoroughly to see whether its label contains any shelf life information. He finds none. What he does find is a cryptic string of numbers and letters on a remote corner of the label. The code reads: STD 10 305 N3 E500.

He calls a phone number on the label to determine what it means and is told by the operator that the code indicates the jar was processed on the 305th day of 1993. Who would know that, Mr. Speaker? I did not. Its contents if unopen are good from one to one and a half years. However, once opened the sauce has a durable life of just five to seven days but only if the product is kept refrigerated.

• (1815)

The man is angry that he has wasted half a jar of the product. He is angry that he had no way of knowing how long it would retain its freshness without making a phone call. He wonders if other products in his cabinet may be subject to similar spoilage. In essence, he wants to know why manufacturers do not provide more detailed date information about their products in a format consumers can both recognize easily and understand fully. This example is a true to life story as brought to my attention by one of my constituents in Winnipeg North.

It is important to note that there are many other products such as carbonated soft drinks whose durable life is deemed to be longer than 90 days but is shorter than many consumers suspect, just a few months in many cases. As if to acknowledge that fact, Pepsi corporation recently instituted a voluntary date marking system for its diet canned and bottled soft drinks in the United States.

In the absence of such markings, what is to prevent consumers from stocking up on these products only to find they have spoiled in just a few weeks? It is common practice after all for supermarkets to sell particular items at a discount when their stock on those items begins to gather dust.

Again, this underscores the need to extend the practice of best before dating to all foods and beverages regardless of their shelf lives. What I and many consumers would like to see is a standardized label. Consumer groups informed the health protection branch that labels should be consumer friendly, that is clear, understandable and difficult to overlook.

At this time manufacturers of foods with durable lives of less than 90 days are only required to express best before dates as a stream of letters and numbers. The code begins with the last two digits of the year followed by the month expressed as an abbreviation and then the date. The words "best before" must precede the information given.

Presently a container of milk with a best before date of April 12, 1994 would bear the legend "best before 94Al12". The fact is this code may not be comprehensible to other Canadians. What does Al mean? Does 12 mean the twelfth day of the month or the twelfth day of the year? A standard letter, one of a particular colour, shape and size which consumers could immediately locate on all foods and read rather than decipher would provide an anchor for the eyes.

In my own experience I have found containers of milk or juice whose best before dates are smeared, printed in faint or small type or hidden away on a remote part of the product packaging.

It is laudable when government departments undertake an extensive process of consultation with an eye toward improving the regulatory framework of a particular piece of legislation, but

the proposed implementation plan for regulatory reform under the Food and Drugs Act in my opinion could go even further with date marking requirements.

Knowledge, it is often said, is power. We should move to make certain that food manufacturers give consumers the power to make good choices, informed decisions about the foods they buy, bring home and serve to their families.

I urge all members of this House to register their support for motion M–217. Let us demonstrate to the food industry and in effect to all Canadian industries that we in government expect our businesses to remain accountable to the public at large, particularly when discharge of accountability means a return on investments many times over.

At stake here is consumer confidence in the integrity of Canadian food products and the competitiveness of Canadian food producers. We need to make it clear that meeting consumer demands is good business for Canadian business.

• (1820)

[*Translation*]

Mr. Yves Rocheleau (Trois–Rivières): Mr. Speaker, first of all, I wish to commend my colleague from Winnipeg North for this motion which, in my opinion, will greatly benefit consumers in Quebec and Canada without forcing manufacturers to spend outrageous amounts to apply the new practices.

The introduction of this kind of motion is a clear indication of the member's interest, which I share, in the health of consumers and of the regard he has for them.

One must recognize that it is often difficult in this day and age to see and to interpret the labelling on products for sale. So, the House must absolutely ensure that manufacturers of food and beverages be required to print "best before" and expiration dates clearly and legibly in a non–encoded format. The Bloc Quebecois will support the motion. We will do so, Mr. Speaker, for various reasons which I will outline.

All of us in the House are consumers who, when shopping, do not always look for the expiration date, so we can sometimes buy products which are past their prime. This motion will ensure that the expiration date is clearly marked, so consumers will avoid mistakes. Thanks to the improved labelling of food products, from now on consumers will be able to buy only fresh products. Clearly printing a product's expiration date will show consumers that the manufacturer respects his customers and cares about their welfare.

Such a measure would be in line with the management philosophy related to the implementation of "total quality" in our businesses, a philosophy focused on identifying and adequately meeting customers' needs.

Another aspect of the proposed measure is the health of Canadians and Quebeckers. Using products after their expiration dates may be hazardous to one's health and it is our duty to protect the health and welfare of our people. Our children must be able to rely on healthy products that will allow them to develop normally.

A society as advanced as ours must have the means to recognize the freshness of its food products: it is a sign of an advanced society.

But this debate seems paradoxical to me in some respects, given the unacceptable situation faced by hundreds of thousands of Canadians and Quebeckers who live at or below the poverty line, as one would expect in an underdeveloped society. Mr. Speaker, consumers need money to buy—that is of paramount importance.

Mr. Speaker, you will recall that the Liberal Party of Canada made a list of election promises in the famous red book. Indeed, the Liberal government promised Canadians in the election last October to create jobs, real jobs. Where are these real jobs? In the infrastructure program that creates only temporary jobs? What has the government really done? It wants to close the military college in St–Jean, which will cost at least 1,000 jobs. In manpower training, the government refuses to transfer any jurisdiction, funds or staff to the provinces. In income security reform, it will cut $7.5 billion over the next two years from the income of the poorest people in our society and thus cause poverty to increase, while tax shelters that benefit the wealthy are maintained.

The government must keep its promises to the people. It must now take concrete action instead of making pious wishes! Such action would involve not only the clear legible labeling of the freshness of products by manufacturers but also job creation, industrial restructuring, the conversion of military to civilian industry, help for small and medium–sized businesses and the creation of real jobs that will give Quebeckers and Canadians the money they need to buy fresh, clearly labeled products.

We talk about products available on the market, but if people have no money, how can they buy them? The mother who goes shopping for her family every week knows that well. How many mothers must choose what food to buy because they lack money? Parents no longer choose between shoes for the children and a summer vacation, but which child will have a new pair of shoes this year.

In the same vein, what can we say about the dozens of food banks all over Canada that are needed more and more so that thousands of Canadians and Quebeckers can eat regularly? Even worse, the almost permanent nature of these food banks is striking proof of the deep malaise affecting the Canadian economy.

• (1825)

As recently as yesterday, I met the managers of Moisson–Mauricie, a food bank located in my riding of Trois–Rivières. I would like to take this opportunity to congratulate them and congratulate all of the volunteers who work there and thank them, on behalf of the people, for the remarkable job they are doing.

Moisson–Mauricie provides food products to about ten organizations which then redistribute the food to the needy. I was told yesterday that sometimes the food bank did not have any food to hand out. To me, it is sheer nonsense, it is an alarming and unacceptable situation which shows how serious this issue is.

Given these concerns, on behalf of the Official Opposition, I reiterate our support of Motion No. 217.

[*English*]

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, I rise to support the motion presented to the House by the member of Parliament for Winnipeg North.

My hon. seat mate has asked us to support Motion M–217. It is worth conserving the words of this very thoughtful motion: "The government should seek to ensure that manufacturers of food and beverages be required to print best before and expiration dates clearly and legibly on the outside of product packaging in a non–encoded format".

What my hon. friend is saying here is that when we go shopping for food products we should easily be able to understand what we are buying and how long that product will be good.

What he is saying is that easy to understand packaging labels should be a right. Canadians are proud that we produce the highest quality food products in the world. We should have labelling standards of an equally high standard.

Today food and beverage manufacturers are only required to place best before dates on products with a shelf life of up to 90 days. In fact, no shelf life standards exist and it is the manufacturer's decision to determine the appropriate shelf life period for its products and label them accordingly. That is just not good enough.

It shifts an unreasonable burden on to consumers to make the purchasing decisions with no fair basis for making these decisions.

It puts manufacturers with rigorous standards at a disadvantage. It does not meet the highest possible standards that Canadians expect of our food products.

It is really quite extraordinary that we require all kinds of nutritional information to be printed on food packages but we fail to say when the food was produced and how long it retains its quality.

According to the Grocer Products Manufacturers of Canada's own survey 97 per cent of Canadians are interested in knowing the shelf life of products. The current lack of standards is not meeting consumer demands and quite frankly I think most Canadians would be astounded to learn how lax our formal standards really are.

The Consumer Association of Canada supports the extension of date marking to all food.

What we need, as my hon. colleague pointed out, is basic information presented in a straightforward manner. We need easy to read, easy to locate labels on all foods to give consumers the facts they need to make informed decisions.

There are complicated encoded messages on products so that manufacturers can determine their sales figures and inventory information. Why should information not be provided to consumers so they can know vital information about the same food products? If it is good enough for manufacturers to know the information why is it not good enough for consumers?

As we move to produce environmentally friendly products surely we can move to produce consumer friendly labelling on the most essential of all our products, our food.

Knowledge is power and consumers do not have all the knowledge they need. We all know that more and more people are stocking up on many foodstuffs through bulk purchases. Indeed all major supermarkets are encouraging consumers to do so through advertising and marketing strategies. Consumers have a right to know how long those products are good for before they stock up these bulk purchases.

• (1830)

Another major trend in modern society is the move to foods purchased without packaging. We have all seen and used the bulk bins in our local groceries to scoop out bulk amounts of literally anything from soup to nuts.

Should there not be labels on these bins to tell consumers when the items were prepared and how long they retain their maximum quality? Should those foods not have some kind of durability date? Should products produced on totally different dates be mixed in the same bin? Surely what we need are some basic labels to give real meaning to the phrase health food.

This issue is not a philosophical debate; this is a completely practical matter. To see how modern our standards are, just last evening I walked through a local supermarket and examined the most primary foods to see which products had packaging dates and best–before labels. I do not want to name names or blame anyone. The problem is the lack of any uniform standards. While I was walking around last night I looked at the chicken and the hamburger packaging. They had labels which had both date packaged on the top and best–before written on the other corner. Somewhere between these two expressions was a date, but I had no idea what date it was: the date it was packaged or the best–before date. Not only that, the date that was on there was

yesterday's date. Were those goods packaged yesterday, or was this the date when they were no longer any good?

Since all the meat packaged in that area had yesterday's date on it, I had to assume that was the day they were packaged but maybe I assumed wrongly. Maybe if I had bought those things today they would be past their best date.

On the major canned food goods in the store that I walked around which families stock up on for emergencies, there was almost no best–before dates. There was one major exception: sardines packaged in New Brunswick had very clear labelling and I salute the manufacturers for that. Some jars of peanut butter had best–before labelling and some did not. Some jams said to refrigerate after opening and some did not. Frozen foods had no best–before labelling at all.

I might have made some errors and I might have omitted some products, but this was when I was casually walking through the store and arbitrarily picking products up and checking. I also had somebody check each one if I could not find it on the label. We both may have missed it, but we both tried to find the best–before dates. In fact walking around the store last night I noticed that no packaged foods had any information about how long the product retained its quality once the seal was broken.

I am not claiming that the standards I found are typical of all products or all grocery stores. I am saying that there is no way of knowing what to expect precisely, because we lack something as simple and as important as a expiry date and a best–before date on many foods and beverages. They should be marked clearly and legibly on the outside of product packaging.

I have heard the argument that if people do not like the labelling standards on food at their local supermarket they should just shop somewhere else. I am afraid that many senior citizens in my riding of Hamilton Mountain would find it extremely difficult travelling from supermarket to supermarket to find easy–to–understand packaging. We are not talking about standards for luxury items. We are talking about standards for food, the most essential of all the goods we package.

Canadians should be entitled to know when the food they eat was prepared and how long the food they purchase maintains its freshness. We need such basic information about the food we consume.

I commend the member of Parliament from Winnipeg North for presenting this important motion to the House of Commons and I support him fully.

• (1835)

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, my hon. colleague from Winnipeg North has put forward a motion which I believe all of us here can support at least in principle. I acknowledge each of you being here at this late hour tonight talking about food and I am very pleased to be speaking to this motion.

The motion recognizes that there are changes coming in consumer preference regarding the packaging of food and beverage products. These changes address the changing mindset in the marketplace. Combined with food safety concerns, Canadians are now more health conscious and selective. Canadians scrutinize the appearance, the quality as well as the labels of food and beverage products. As people tighten their belts they are increasingly paying attention to food prices. Ultimately this is the single most important factor to consider before purchase.

The Grocery Products Manufacturers of Canada have been polling grocery buying since 1987. They approached people buying groceries with the following question: "When you are buying a product for the first time from the supermarket or grocery store, what kind of information would you be sure to look for on the label of a new food product that you were buying for the first time?"

For every year that the study has been conducted from 1987 through to 1993 consumers have answered with unswerving consistency. They most want to see the list price. The second most desired information is the printing of best–before dates. The polling showed that cooking instructions and ingredients came in third and fourth place respectively.

This polling is only a snapshot of what consumers want on a more global basis, but it does show a consistent interest over six years for the appearance of best–before dates on packaged product. This demonstrates there is consumer support for and interest in this information.

The marketplace is where the consumer has economic influence to bring about change. However for companies to provide this information costs would have to be incurred. Special encoding machines have to be bought or slight modifications will have to be made to the existing machinery. Traditionally companies are loathe to increase their cost of production if they do not believe that there is going to be any basic positive economic spin–off.

In this case it has not been made clear to the companies that the printing of this information would increase the saleability of a product and that is something we need to consider in our debate on this topic. In supporting this motion we can help consumers get their message across to the processors and manufacturers if we give consideration to that element.

It is interesting to note that some companies are voluntarily putting this information on their products. One of these companies is Pepsi–Cola. What I am about to say is definitely not an endorsement of Pepsi–Cola. However Pepsi has recognized the need for better, more accurate labelling on their products. They realize that Pepsi drinkers want to know how long their Pepsis will keep the fizz fresh. To meet this consumer demand Pepsi announced last week that it is going to be printing on all its products what it calls a freshness date, so watch that fizz. The date will be clearly and legibly stamped on the product and it will include the day, the month and the year.

This motion is an adequate response to one of the recommendations made by the health protection branch in 1993. It published a review of the regulations under the Food and Drugs Act entitled "A Strategic Direction for Change". This review was comprehensive and as such the recommendation that it be put forward came as a result of thoughtful review. We always need to consider that those particular reports contain nuggets of information that will lead us in the right direction. However we always have to look at that end user which is the consumer.

It stated that consumers expect the food label to provide basic information about the contents of the food, who made it and its shelf life in clear, understandable language that is easy to read, and we heard this from my hon. colleagues prior to my presentation tonight. This report also confirmed the need for best–before dates when it stated the main issues for consumers emerging from the consultation was a lack of ingredient information for many foods, the content and understandability of the ingredient list, the understandability of claims, and the need for best–before dating on more foods.

• (1840)

This report goes on in greater detail about best–before dates. There was extensive interest from consumers regarding the extension of date marking to all foods both for packed on dates and best–before dates.

The Consumers Association of Canada advocated a date of manufacture. This organization also supported a durable life date for products with a shelf life of greater than 90 days in the case of low acid foods and hermetically sealed containers and refrigerated foods.

I wonder how many of us have purchased bags of hermetically sealed foods only to find they are really quite questionable in terms of freshness when they are opened.

Over all, although legibility was very important, the location of the information on the label was not a priority. In some cases providing information elsewhere on the label was acceptable.

Even the food industry representatives conceded the importance of consumer information and generally support such current requirements as the ingredient listing on prepackaged foods and best–before dating.

Having said that, the food industry does have some concerns and legitimately so. First, it is not clear which products will be included under this motion and I would ask the hon. member to give some consideration to that as he goes forward in this debate on the next reading.

The report by the health protection branch stated that the extension of requirements for a durable life date to all foods was not generally supported by industry. They would prefer a voluntary approach rather than a legislated one. Interestingly the requirement for a durable life date given to food is a routine measure in European countries.

The industry cite cost, wasted product, and the need for consumer education as reasons to oppose mandatory best–before dates. This motion would apply it seems most easily to retail dry packaged goods. However as we all know these are not the only ones that are in the marketplace.

Like the speaker before me I too did some consultation but I spoke to some of my industry colleagues in Alberta who do not necessarily deal with dried packaged goods to determine what they might think of this motion because they are in the processing and manufacturing side of things.

The concern of industry members from the Alberta potato industry is with the application of the best–before date. They are concerned about the extent to which this motion would apply to fresh produce.

Presently they too are investigating the use of packed on dates as an attempt to satisfy the consumer demand for information on freshness. When you look at bags of potatoes and sometimes they are a bit soft or there is mushy stuff inside the bag it would be really helpful to see a packed on date on those bags.

Further when it comes to meat products, regulation becomes quite tricky. It is important that if we improve measures that they apply equally to all areas and that regulatory compliance is not overly complex. We see ourselves caught up so often in the food industry with regulations that are built on other regulations and they interact and overlap with other departments and it becomes really quite self–defeating.

As I have stated, I support this motion. It is clear that consumers want best–before and expiration dates to be printed clearly and legibly on the outside of product packaging in a non–encoded fashion. This is driven by a well–founded need for better information to be provided to consumers. This reflects the fact that consumers are better educated about health related issues and as a result of this more people are paying attention to what they eat and from where they are getting their food.

I have also mentioned some concerns that the industry has put forward. We have to pay attention to the consumers' interest but we must also try to accommodate the concerns of the processors and manufacturer. When we construct regulations we should ensure that the printing of this information is based on a sound business decision, giving consideration to the marketplace and the consumer. We have to give consideration to the cost of the machinery needed for encoding, which is an additional cost of production.

• (1845)

If the cost of production does not increase then the cost that is passed on to the consumer will be kept to a minimum and ultimately this is what we want.

Mrs. Rose–Marie Ur (Lambton—Middlesex): Mr. Speaker, I am very pleased to have the opportunity to speak in this debate.

I would like to begin by thanking the hon. member for Winnipeg North for introducing this motion. The question of best–before dating is an important component of the labelling of food and beverages. This is an issue that affects all of us as consumers and it is certainly worthy of consideration by this House.

Under the food and drug regulations the labels of most perishable and semi–perishable prepackaged food with a shelf life of 90 days or less are required to carry a consumer friendly best–before date. The requirement is somewhat different for products that are packaged at the retail premises. These products must show the date they were packaged as well as the best–before date.

These regulations have been in place for almost 20 years and they are there so that consumers can easily determine how fresh a product is and how long it is likely to stay fresh. It is obvious that this is a very popular measure. The Grocery Products Manufacturers of Canada regularly conduct surveys of grocery attitudes of Canadian consumers. When they ask what kind of information consumers look for on a label, food products they are buying for the first time, best–before dates consistently rank at the top along with the price.

At the same time it seems there are some misconceptions about these dates. A best–before date is not an expiry date. Products do not go bad as soon as they pass the best–before date. This date is only a guide. If your milk is best–before April 12 you can still drink it on the 13th or the 14th or even later if it has been stored properly.

It is important to emphasize as well that this is not a question of food safety. There are regulations that enforce the use of expiry dates where there is a safety concern, such as infant formulas or formulated liquid diets.

This motion, however, would extend the regulations to require best–before dates on foods and beverages with a shelf life longer than 90 days. While this is a popular idea and it might help consumers rotate products on their own shelves there are questions about how useful this information would be. It would entail additional costs for industry, costs that would have to be passed on to the consumer.

At present these products are not required to carry such information, although many manufacturers provide it on a voluntary basis for products like peanut butter and salad dressings.

One of the largest soft drink bottlers announced at the end of March that it would start putting freshness dates on its soft drinks. This subject was recently reviewed by the government in consultation with all interested parties during phase I of the review of the food and drug regulations. During this review all interested parties had a chance to be heard. It was an very open and up–front process.

We found strong support for retaining the present requirements for perishable and semi–perishable foods having a shelf life of 90 days or less. We also found support for the voluntary use of best–before dates of foods with a shelf life of more than 90 days.

During phase II of the review we will further study to ensure that the regulatory requirements adequately reflect current needs. Some changes are being proposed and we are continuing to review the regulations.

This whole question is a part of a larger area of food regulations. Since last summer food regulatory issues including food and beverage packaging and labelling which used to be dealt with by the food division of the former Consumer and Corporate Affairs of Canada have become a part of the mandate of Agriculture and Agri–Food Canada.

I would like to take some time today to talk about the expanded role of that department. Agriculture and Agri–Food Canada is one of the oldest government departments. It actually predates Confederation. Originally the department was responsible for immigration as well as agriculture. But times and the mandate of the department have changed.

• (1850)

Immigration has not been part of the mandate for a long time but recently the department acquired not only the agri–food packaging and labelling functions of the former CCAC but also the food products branch of the former Industry, Science and Technology Canada.

These additions ensure that all federal services relating to the agri–food industry are housed under one roof, making it easier to do business with the federal government. Now the department's responsibilities extend all along the food chain, from the family farm to the food processor to the wholesale, retail and food service sector to the consumer's table.

The department is now responsible for the inspection of a wide range of manufactured goods in 4,500 non–registered establishments as well as imports to ensure label compliances and consumer protection from economic fraud.

By providing a single access point for the administration of federal agri–food labelling regulations and policies, these organizational changes will benefit both consumers and the competitiveness of the Canadian food industry.

A single federal access point will provide more convenient and efficient service and greater national consistency and uniformity in the administration of its regulations and policies. It will also reduce the frequency in cost of after–the–fact label corrections.

Since the reorganization, the department has opened 12 offices across the country to provide single window access for people with concerns about labelling. The food division is now a part of the food production and inspection branch of Agriculture and Agri–Food Canada.

The overall objective of this branch is to enhance marketability of agriculture and food products by eliminating or controlling plant and animal diseases and by facilitating compliances with food and safety quality standards.

Our present system of food inspection has served us well. Food safety has always been a priority for this department. Our track record is excellent and surveys consistently show that Canadians have more confidence in the safety of their food than do consumers in the United States.

Nowhere is the old expression "the proof of the pudding is in the eating" more appropriate. We are working with the provinces to develop a national inspection program that harmonizes standards across the country and streamlines the delivery of services. We are moving to a more market driven system in which the beneficiary of the inspection system is given the choice to pay for services deemed to be of value.

We are building new assurances of food safety into the system through the introduction of inspection methods like the hazard analysis and critical control points, internationally recognized as a most effective means of identifying and correcting problems during processing rather than at the end of production.

Although the focus of this motion is the best–before date on packaging, I would like to add another dimension. As a member who represents a large rural riding of Lambton—Middlesex in southwestern Ontario, I am very interested in food quality. I am a strong believer that foods produced and processed with chemicals that are banned in Canada should not be allowed into Canada. Our inspection methods are second to none.

We in Canada know that when we sit down to a chicken dinner which has been raised and processed in Canada meeting the most stringent standards that we are eating wholesome chicken. This may not be true with U.S. chicken which can be dipped in trisodium phosphate or zapped with gamma rays to pass inspection.

As consumers, we must continue to have programs in place to protect the high quality of food Canadians have enjoyed. Our platform committed us to ensuring that only safe, wholesome food enters the Canadian market. This is exactly what we are doing and we are working hard to do it efficiently.

To conclude, whatever we do to improve industry competitiveness, consumer safety will not be compromised.

I strongly support the member in his motion.

Mr. Paul Steckle (Huron—Bruce): Mr. Speaker, it gives me great pleasure to speak in this debate today.

First I would like to thank the hon. member for Winnipeg North for raising this important issue. I believe that Canadian consumers are very discriminating when it comes to freshness and quality of food products. I also believe that it is in the best interests of the Canadian food industry and this government to ensure a healthy and safe food supply.

The issue that the hon. member is raising is one that certainly is deserving of our attention today.

• (1855)

I want to take the focus off of this particular motion for a moment and perhaps put a different focus on this. As a primary producer I want to tell my colleagues in this House that having been at the root source of the products that we sometimes take so for granted it is important to recognize that there has been a lot of effort put into the manufacturing or the producing agencies. The farmers have done so very much to ensure that we have safe products. As we walk through our aisles in our food stores we recognize and take for granted the food that we see there. There is so much of it, particularly those of us who have travelled in areas of the world where they do not have the abundance that we enjoy.

We also take for granted that all the food we have on our shelves is safe and that should be encouraged and I would hope that the policies that we enforce in this country will continue to ensure we have that safe supply of food.

Some time recently I read an article which indicated the calamities that befall those people who short–change the health inspection system. Our American neighbours in the process of trying to expedite things formed a system called the streamline inspection system. This system was brought into being so that they could accommodate the inspection of chicken products as they were going through the assembly line much more quickly.

There were consequences. An article appeared in a paper which indicated one child had died, another 300 people had fallen ill to salmonella. They have since turned from that policy in other directions concerning inspection.

In 1991 another article that was posted in a paper coming from south of the border indicated that meat safety labels were going to cost $500 million a year more because they were implementing new safe handling label requirements. These were announced by the USDA that particular day.

We see that we cannot short–change the system without consequences. Our food supplies in this country, while not only having been safe, have also been reasonably priced. I think that is another thing we need to recognize. Thirty–seven per cent of the food that we buy today is consumed in other than our homes, particularly in restaurants and other eating establishments; 63 per cent of the food that we buy is consumed in our homes. This came to light in a recent discussion we had in a public forum on GST debate.

We have to recognize that in this country we have been blessed. We have a great food source. We have reasonably priced food and it is also a safe source.

It is important to note that this is something we have perhaps taken for granted. We have all gone to our refrigerators and found that there was food there which we thought was quite edible and yet found that it was not. As my hon. friend has already indicated, there are codes which most of us do not read and perhaps all of us do not understand.

At this point I would like to discuss the packaging and the labelling regulations in Canada and some of the issues that revolve around them. Under the food and drug regulations which are administered by the Department of Agriculture and Agri–Food, the labels on most perishable and semi–perishable prepackaged foods with a shelf life of 90 days or less are required to show a durable life date, commonly referred to as best before date, in a clear non–encoded manner.

The product should also display storage instructions if it needs to be stored at other than room temperature. This is only applicable when the food is packaged at the non–retail level. When the product is packaged on retail premises the regulations require the label to show the packaging date instead of the best before date. For prepackaged foods with a longer shelf life, such as canned or frozen foods, manufacturers currently use a coded dating system for their own inventory control purposes. In many instances the manufacturers will voluntarily display a best before date for customers to use.

For example, peanut butter and salad dressing commonly have best before dates, though they do not have to.

• (1900)

The purpose of these regulations, which were introduced in 1974 and became effective in 1976, is to provide consumers with useful information regarding the relative freshness and potential shelf life of food.

It is important to remember that foods which have exceeded the best before date before being sold may still be acceptable for consumption but they may not be as fresh. However, this is not a health issue. When safety is an issue, such as with infant formulas or formulated liquid diets, products must carry expiry dates.

Consumer surveys show the importance consumers attach to best before dating. Many surveys done in Canada reveal that after cost freshness, as has already been mentioned tonight, is the most important food quality consumers look for, followed by nutrition and composition. The freshness of a product tends to be equated with health and safety.

A survey done for Agriculture and Agri–Food Canada in 1992 showed that 94 per cent of consumers usually or always look for the best before date when they shop for groceries.

The requirements for durable life dating information on food labels have strong support and acceptance by consumers and industry groups alike which see these as effective ways to produce useful product freshness information to consumers.

There is no doubt that best before dating is an important issue for consumers. The current system is working well in Canada and I think it should continue to be voluntary for products with longer shelf lives.

Canada boasts one of the safest and healthiest food supplies in the world. We are recognized internationally for the quality of our food and our safety standards. This is the result of co–operation between government and industry. I encourage everyone to keep up the good work.

I commend my colleague from Winnipeg North for this timely and important motion.

The Deputy Speaker: The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the item is dropped to the bottom of the order of precedence on the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

The Deputy Speaker: Hon. members, I must inform you that we will change the order of proceedings. I will first give the floor to the hon. member for Hochelaga—Maisonneuve.

HUMAN RIGHTS

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, last March 18, I asked the Minister of Justice what I felt was an extremely important question which was also very much in the news following the release of the annual report of the Chief Commissioner of the Canadian Human Rights Commission, Mr. Yalden. The question had to do with sexual orientation and more specifically with the recognition of same–sex couples.

At that time, there was a controversy and the issue made the news. Since 1979 Commissioner Yalden and his team have reminded us that it is a basis of discrimination and that, although various common law courts across the country have rendered decisions on the issue—and later we can go back to specific cases which set precedents—the Canadian Human Rights Act and, more fundamentally, even the Canadian Charter of Rights and Freedoms, do not specify that sexual orientation should be a prohibited ground of discrimination.

This creates a rather absurd situation in that no appropriate safeguards exists because the legislature has not, at least in any substantial way, updated the Canadian legislation since it was first passed in 1977. By contrast, most provinces, including Quebec which has always been a leader in that field, recognize in their charter that discrimination based on sexual orientation is a prohibited ground of discrimination.

I was very surprised to see that the minister, who was said to be courteous as well as one of the more liberal members of Cabinet, pussyfoot around the issue and seemingly unable to give clear indications of his government's intention to make very specific changes to correct this injustice.

• (1905)

By rising in the House this evening, I hope to get some additional information and some genuine assurances that, as we are hearing from departmental circles, a bill will in fact be tabled in the fall, as many groups are demanding. The Human Rights Committee has heard representations on the subject from a number of witnesses and groups.

I see that you are signalling to me that my time is nearly up so I will conclude my remarks. It is important to remember that this kind of discrimination takes many forms. Consider, for example, one case that was before the courts involving a homosexual couple that had lived together for nearly 15 years. When the father of one of the partners died, the other was unable to get leave to attend his father–in–law's funeral. A major effort is needed in this area and I hope that we can count on the minister to act speedily and with an open mind to bring about the necessary changes.

[*English*]

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. member for Hochelaga—Maisonneuve asked a question of the Minister of Justice about amendments to the Canadian Human Rights Act in this House on March 18, 1994, as he mentioned.

In the throne speech the Prime Minister committed the government to amending the Canadian Human Rights Act. These amendments will add the ground of sexual orientation to the 10 grounds on which discrimination is prohibited in the federal public and private sectors under the act as it currently stands in the statute books.

In fact, on August 6, 1992 a case brought under the equality guarantees of the Canadian Charter of Rights and Freedoms, Haig and Birch v. Canada, the Court of Appeal of Ontario ordered that the Canadian Human Rights Act must be read to include that ground as of that date. The Attorney General of Canada at the time did not appeal the order to the Supreme Court of Canada. The government views this as the current and correct state of the law.

Therefore the amendment to which this government is committed to making would give Parliament the opportunity of bringing the act up to date.

I want to add that this government views this amendment as a matter of fundamental justice and not as a matter of conferring special rights to a particular group in Canada. The amendment would ensure gays and lesbians and moreover heterosexuals protection against discrimination in the areas of services and employment and against hate propaganda which are covered by the Canadian Human Rights Act.

Such an amendment would not be a departure from what has been going on in other jurisdictions of our country. Eight provinces and territories, Quebec, Ontario, Manitoba, Yukon, Nova Scotia, New Brunswick, British Columbia and Saskatchewan, have already amended their human rights legislation to add the ground of sexual orientation.

The level of protection is now the norm in Canada. This government wants to add the federal laws against discrimination to this list and thereby assure Canadians—

[*Translation*]

OLD AGE SECURITY

Mr. Gaston Péloquin (Brome—Missisquoi): Mr. Speaker, the Liberal Party's position on old age security is so complex and unclear that we cannot make any sense of it. Contrary to what the Minister of Human Resources Development suggested when I asked him questions on that matter, the Official Opposition is not alone in its concern over this confusion.

This confusion is not a figment of our imagination. It is the result of contradictory statements by the Minister of Human Resources Development and the Prime Minister. Senior citizens associations also reacted strongly against the government's hidden agenda. Our senior citizens demand clear answers on the future of their social programs.

• (1910)

Last month, when I asked the minister about that, I asked him to apologize to seniors he had upset. Indeed, after the minister indicated that Canadians could have to choose between old age pensions and youth training programs, he was rebuffed by the Prime Minister who said that his government had no intention of touching old age pensions.

The federal government is brutally attacking the seniors' meagre income by taking $490 million out of their pockets. Not only is the minister refusing to apologize for having upset these people, he is now increasing their tax burden when they cannot do anything to increase their income. This measure will affect more than 800,000 seniors, 600,000 of whom earn between $25,000 and $50,000.

Besides, statistics show that the vast majority of these 600,000 seniors have income of about $25,000. The government should stop saying that only the well–to–do seniors will be affected by these drastic and unfair fiscal measures.

How could seniors regain the $200, $300 or $400 they lose every year and that they need to survive? Will we force them to go back on the job market? Will they have to cut back on their outings, their housing or their food? Can the minister give us a clear answer as to the future of the income security programs for the people who built this country?

[*English*]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, the Prime Minister and the Minister of Human Resources Development stated clearly in this House that it is not the government's intention to touch old age security benefits and I would refer members to page 56 of the budget papers which sets out increases in OAS which will take place over the next few years.

The government is not looking at reducing the pensions of Canada's seniors. There is a responsibility by the government to ensure that the next generation of Canadians can have the same security as this generation.

Our society is aging and we need to prepare for a doubling of the senior population over the next several decades. We must begin now to be ready for these changes. The aging of society brings with it opportunities as well as challenges and the issue is one of readiness, not cost cutting.

The government's paper will not focus only on pensions but will look at aging more broadly. While we must of course be fiscally responsible and ensure sustainable programs we know that planning for an aging society cannot be done overnight.

Governments, employers, individuals and families cannot engage in short term thinking. Canadians know that the sooner you begin planning for retirement the more likely you will be to have the kind of retirement you want. That is as true for this nation as it is for individuals. Now is the time to start looking at the kind of programs today's working age Canadians will need and want for their retirements in the next century.

The paper we are preparing will be about people, their values, needs and responsibility. We will look at trends in our society, the fact that people are living longer and healthier lives, the fact they are retiring younger and living longer, the fact that family structures have changed, especially with regard to the role of women and that of a number of older seniors, those over age 85—

The Deputy Speaker: I am sorry to interrupt the member but the time is up.

[*Translation*]

RIGHTS OF FRANCOPHONES

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I asked the minister a question and thought that his answer was clear, which was surprising coming from this minister. But the fact of the matter is that francophone and Acadian communities in Canada are still facing the same problems resulting from cuts.

I had put the following question to the minister: in view of some discrepancies between his own statements and those of his senior officials, can the minister confirm that funding for the Fédération des communautés francophones et acadienne du Canada will not be cut by 5 per cent?

• (1915)

And the minister's answer was: "I am pleased to say that we have managed to spare communities such as the one he just mentioned from existing cuts in my department." That sounded clear to me, but these communities keep getting conflicting information. I did not get to ask a supplementary question at the time. Had I had the opportunity, perhaps I could have got the minister to be more specific as to what cuts were made in funds allocated to the Francophonie.

Since I have four minutes to discuss the issue, I would like to take this opportunity to ask the parliamentary secretary whether the Court Challenges Program, a program abolished by the Conservatives that the Liberals were talking about restoring,

will be restored? Will this equity program for minorities in Canada be restored and what kind of funding will it have?

I would also like to get more specific information on the cuts made in the Francophonie budget because, as much as the minister claims that overall operations are not affected, there are other programs of paramount importance to the Francophonie. Take for example the operating budget of certain small associations, not that of the large Fédération des communautés francophones et acadienne, important as it may be. There is also the community radio assistance program. Is that program affected by this 5 per cent cut on top of the 10 per cent cut already made by the Conservatives? Is the postal subsidy cut? Will the aid to French–language publications be cut? What about the $112 million school governance program that Lise Bissonnette, the editor of *Le Devoir*, called a way of subsidizing illegality? Will it be eliminated?

Francophone and Acadian communities want an unequivocal answer. Unfortunately, the Bloc Quebecois members are the ones fighting for Francophone communities outside Quebec, while their own elected representatives in Ontario, New Brunswick and western Canada, themselves francophones, do not take the trouble to defend the interests of their own people and press the minister to give them a clear answer. I have no use for one of the minister's typical grey answers. It is either black or white. Are there cuts, yes or no?

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the educational rights of francophones outside Quebec are clearly recognized in the Canadian Charter of Rights and Freedoms. These rights were clarified by two Supreme Court decisions: the Mahé case in 1990 and the Manitoba reference in 1993.

Most provinces and territories have school legislation consistent with Section 23 of the Charter. School governance has been granted or soon will be.

[*English*]

Education is under provincial jurisdiction. The role of the federal government is to assist the provinces to meet their constitutional obligations.

For almost 25 years the federal government has helped the provincial and territorial governments to provide members of the French minority community with the opportunity to be educated in their own language.

Since the Canadian Charter of Rights and Freedoms came into effect in 1982, statistics show that more and more young francophones are educated in their own language.

[*Translation*]

The federal government recognizes that francophone minority groups still face difficulties, but it is working to address these deficiencies.

[*English*]

French minority language education remains a high priority for the federal government and for the Department of Canadian Heritage. That is why the special initiatives on school governance and post–secondary education in French have been exempted from the latest budgetary restrictions. It is expected that federal–provincial agreements negotiated under these initiatives will result in significant improvements for the francophone communities in these provinces.

[*Translation*]

UNEMPLOYMENT

Mr. Paul Crête (Kamouraska—Rivière–du–Loup): Mr. Speaker, on March 18, 1994, I put a question to the Deputy Prime Minister concerning her sensitivity to the plight of the unemployed.

I realized how powerless the Deputy Prime Minister was in the face of the unemployment problem. Since then, I have also come to realize how powerless the Minister of Finance is and how he has failed to take any action to address the situation. In the words of Mr. Laurent Laplante, a respected journalist, "by focusing all of their efforts on wrestling the inflation monster to the ground, the Conservatives ended up dragging the country into the first ever made–in–Canada recession. Mr. Martin has decided to go one step further and make the recession permanent."

As a complement to the question I am going to ask, and to which the minister did not really answer, I would like to echo the voice of that young engineer who stunned everyone at the seminar on employment, a few days ago, when he said that he had a master's degree in a very specialized field and nobody was able to find him a job. This sort of broke the empty rhetoric usually heard at such gatherings.

I would like to know whether or not the government has a job creation strategy based on some government action, and really established as a primary objective of the government. At the present time, we only see some sprinkling here and there. The infrastructure program will create almost no jobs for women and, anyway, it is just a drop in the unemployment bucket. There are no programs for specific groups either.

Was anything announced for unskilled workers? What do we have for graduates in various trades, technologists or university graduates? Is there anything specific to ensure the recovery of entrepreurship in Quebec and Canada?

I would like the government to finally give us some answers on this and really get to work instead of riding the wave as far as job creation is concerned.

[*English*]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, if the hon. member is referring to a comprehensive strategy on job creation, I would like for him to be mindful of the fact that the government has really begun a process of modernizing and restructuring Canada's social security system, creating job opportunities through the infrastructure program, the Canada youth corps and the national apprenticeship training system.

I am sure the hon. member would have to agree that since we have taken office in October over 100,000 jobs have been created.

We want to not only create jobs but they should be long term, high paying jobs. What is important to note about the jobs that we have created thus far, particularly the latest statistic released recently, is the fact that these are full time jobs. They are not the part time jobs that we saw during the Conservative years. These are full time jobs that will once again provide to Canadians, particularly young Canadians, the type of confidence that is required to bring about economic renewal in our country.

There is no question about the fact, and I remember his question clearly about the Group of Seven and the industrialized countries, that to them unemployment is an important challenge to face. That is why we are looking at ways to upgrade our training programs. We are looking at the entire social security system and ways to modernize and make it relevant to the lives of Canadians in the 1990s and beyond.

The Deputy Speaker: It being 7.23 p.m. this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 7.23 p.m.)

HOUSE OF COMMONS

Wednesday, April 13, 1994

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*Translation*]

FREESTYLE SKIING

Mr. Bernard Patry (Pierrefonds—Dollard): Mr. Speaker, I welcome this opportunity today to offer my sincere congratulations to young David Belhumeur, a resident of Pierrefonds in my riding, who just won the World Cup freestyle skiing in the combined.

Quebec is well represented in this category, when we consider the achievements and reputation of Brassard, Langlois and Laroche.

After winning this important event, David now belongs to the new generation of Olympic champions.

I urge this young athlete to keep up the good work. He has a very promising future ahead of him.

On behalf of all residents of Pierrefonds—Dollard, I wish him good luck and every success in his next events.

* * *

DEFENCE INDUSTRIES

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, yesterday in an important statement in the Quebec National Assembly, Gérald Tremblay, Minister of Industry and Trade, asked the federal government to meet its commitment to support conversion of defence industries.

The federal Minister of Industry was reassuring about the future of Oerlikon in Saint–Jean and referred to an apparently well–filled order book.

However, it is not clear whether the company will be able to maintain its operations in Quebec. If the Minister of Industry were to act in a manner consistent with the commitments of his own party to defence conversion, he would examine the company's plan for diversifying toward environmental technologies, which would guarantee its long–term survival.

Yesterday, the Quebec Minister of Industry and Trade said he was prepared to consider such a proposal, provided the federal government agreed to participate. What is the minister waiting for?

* * *

[*English*]

ENVIRONMENTAL SECRETARIAT

Mr. Hugh Hanrahan (Edmonton—Strathcona): Mr. Speaker, I rise today in the House to express my concern regarding the appointment of the environmental secretariat to Montreal. How can a government that claims to be fair, honest and open on the one hand turn around and admit openly that a major government decision was made through partisan politics of the past?

I would like to state in this House that the city of Edmonton would have been an excellent host for the environmental secretariat. The city of Edmonton met the original requirements and therefore should have been a front runner, yet it was not.

The west wants in. We want the federal government to stop pandering to the wants of one region over another and start treating all provinces as equals.

I call on the government to reconsider the decision to establish the environmental secretariat in Montreal.

* * *

REFUGEES

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, social upheavals in countries across the continent have resulted in over 19 million refugees throughout the world. As arms struggles continued, the United Nations High Commissioner for Refugees spent approximately $1.1 billion in 1993 caring for the world's refugees.

Canada has developed an international reputation as a caring and compassionate country and we are committed to protecting people who have been forced to flee their homes and their countries.

I commend the efforts of the constituents of London—Middlesex who worked to make the community aware of the issues and concerns affecting our refugee neighbours and friends. I encourage all Canadians to work to ease the settlement of true refugees in our country.

S. O. 31

GOVERNMENT INTERVENTION

Mr. Paul Steckle (Huron—Bruce): Mr. Speaker, this past Monday on a U.S. news show, "Day One", it was reported that the Santa Monica Freeway destroyed by the massive California earthquake was set to reopen more than three months ahead of schedule.

U.S. and state officials call it a miracle because some experts predicted that it would take upwards of nine months to complete the repairs.

This early completion was no miracle but the result of common sense. Indeed, it was the eliminating of government red tape and paperwork that allowed the contractor to complete the work in record time. The elimination of government interference saved millions of dollars in transportation costs.

We as parliamentarians can learn a valuable lesson from this situation and work together to lower and eliminate needless government red tape and paperwork which have strangled Canadian businesses.

As we have said many times before, Canadian businesses can and will create the jobs if given the right environment. What better way to create jobs than to eliminate needless bureaucratic intervention?

* * *

CRIME PREVENTION

Mr. John Murphy (Annapolis Valley—Hants): Mr. Speaker, as we have seen in recent weeks there is a growing concern that our safe and peaceful communities are being threatened by crime.

To properly address this issue, I believe that we must examine the root causes of crime. Poverty, child abuse, underfunded social services and low levels of education are all issues on which we as a government must focus our attention.

Many of us have groups in our ridings which work toward crime prevention through public education. We must offer our support to these organizations and their efforts to prevent crime in our communities.

The Minister of Justice has stated that we will create a national crime prevention council as part of our integrated strategy for crime prevention.

I urge all members of this House to support this action. Only by addressing the underlying causes can we effectively deal with crime in our communities.

* * *

[*Translation*]

NATIVE LANGUAGES

Mr. Claude Bachand (Saint-Jean): Mr. Speaker, in his 1993 annual report, the Commissioner of Official Languages commented on the dire state of aboriginal languages in Canada. Statistics indicate that less than one third of aboriginal peoples can speak an aboriginal language well enough to carry on a conversation and that only one quarter have sound language skills.

• (1405)

While I deplore this situation, I wish to remind this House that it is in Quebec that aboriginal peoples have the best chance of retaining their language due in large measure to the support of the Quebec Department of Education and the open-mindedness of Quebecers. Studies carried out in 1991 show that 47 per cent of Quebec's aboriginal people speak a native language, compared, for example, to 21 per cent in Ontario. When compare to the rest of Canada, aboriginal people in Quebec are better off in most areas, for example, housing, income and health. These statistics are worth noting.

* * *

[*English*]

HALIFAX WEST HIGH SCHOOL

Mr. Randy White (Fraser Valley West): Mr. Speaker, last week I had the ultimate privilege of seeing into the future. I attended a model parliament and read the speech from the throne at Halifax West High School.

Andrew Cook was elected prime minister with a majority government and it represented the concerns and aspirations of young people today. Its speeches emphasized the need to reform the economy, the criminal justice system and the parliamentary system.

Mr. Cook and his government represented the Reform Party of Canada in Halifax West.

Apparently in some parts of the maritimes the youth of today and the voters of tomorrow are no longer happy with the old style of politics. The old solutions do not work any more and the young people of this country are more aware of that fact than anyone.

* * *

SIKH NATION ANNIVERSARY

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton): Mr. Speaker, Sikhs around the world are today celebrating the 295th anniversary of the birthday of the Sikh nation, the Sikh faith, the Khalsa. April 13 also marks the first day of the Sikh new year.

Over a quarter of a million Sikhs live as peaceful and full participants in Canadian society. In spite of numerous difficulties encountered by the first Sikh immigrants at the turn of the century, today they are a full and active component of the Canadian mosaic.

As the first turbaned Sikh member of the Canadian Parliament I am sure all members would like to join with me in congratulating the Sikh community on this auspicious occasion and hope that we all continue to work together to promote harmony and

good will in order to keep Canada an exemplary country in which tolerance and compassion abound.

* * *

NATIONAL INFRASTRUCTURE

Mr. Peter Adams (Peterborough): Mr. Speaker, in shorthand this government's mandate is job creation. In longhand the mandate is to modernize, streamline and stimulate the national economy and deal with the deficit and the debt by generating jobs.

The national infrastructure program is a good illustration of this. It is thought of as a job creation program and will create thousands of jobs but it will also improve the efficiency of our economy by modernizing and improving our national infrastructure.

In addition, it is an attempt to stimulate the economy directly by encouraging responsible and productive spending all across the country.

That is why it is so important that the decisions on the thousands of construction projects are being made by local municipalities like Asphodel, Belmont–Methuen, Douro, Dummer, Ennismore, Havelock, Lakefield, North and South Monaghan, Norwood, Otonabee and Smith, all in Peterborough county.

Names like these have not been heard in this House for many years. This government is reaching out to the grassroots of our economy because it knows that is where the economy can be stimulated most effectively and where most jobs can be created.

* * *

YOUNG OFFENDERS

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I extend my congratulations to the Ottawa Police Department and Chief Brian Ford for a job well done.

Three offenders were arrested just hours after the recent drive–by shooting in the capital of Canada. Community leaders, business representatives and local police expressed their views at the public safety forum held in my riding last week.

Some of the recommendations were to increase from five to ten years the maximum sentence for a young offender convicted of first degree murder; to create the category of dangerous youth offender, allowing young offenders to be tried in adult court; to increase access to rehabilitation programs for young offenders; to ban all handguns with the exception of police, military, licensed collectors and sport gun club members; to ban the sale of ammunition to minors; to establish a permit system for the purchase of ammunition.

• (1410)

I know that most of these recommendations will be dealt with by our government and my community supports them.

* * *

[*Translation*]

MIL DAVIE SHIPYARD

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, in the daily newspaper *La Presse*, the president of the MIL Davie shipyard says that he needs two contracts from the federal government to complete the military to civilian conversion of the company. These two contracts are to build a ferry for the Magdalen Islands and to build a multi–purpose "smart ship".

Analysts say that the world market for merchant ships will grow strongly for ten years starting in late 1995.

MIL Davie is in the midst of restructuring and has made major productivity gains since 1991. These gains will be even larger once its conversion plan is implemented.

Through its lack of vision and indecision on all employment–related issues, the government is endangering the survival of a potentially profitable shipyard which generates thousands of jobs in the Quebec City region.

* * *

[*English*]

GUN CONTROL

Mr. Jim Abbott (Kootenay East): Mr. Speaker, on Monday of this week the Minister of Justice told reporters he was going to bring in further restrictions of handgun ownership in response to the tragic events in Ottawa and Toronto.

He will recall that the Auditor General this year stated that Canada's present gun control program is controversial and complex, and an evaluation is essential. The Auditor General is saying there is no clear indication that existing gun control legislation is working.

Yesterday the Minister of Justice stated we should not be making knee–jerk reactions and yet he is demanding tougher legislation without evaluation, an obvious knee–jerk reaction.

When will he start to come down hard on criminals, the cause of concern, and not law–abiding gun owners? Does he have any idea of the level of concern he raises with his present statements?

S. O. 31

ENVIRONMENTAL TECHNOLOGY CENTRES

Mrs. Elsie Wayne (Saint John): Mr. Speaker, a consultation report entitled "Environmental Industry Strategy for Canada" was released by the Minister of the Environment and indicates that a network of three national environmental technology advancements centres will be created in western Canada, Ontario and Quebec. These centres will form the cornerstone of the federal government's environmental industry strategy. The report indicates the process by which employment opportunities for Canadians would be maximized.

I bring to the attention of the Minister of the Environment that Saint John, New Brunswick, is the industrial centre of Atlantic Canada. I would ask her to consider Saint John as a place for one of these centres to help us to maximize our environmental problems and to work them out.

* * *

HEALTH

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, I would like to take this opportunity to urge the provincial government to grant funding for hemodialysis equipment for citizens in York Simcoe.

Presently a number of residents of this area have to travel to downtown Toronto to undergo treatment, often with life–threatening consequences. This is not only time consuming but often extremely difficult for patients who are physically incapable of making these trips. There are many people who would benefit by access to this equipment in the region.

I implore the provincial government to allocate funding for this equipment. It is essential that equal access for this treatment should be provided across Ontario.

The provincial government should not tie its purse strings at the expense of these patients' health. These people should not have to suffer more than they already are.

* * *

RAIL TRANSPORTATION

Mr. John Richardson (Perth—Wellington—Waterloo): Mr. Speaker, it is my pleasure today to speak to the House.

As we have heard in the past few days there is great concern about the railroads in Canada, particularly CP, CN and VIA, again seeking to curb costs by making ad hoc restructuring to operations and thereby upsetting many Canadians.

I call upon this government through the Minister of Transport to undertake a long overdue review of the rail transportation system and bring to this House a new rail transportation strategy for Canada to meet the needs of Canada in the 21st century.

* * *

DISASTER RELIEF

Mr. Vic Althouse (Mackenzie): Mr. Speaker, people remember last summer's flooding in the U.S. midwest and the damage done to crops and communities there. The U.S. federal government responded generously and so did ours, sending PFRA technicians and engineers to assist with the the dykes and dams.

Our own flooded and snow covered crops in northeastern Saskatchewan and northwestern Manitoba, however, have so far been ignored. There were no large centres to be flooded, only acres and acres of flat black soil which were later covered with snow and subsequently trampled by wildlife, making most of it unrecoverable.

• (1415)

Not only has last year's crop been lost but conditions are such that probably this year's will not be seeded on those lands either.

Since such circumstances are not addressed under existing programs, I have asked the federal minister of agriculture to initiative third line of defence actions which are to be triggered when existing programs fail. Why has he not acted? Why are these farmers and communities being left to fend for themselves?

I know the red book ignored farm policy but surely the government cannot ignore this.

* * *

INFRASTRUCTURE PROGRAM

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, all across the country communities are determining their uses for their portion of the national infrastructure money.

Remember, this money, every cent, is borrowed from future generations of Canadians, future generations that will have no say in the way their money is spent today. Their standard of living will be reduced because they will be paying the bills our generation incurred.

Therefore it is vitally important that infrastructure money is spent exclusively on infrastructure such as roads and sewers. This is the use intended by the Canadian Federation of Municipalities. Not one cent should be spent on private enterprise, including hockey arenas.

ORAL QUESTIONS

[*Translation*]

MANPOWER TRAINING

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. Yesterday, the Minister of Intergovernmental Affairs discounted the possibility of an agreement with Quebec on the transfer of federal responsibility for manpower training prior to any social program reform.

We now know that Ottawa is considering a simple temporary agreement limited to the joint leasing of buildings. This kind of intransigence prompted the Premier of Quebec, Mr. Johnson, inspired no doubt by healthy fear of the eve of the election, to ask the following question: "Who is in charge in Ottawa? The political powers or the bureaucracy?"

Why does the Prime Minister refuse to conclude the agreement that Quebec has been urging its federalist ally to sign? And, following Mr. Johnson's lead, I would also like to ask him this: Who is in charge in Ottawa? The Prime Minister or his bureaucrats?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, my government has entered into negotiations on this matter with all of the provinces, including Quebec. We are making progress. We have undertaken a complete overhaul of federal social programs and we are trying to eliminate as much duplication as possible. The answer given yesterday by the Minister of Intergovernmental Affairs was correct. We are trying as best we can to work out an agreement. If the hon. member would take a moment to think about it, there is no question that the real power lies on this side of the House, not on his side.

Hon. Lucien Bouchard (Leader of the Opposition): That is right, Mr. Speaker, the perverse power to say no to Quebec, to deny it jurisdiction over pressing matters—

Some hon. members: Hear, hear.

Mr. Bouchard: The Prime Minister is fully aware that the unemployed are the ones who are paying the price for the arm-wrestling match and endless discussions between Quebec and Ottawa.

I wonder if he shares the opinion of his federalist ally, the Leader of the Quebec government, Mr. Johnson, who says that Quebec is in the best position to deal with such matters. If the Prime Minister does agree with this statement, why then is he putting off transferring to Quebec responsibility for a sensitive area such as job creation?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, all these programs contains an element of equalization. Under the Canadian federal system, money can be transferred from those who are employed to those who are not. And unfortunately, Quebec has more unemployed people than the rest of Canada. The situation is worse still in Atlantic Canada where the unemployment rate tops that in Quebec. These programs were introduced to allow us to take money from the more prosperous regions in Canada and redirect it to areas which are not as well off. And it is in this spirit that we want to resolve the problem. We believe that all of Canada can work together. There is nothing twisted about wanting to ensure that the least fortunate in Canada receive money from the rest of the country. Our system is based on generosity and we are not about to dismantle it on a whim.

• (1420)

We are currently undertaking an in-depth review of the system and we will listen to the views of all parties in this House in order to devise a system that will satisfy all Canadians. To resolve only part of the problem would be like taking a step backward, rather than forward. We have at heart the interests not only of Quebecers, but of the less fortunate provinces as well. We want to ensure that social justice prevails throughout Canada.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, the Prime Minister has just described Quebec's deepest aspirations as a whim. This is one issue on which all players in Quebec, be they economists, politicians, employers, employees or trade unionists, firmly agree. It is shameful to dismiss in this manner an issue which has brought together all players in Quebec, both in the public and private sectors.

My question for the Prime Minister, since his proposal—one which has not yet been formally made but which has been announced by his minister—has already been rejected by the head of the Quebec government and since it would maintain the current mess and the single window system for all federal and provincial programs, a system which confounds everyone, is this: Will he now admit that he must review this stillborn proposal to bring it in line with Quebec's aspirations?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the Leader of the Opposition, his voice breaking with emotion, is trying to be convincing, when he knows very well that even if we did have an agreement in this area, tomorrow morning he would still want to take Quebec out of Canada. This from the same member who, only a few years ago, defended francophones outside Quebec and who today, does not have the courage to rise in this House to defend bilingualism in this country. This is ironic, coming from someone who changes his mind as often as the Leader of the Reform Party changes suits. We are taking a serious look at ways of providing all Canadians, including Quebecers, with the best possible social security system and job creation initiatives.

Mr. Michel Gauthier (Roberval): Mr. Speaker, for five years, there has been a broad consensus in Quebec on the need to repatriate all powers with respect to manpower. Five years of

amicable negotiations, as the Minister of Intergovernmental Affairs put it, have proved fruitless.

Finally, yesterday, Mr. Speaker—

The Speaker: Question, please.

Mr. Gauthier (Roberval): Finally, yesterday, Mr. Speaker, the answer came: "Not for another two years". Does the Prime Minister realize what this means? If nothing is done for another two years, $600 million will be wasted, $600 million that could have been used to help the unemployed in Quebec as well as those who are waiting for job training.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, Question Period is not the appropriate time for speeches, but if you want me to make a speech, I will. No question was asked. This is sheer hypocrisy—

The Speaker: This is a day for caucuses.

• (1425)

I would ask hon. members to put their questions as succinctly as possible. This is not speech period but question period.

The Chair recognizes the hon. member for Roberval.

Mr. Michel Gauthier (Roberval): Mr. Speaker, we want answers. That is what I am trying to get across to the Prime Minister.

Are we to understand from what he said that all this pussyfooting around at the expense of the unemployed in Quebec is sure proof that the federal system does not work and never will? That system is rotten because of infighting between ministers within his own cabinet.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I think that the hon. member is ranting and that he will do the honourable thing and resign his seat after losing the referendum on Quebec separation.

* * *

[*English*]

GOVERNMENT EXPENDITURES

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I would like to interrupt the family feud and bring us back to sanity and an issue of concern to all Canadians.

Yesterday the Prime Minister three times affirmed that the government will be making additional spending reductions not presently included in the budget to further reduce the deficit.

We welcomed that announcement. We assume it is supported by all members of cabinet and now expect various ministers to bring forward revised estimates containing these additional spending reductions.

My first question today is for one of those ministers, the Minister of Indian Affairs and Northern Development. What additional expenditure reductions will he be putting forward in his $5 billion departmental budget in order to further reduce spending as the Prime Minister has promised?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, it was not a very suitable way for the Leader of the Opposition to put a question. I would like to tell the leader of the Reform Party that it was not a family fight. I understand there was one on Monday night in his family.

Some hon. members: Oh, oh.

Mr. Chrétien (Saint–Maurice): Mr. Speaker, I have been elected by three times as many Canadians in English Canada as he has. I am the Prime Minister of all Canadians. I resent him trying to portray my defence of Canada as a family fight with the temporary Leader of the Opposition.

Some hon. members: Hear, hear.

Mr. Chrétien (Saint–Maurice): The question of departmental budgets is the responsibility of the Minister of Finance in his budget. He presented a very good budget and it has been voted on by the House of Commons. When spending cuts are made by the government, they will be announced in due course.

The technique of having every minister get up one after another is nothing but grandstanding which shows they do not know how to operate in the opposition. The leader of the Reform Party should know that type of question should be asked of the Minister of Finance.

• (1430)

The Speaker: If the questions are long and the answers are long, we could have a very long question period.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, the intensity of these answers reminds me a little bit of the old preacher who got fired when his—

Some hon. members: Oh, oh.

The Speaker: Order. I am sure we would like to hear the story about the old preacher, but I would like to hear the question from the member.

Mr. Manning: Mr. Speaker, yesterday the Prime Minister made a commitment that there would be spending cuts in addition to those already contained in the budget. My line of questioning today is to try to find out from the other ministers who must have been a part of that decision precisely what those cuts are going to be.

The Prime Minister has not allowed the Minister of Indian Affairs and Northern Development to answer, so I would like to direct my question to another minister.

I would like to ask the Minister of Industry what additional spending reductions he is contemplating in his $2.7 billion departmental budget in order to further reduce the deficit as committed to by the Prime Minister.

Hon. John Manley (Minister of Industry): Mr. Speaker, let me say to the hon. member that I am sure he is aware the budget making process is one that is under the direction of the Minister of Finance. If a further budget is to be presented it will be up to the Minister of Finance to do it.

However let me say as well that the budget we are directing in Industry Canada is very much targeted at those sectors of the economy in which we expect to see the greatest economic growth. The key to reducing our deficit is not just to cut expenditures but is to see growth in the economy. That is the objective of the government.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, we are not having much luck in finding these expenditures. I therefore would like to direct my second supplementary question to another minister, the Minister of Foreign Affairs.

Could the minister tell us what additional expenditures he is planning in his department's $3.7 billion budget in order to further reduce spending as the Prime Minister has promised.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, that is a waste of time of the House of Commons and a lack of imagination of the leader of that party. I know he has a problem with his neighbour next door. He should work with him in order to solve his problem, along with the members from Calgary.

He keeps asking the types of questions that are irrelevant in the House of Commons. We have a normal budget process.

Some hon. members: Oh, oh.

Mr. Chrétien (Saint–Maurice): No, no, we have a Minister of Finance for that.

If he does not perform very well, Mr. Harper, his neighbour, will give him a promotion to the third row.

The Speaker: It would probably facilitate matters in question period if we did not refer to the names of members.

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[*Translation*]

MANPOWER TRAINING

Mr. Antoine Dubé (Lévis): Mr. Speaker, my question is for the Minister of Human Resources Development.

This morning's *Toronto Star* confirms that the government is about to launch its jobs plan for youth. This strategy will include an apprenticeship program for young people. But in Quebec, where the procedures are different, this program does not work and, according to the daily newspaper *Le Devoir*, only $2 million out of a total of $225 million will be spent on young Quebecers.

Does the Minister of Human Resources Development admit that the federal apprenticeship program cannot be adapted to Quebec's own needs and realities and will only increase the inefficiencies and overlap already hampering job training in Quebec?

• (1435)

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, if I may be allowed one small correction, the proposals we have put forward for the employment of young people across the country were not announced in today's Toronto *Star*. They were announced in the red book campaign platform last October which was endorsed by something like eight or nine million Canadians, including a large number of people in Quebec. That is the real source of the youth employment program.

The member will see that the benefits of the program we hope to be able to announce very shortly will be broadly shared by all Canadians in every province and in every region.

[*Translation*]

Mr. Antoine Dubé (Lévis): Mr. Speaker, instead of dodging the issue, could the minister promise today to give Quebec its share of the apprenticeship program funds so that it can invest them itself according to its own needs and priorities?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, it strikes me as exceedingly strange that the hon. member is building a whole set of questions upon an event that has not yet happened.

It is about as accurate as the figures used by the Leader of the Opposition yesterday when he said that there were 20,000 people still waiting to receive training in Quebec. In fact the number has been reduced to 14,000 in the last five months of this government because there has been a change in government and a change in attitude.

I would say that the questions of members opposite are about as reliable as the facts they use.

* * *

GOVERNMENT EXPENDITURES

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, it is a real shame the Prime Minister feels that budgetary matters are irrelevant to the Canadian people.

Yesterday the Prime Minister affirmed three times that the government would be making additional expenditure reductions not presently included in the budget in order to further reduce the deficit. We on this side of the House and millions of

Canadians are simply trying to find out where these additional expenditure reductions are coming from.

Could the Prime Minister tell me what additional expenditure reductions the Minister of Transport will make in his $2.8 billion departmental budget in order to reduce spending as the Prime Minister has promised?

Hon. John Manley (Minister of Industry): Mr. Speaker, I get to be Acting Minister of Transport as well today so I get another one of these questions. I frankly do not understand the idea that the Reform Party has of asking open–ended questions.

If the member has some specific suggestions about where he would like to reduce spending in the transportation sector I can assure him that my colleague, the Minister of Transport, will be happy to undertake to review his suggestions. I can give the undertaking with all assurance that his considerations will be given to the hon. member.

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, we are just trying to determine that there will be additional cuts as the Prime Minister stated yesterday. Surely members of cabinet must have talked this matter over. I hope the minister of defence is not the only minister who is bearing the brunt of these cuts. I know he is pulling his hair out over them.

The minister would suggest that his department is not making those significant expenditure reductions so I will direct my supplementary question to the Minister of the Environment. What is that minister going to do to reduce her $737 million departmental budget in order to further reduce spending as the Prime Minister has promised?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I am surprised the member would ask that question given that when his leader responded to the government's budget the comment his leader made was that one department that should not be cut was the Department of the Environment because of its importance.

* * *

[*Translation*]

BILINGUALISM

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, my question is directed to the Prime Minister. During his recent visit to Regina, the Prime Minister made an ardent plea for bilingualism to support his particular vision of Canada.

• (1440)

The report of the Commissioner of Official Languages once again pointed to a major decline in access to federal services in French across the country and deplored the fact that French–language education was still not available in many locations in Canada.

Will the Prime Minister admit that despite all the rhetoric we have heard from the Prime Minister, especially today, the implementation of the government's policy on bilingualism has been a failure, a fantasy from the Trudeau era, and that it is false to claim, as he does, that a person can live, work and receive a decent education in French anywhere in Canada?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, when I see people who want bilingualism everywhere in Canada but do not want it in Quebec, I see people who want a double standard.

I maintain that the French fact has made considerable progress in this country. We have 325,000 anglophones in French immersion across Canada. My colleague next to me learned French in Hamilton, Mr. Speaker. We have come a long way.

I agree that in some locations service to the public is not adequate. A committee of the House of Commons, chaired by a French Canadian from outside Quebec, will examine the problem and help the government ensure that its policy on bilingualism operates as it should. It is not perfect, but we have made considerable progress, and we intend to keep up the good work, although francophones outside Quebec are complaining that Quebec's separatist francophones are undermining their efforts to maintain the French fact outside Quebec.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, with all due respect, I wish the Prime Minister would read the commissioner's report, because he would see that all this progress is an illusion. We are not getting anywhere.

I want to say to the Prime Minister, who hails from Quebec and who keeps talking about his French Canadians, that he should treat them as well as English–speaking Quebecers are treated. We treat them well in Quebec. When will you start treating French Canadians as we treat English Canadians in Quebec?

Some hon. members: Hear, hear.

Mrs. Tremblay (Rimouski—Témiscouata): I wonder how the Prime Minister can expect to maintain his credibility and can sing the praises of bilingualism, when in its latest budget, his government cut financial assistance to all francophone associations outside Quebec.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have a problem here. On one side we have the Reform Party that wants us to more or less get rid of bilingualism across Canada, and on the other side we have people rising in the House today with a lump in their throats, and I really appreciate that, to defend the cause of francophones outside Quebec, but as soon as they achieve their objective to separate Quebec, one million francophones will lose their language because of the irresponsible actions of these people. That is why we intend to defeat them in their quest to separate Quebec from Canada.

[*English*]

GOVERNMENT EXPENDITURES

Mr. John Williams (St. Albert): Mr. Speaker, yesterday the Prime Minister committed his government three times to cutting the budget.

We have asked the Minister of Indian Affairs and Northern Development where he is going to cut and we have not had an answer. We have asked the Minister of Industry twice so we would have a chance to see where he would cut. We have asked the Minister of Foreign Affairs where he is going to cut and we have not had an answer. The Prime Minister has deferred to the Minister of Finance. We want to know who is in charge over there.

● (1445)

Will the Prime Minister please tell Canadians which ministers are going to be cutting their budgets to fulfil his commitment of yesterday? It is not only us who want to know. Canadians want to know. Investors who are buying their bonds want to know. We feel we deserve an honest and forthright answer.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have presented a budget to this House of Commons. It was voted on and it is the budget of this government.

What I said in the House of Commons is it is the task of the Prime Minister, the Minister of Finance and every other minister to make sure that every expenditure in every department is looked at very carefully. When they find some opportunities for cuts they should come forward right away.

I have asked the minister responsible for the renewal of the public service to do that task with every department. Already ministers are coming forward with suggestions. There will be a lot of rationalization.

Fundamentally the budget that we presented and which was approved by this House of Commons is the base of our economic policy. We will achieve our goal. As we mentioned so clearly in the budget, in our program in the period of three years the deficit in relation to GDP will be 3 per cent. We are determined to achieve that goal.

Mr. John Williams (St. Albert): Mr. Speaker, the Prime Minister committed himself and his government to additional cuts beyond what was presented in the budget yesterday. We are trying to find out how much these cuts are, who is going to be cutting and where they are actually coming from.

Since he will not answer that question, will the Prime Minister please tell us how much we can expect in additional cuts beyond what was presented in the budget? His figures regarding the deficit and the cost of the debt are out to lunch because of rising interest rates through their mismanagement of government.

Some hon. members: Question, question.

The Speaker: The questions and answers sometimes tend to go on on special days. I would ask the hon. Prime Minister to answer the question which was put if he would like to.

Right Hon. Jean Chrétien (Prime Minister): I will repeat the statement I made a minute ago that every minister is working to have more reductions. More reductions will be announced when they have been made. Every minister is working very hard at that.

The fundamentals of the budget have been presented to this House of Commons. They have been voted upon. It is the budget of this government.

* * *

[*Translation*]

BILINGUALISM

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, my question is for the Prime Minister. Since the Official Languages Act was passed 25 years ago, we have witnessed an accelerated erosion of the number of francophones living outside Quebec. Statistics Canada tells us that the proportion of francophones outside Quebec has dropped by 40 per cent over a period of 20 years.

My question is this: Does the Prime Minister realize that the alarming assimilation rate of francophones outside Quebec is proof that Canada's bilingualism policy is a total flop?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the actual number of francophones outside Quebec has increased, and the francophone community outside that province is more dynamic than ever. That community now has universities. It seeks to protect its rights. However, it also deplores the fact that some francophones like the Parti Quebecois and Bloc Quebecois members are the ones who create the most serious problems for it.

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, beyond the issue of costs, will the Prime Minister recognize that the mere fact that the Commissioner of Official Languages recommends eliminating bilingualism bonuses is, in itself, another proof of the failure of the bilingualism policy coast to coast?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I believe the Commissioner said that we have to look and see if these bonuses are still useful and necessary. The Leader of the Opposition said that such an exercise was necessary. I think so too, and we are going to review the situation. The fact remains, however, that considerable progress has been achieved.

For example, last month I had the pleasure of visiting the University of Moncton. This is an exclusively francophone university and some of its students are anglophones from all over Canada who go there to study in French, because it is a good institution which was set up after official bilingualism became a fact of life in Canada. The same situation exists elsewhere in the country. Progress was made but nothing is perfect. If the hon. member wants to help, he should say that it is possible for Canadians to live in French outside Quebec and to live in English in Quebec. Then he will make a positive contribution to help the French fact in our country.

* * *

• (1450)

[*English*]

CANADA PENSION PLAN

Mr. Alex Shepherd (Durham): Mr. Speaker, my question is for the Minister of Human Resources Development.

Currently if a proprietorship or partnership incorporates during the year Canada pension plan premiums start anew. Employees are subject to a refund of Canada pension plan premiums on filing their income tax returns. Small incorporated businesses are not eligible for such an overpayment.

Will the minister address this inequity which results in a form of indirect taxation on small and medium sized businesses as well as acts as a hindrance to business formation?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I thank the hon. member for bringing that particular issue to my attention.

As I understand it that particular regulation has been in the CPP book since about 1966. As he points out it could impose a special burden on small and medium businesses at a time when we are trying to encourage them to create jobs and create growth.

Based upon the representation of the hon. member I will undertake to review that regulation and see if we can make a change.

* * *

GUN CONTROL

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, my question is for the Minister of Justice or the parliamentary secretary for justice.

The government continues to talk about gun control for legitimate gun users.

In August 1993 Frederick Stephen Dieno was arrested in a shootout with the RCMP in Surrey, B.C., while fleeing after robbing a pharmacy with a gun. Mr. Dieno was originally charged with 40 offences, including eight armed robberies and accompanying use of a firearm during an indictable offence. However, in a plea bargain arraignment last week Mr. Dieno pleaded guilty to two charges of robbery. All charges of using a firearm were dropped.

How can the minister ensure that Canadians can feel safe from the improper use of firearms when charges of using a firearm during the commission of an offence are routinely plea bargained away?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, for the next few weeks the Minister of Justice and the department will be studying very closely the possibility of making changes to the gun control laws. These changes if decided upon will be brought forward and dialogued with all members of Parliament.

I want to say that questions relating to the administration of justice and plea bargaining are under provincial jurisdiction. As such they are not within the responsibility of the Minister of Justice.

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, I am pleased to see there will be co–operation with the government side in making some changes to the gun control legislation. Unfortunately, I have every reason to believe it is in the wrong direction and it is against legitimate gun users.

We are asking for changes in the law. We want to know if the government is prepared to make changes in the law to prohibit plea bargaining away existing gun control on the illegal use of guns.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I agree with the hon. member that plea bargaining away charges on armed robbery should not take place.

This question relates to the study the Department of Justice is conducting on gun control. It is doing it very intensely and with the same concern the hon. member presents to this House. I am sure we will have something to tell the hon. member and indeed all members very shortly.

* * *

[*Translation*]

BUDGET CUTS

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, the Prime Minister said in Edmonton on March 4, 1994 that the only cuts to be made in the next three years were those announced in the Budget; however, the Minister of Finance said in London on April 11, 1994 that there would be more deep cuts.

• (1455)

Speaking of possible cuts, he said: "I will make the answer very clear." That means yes, he will cut. So said the Prime Minister in Ottawa on April 12, 1994.

Who was telling the truth, Mr. Speaker? The Prime Minister in Edmonton, the Prime Minister in Ottawa or the Minister of Finance in London?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the very large cuts that the government made, especially in Defence and elsewhere, in programs that we are now reviewing, criticized by the opposition, when we always said that we would make those cuts. That is the basis of our budget. I said in Edmonton and here that the ministers could try to reduce government spending outside the budget, on a daily and weekly basis.

The results of this operation will be known every week or in the weeks to come. I think that in the next few days, for example, some ministers will have an opportunity to announce that some programs or institutions in their departments can be abolished right now. They will make announcements when they are ready. At the end of the year, we will see how much more was cut, in addition to what we promised in the budget.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, the Prime Minister has just disowned his budget. He has just said that his budget is no longer worth anything.

Now that he has admitted the need to make additional spending cuts, now that it is clear that he cannot do the job on his own, is the Prime Minister prepared to involve Parliament in this process by creating a parliamentary committee to review the government's finances, as we have been asking him from the beginning?

Right Hon. Jean Chrétien (Prime Minister): It is the duty of all parliamentary committees, when they review the appropriations of every department, to make the appropriate recommendations. If members of the Bloc Quebecois and the Reform Party want to make recommendations, the committees are there. They sit every week and I am sure that all committee chairs will be very pleased to consider all recommendations for spending cuts and that will make the hon. members very happy. I asked our party to do so, because we want our members to be involved. There is no problem, then. You will have the estimates of all departments and you can make the suggestions that you want to make. They will be considered by the committee and forwarded to the government in due course.

[*English*]

IMMIGRATION

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

Yesterday in the Standing Committee on Citizenship and Immigration the minister revealed that he wants to attract more immigrants from Europe. I ask the minister to assure this House he has no intention of introducing ethnic or racial criteria into the government's immigration policy.

The Speaker: I believe that this matter is in committee now. However on a more general type of question perhaps the minister would like to respond to that.

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, this side of the House is having some degree of difficulty in trying to understand the nature of the question.

On the one hand the hon. member is talking about the legitimate promotion of our immigration program through Europe. On the other hand he talks about a program in terms of ethnic or cultural lines.

The fact of the matter is we have a balanced program. We have a number of doors through which individuals can apply to enter, whether it be the refugee stream, humanitarian, family class, independent skilled, or business.

When I was in the London, England office which is our biggest office in Europe, I on behalf of my government suggested that the perception in Europe that our doors are closed is wrong. I believe we need to promote immigration from that part of the world and also to target it with respect to business class and independent skilled. Many trades, such as aerospace, are overheating in Great Britain. We could certainly do with those skilled tradespeople coming over.

• (1500)

There is nothing incompatible in saying that we want to have independent, skilled and business applications coming in, and at the same time maintaining our family and humanitarian programs which have been a hallmark of this country for a long time.

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, my question was to determine the policy of the government and whether it was going to introduce racial or ethnic criteria.

Reformers welcome immigrants from all over the world. I ask the minister, in trying to attract more immigrants from Europe, is he suggesting that immigration from other parts of the world be curtailed or is he suggesting that the total immigration numbers be increased? It has to be one way or the other. Which is it?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, the member is missing the boat completely and he is all wet.

If the hon. member looks at the immigration plan we presented to the House just a few weeks ago, he will note that we increased, as per the red book, the number of independent skilled people. Canadians, including I am sure members of his own party, have wanted to take advantage of skilled individuals who can find an economic niche.

All I am saying is that the proportion of people with independent skills coming from Great Britain and the rest of Europe will increase over 40 per cent in keeping with the increase in our independent skill levels.

No, the government does not create policies based on the colour of one's skin, or religion or creed. We base policies on sound facts and we try to not divide people but bring them together in unity.

* * *

POTATO INDUSTRY

Mr. Joe McGuire (Egmont): Mr. Speaker, my question is for the parliamentary secretary to the minister of agriculture.

I and my colleague from Malpeque, the P.E.I. potato industry and others have been working with the agriculture ministry for the past five months trying to solve the PBY–n compensation problem.

We were all expecting cabinet to make a decision on the issue this week, thereby putting an end to a four–year ordeal by the P.E.I. potato seed industry.

Can the government tell the P.E.I. potato industry when a decision will be made on this issue? A lot of farmers' futures depend on it.

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food): Mr. Speaker, the minister has been pursuing this very important issue since it was first raised with him almost immediately after his appointment as Minister of Agriculture and Agri–food.

He has met with Prince Edward Island potato growers. He has met with the Potato Growers' Association. He has met with the premier. He has met with the MPs from that province and discussed this. He started and completed some analyses so that he could become fully and fairly informed on all the facts.

The process has taken some time. He has made sure that all of the facts have been before him. The process has been slowed up a little bit and interrupted by the launching of a lawsuit by some Prince Edward Island growers and the government has no alternative but to defend itself, and the government will.

In the meantime, the minister will continue to treat this as seriously and as thoroughly as he has in the past. It is now in the hands of the courts and nothing more can be said at this time.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's response to nine petitions.

* * *

• (1505)

PEARSON INTERNATIONAL AIRPORT AGREEMENT ACT

Hon. John Manley (for the Minister of Transport) moved for leave to introduce Bill C–22, an act respecting certain agreements concerning the redevelopment and operation of terminals 1 and 2 at Lester B. Pearson International Airport.

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

* * *

[*Translation*]

CRIMINAL CODE

CANADA POST CORPORATION ACT

Mr. Pierre de Savoye (Portneuf) moved for leave to introduce Bill C–234, an act to amend the Criminal Code (facsimile advertising), and Bill C–235, an act to amend the Canada Post Corporation Act.

He said: Mr. Speaker, with your permission, I am introducing today two bills which deal with related subjects, so I will speak on both together.

First of all, as we know, of course, masses of unsolicited advertising material are delivered to our homes regularly. A number of our fellow citizens would prefer that Canada Post not deliver this kind of material.

The purpose of one of the bills I am introducing is to allow people who do not wish to receive direct mail advertising or unaddressed mailing to so advise Canada Post Corporation and stop receiving such material.

Let us now move on to another type of unsolicited advertisements, the type we often receive by fax, not on paper paid for by the originator but rather on our own paper. Sheet after sheet after sheet of ads that we never solicited pile up overnight in our offices.

The purpose of this bill is to prohibit the use of faxes to advertise the sale of goods or services to individuals or corporations which did not solicit it.

(Motions deemed agreed to, bills read the first time and printed.)

* * *

• (1510)

[*English*]

MEMBERSOFPARLIAMENTRETIRINGALLOWANCES ACT

Mr. Dan McTeague (Ontario) moved for leave to introduce Bill C–236, an act to amend the Members of Parliament Retiring Allowances Act (at age 60, 10 years service).

He said: Mr. Speaker, the purpose of the bill is to prohibit former members of Parliament from collecting a pension while employed by the federal government, an agency of the Government of Canada or a federal crown corporation. This would eliminate the so–called practice of double dipping.

The bill also states that a former member is not eligible to receive a pension until reaching age 60 and has served at least three consecutive terms with a minimum of 10 years consecutive service.

Finally, under the bill beneficiaries of a member or former member who died before the age of 60 would not be able to collect a pension until that member would have been 60.

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

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

LIBRARY OF PARLIAMENT

Mr. Ted McWhinney (Vancouver Quadra): Mr. Speaker, I have the honour to move that the first Report of the Standing Joint Committee on the Library of Parliament, which was tabled March 22, 1994, be concurred in.

(Motion agreed to.)

* * *

[*English*]

MEMORANDUM OF AGREEMENT

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I move:

Routine Proceedings

That pursuant to the Memorandum of Agreement between the Speaker of the House of Commons and the National Archivist of Canada dated June 8, 1993, all documents presented to a committee of the House of Commons sitting in camera and any other documents so designated by the Speaker which have been or will be deposited in the National Archives of Canada for safekeeping, including any such records deposited prior to the date of the Memorandum of Agreement shall be identified as Secret Records;

[*Translation*]

That, Secret Records shall not be made available by the Archivist to any person for a period of thirty years from the close of the Parliamentary session in which the Secret Records were created, unless the House of Commons or one of its committees directs otherwise, and

That, twelve months before the expiry of the thirty year delay, the Archivist will inform the Speaker that unless the Speaker directs otherwise, the secret documents will be made public according to the terms of aforementioned Memorandum of Agreement.

[*English*]

I ask for unanimous consent for this motion.

(Motion agreed to.)

* * *

PETITIONS

HOUSING

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, I have petitions sponsored by the Community Council of Notre–Dame–de–Grâce which contains over 200 names. The petitioners refer to the critical need for more social, co–operative and non–profit housing in Montreal and ask Parliament to lift the budget restraints imposed on CMHC for the development of social and co–operative housing.

• (1515)

THE SENATE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have several hundred more names to add to the thousands that have already been presented from my riding and surrounding areas calling on the Parliament of Canada to urge government to abolish the Senate.

CRIMINAL CODE

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, pursuant to Standing Order 36, I would like to present four duly certified petitions on behalf of my constituents, three of them dealing with the same subject from the towns of Shaunavon, Cabri, Maple Creek and Gull Lake.

The gist of the petition is that whereas section 745 of the Criminal Code of Canada requires a convicted murderer sentenced to life imprisonment without chance of parole for 25 years may apply for a review after 15 years, and whereas the murder of a Canadian citizen is a most reprehensible crime, wherefore the undersigned humbly pray and call upon Parliament to repeal section 745 of the Criminal Code of Canada.

The fourth petition from residents of Gravelbourg, Saskatchewan, and environs contains some 150 signatures dealing with section 241 of the Criminal Code.

The petitioners beg that Parliament not repeal or amend section 241 of the code in any way and to uphold the Supreme Court of Canada decision of September 30, 1993 to disallow assisted suicide and/or euthanasia.

Mr. Milliken: Mr. Speaker, I think you would find the consent of the Chamber to revert to presentation of reports by committees. The chairman of the fisheries committee is here and wishes to present a report and I wonder if we could do that at this point.

The Deputy Speaker: Is there unanimous consent to revert to committee reports?

Some hon. members: Agreed.

* * *

COMMITTEES OF THE HOUSE

FISHERIES AND OCEANS

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I have the honour to present in both official languages the first report in this Parliament of the Standing Committee on Fisheries and Oceans in relation to the Atlantic fisheries adjustment programs.

I want to thank all the individuals who have co–operated with us, most particularly members of the committee on the Liberal side, the official critic and the member from the Bloc Quebecois as well as members from the Reform Party.

I also want to thank the over 92 witnesses who participated, allowing us to come to some consensus on a number of issues relating to the tragic situation of the collapse of the Atlantic groundfishery.

Some of the technology that we used such as teleconferencing, which at first perhaps some, including myself, were a little leery of, has proven to be very beneficial in allowing Canadians access to their parliamentarians and to committees.

I hope that at least some of the recommendations in this committee report find their way into government policy.

This was broadcast live from coast to coast. The process we went through does show Canadians that Parliament can work better and that it can work without animosity and that partisanship can be put aside when we do the job. Our job obviously as members of this place is to represent to the best of our abilities the interests of the citizens of this country, no matter where they live and no matter the political stripe of the individuals who sit on a committee.

I also understand that we have some minority reports which will be appended to the document and there may be one of the members opposite who may wish to add a few words to the record.

• (1520)

[*Translation*]

Mr. Yvan Bernier (Gaspé): Mr. Speaker, given what the chairman just said, I think I have the unanimous consent of the House to append our document as mentioned. We had to proceed and co–operate with the government to hear the 92 witnesses who testified before us. It was not easy and that is why, given the need to proceed quickly, the Bloc Quebecois as the Official Opposition party wants to point it out. We also want to append to the Standing Committee's majority report a minority report stating the missing elements that, in our opinion, would enable the government to make the right decision.

Our report is generally concerned with the lack of industrial strategy. There is also the question of job training on which a lot of money will be spent. There is a constitutional dispute on the Quebec–Canada agreements, and we wanted to point it out in the House.

The Deputy Speaker: I will start by asking, as the hon. member indicated, for unanimous consent to give him the floor. Is there unanimous consent for the hon. member from the Reform Party to say a few words also?

Some hon. members: Agreed.

[*English*]

MINORITY REPORT

Mr. John Cummins (Delta): Mr. Speaker, I would like to echo the words of my colleague from the Bloc and of the governing party. The committee worked very well during the hearings. Unfortunately we were rushed at the end in an effort to get the reports together.

I would like to present a minority report. I think there are some issues on which we were in disagreement with the majority. These issues deserve to be heard as well.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, the following question will be answered today: No. 18.

[*Text*]

Question No. 18—**Mr. Deshaies:**

Has the Federal Infrastructure program made provision to allocate funds to the federal–provincial–territorial co–operative program entitled Canada's SchoolNet and, if so, how many Quebec schools will participate in this program and what are the names of the Quebec schools or school boards concerned?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): The Canada infrastructure works program is a series of agreements with the provinces to support regional and local needs over the next three years.

The Canada–Quebec infrastructure agreement was signed February 7, 1994. Under the terms of the agreement, the program in Quebec is divided into four parts: infrastructure repair, expansion and construction for municipalities with a population of 5,000 or more; infrastructure repair, expansion and construction for municipalities with a population of less than 5,000; projects involving new technology, and major projects affecting urban areas.

As in other provinces, there is no specific allocation to programs such as SchoolNet or to other similar programs, but the criteria would allow for projects that could support the use of SchoolNet. To date, no proposals have been made to the province of Quebec regarding SchoolNet or the school boards.

[*Translation*]

The Speaker: Question No. 18 has been answered.

Mr. Milliken: Mr. Speaker, I would ask that the remaining questions be allowed to stand.

The Speaker: Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that the single notice of motion for the production of papers be allowed to stand.

The Deputy Speaker: Shall the notice of motion stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT SUSPENSION ACT, 1994

Hon. Fernand Robichaud (for the Leader of the Government in the House of Commons) moved that Bill C–18, an act to suspend the operation of the Electoral Boundaries Readjustment Suspension Act, be read the third time and passed.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to have this opportunity to speak at third reading of this very important bill which has been introduced in the House and which has received considerable support on all sides.

I recognize there is some opposition in the Reform Party to this bill but I suggest it is misplaced opposition and that in the end the Reform Party will really appreciate the fact that this bill has been introduced and dealt with in the House because it will be so pleased with the final result of the thing when redistribution has finally been accomplished.

The member for Kindersley—Lloydminster shakes his head and looks dubious but that has been his problem all along. He has been a doubting Thomas in respect of this bill and I think when he sees the outstanding work that the committee of which he is a member will do in coming up with a new law he will be gratified with the results and say he cannot understand why he did not agree with this bill in the very first place.

The hon. member knows, and all members know, that in dealing with a subject of such importance as redistribution, of great importance to the members of this place, a government is always loathe to act unilaterally and in a way that is unfair, or perceived as unfair, to the other players in the political process.

• (1525)

In this case I suggest that what the government has done is move in a very fair and reasonable way. What has happened as a result of this bill? The purpose of the bill is to shelve the current redistribution process for a period of 24 months. If at the end of that time there is no new mechanism put in place by legislation, the redistribution commissions will restart their work, presumably using much of the material they now have and come up with a new set of maps.

There will be public hearings that follow as there are under the current regime, and everything falls back in place again. This is simply a delay of 24 months. Let us look at the history of this. Why is the government operating in this way? Why would we argue for a 24–month suspension at this point?

Redistribution should have been effected following the 1991 census at an earlier date than this because the very first figures released in 1992 on that census were the ones for redistribution of seats in the House of Commons. However, the previous government, the Mulroney government, introduced a bill in this House to delay the process for 12 months because there was a committee doing a study of the report of the Royal Commission on Electoral Reform and Party Financing which had been presented to the country by the royal commission in early 1992. Maybe it was late 1992, I cannot remember the date, I must admit.

That report was referred to a special committee of the House of Commons. It was to study the report and come up with recommendations. It seemed pointless at the time. There were one or two in the NDP who disagreed but almost all members agreed that the proper course was to defer consideration of redistribution until there had been a study of the royal commission's report because the royal commission recommended changes to the redistribution law of Canada. The aim was to have that study by the committee done so that legislation could be introduced in Parliament to make changes.

The committee ended up with a short timeframe for such an extensive study of the act because the referendum intervened in the process and disrupted the entire committee work. It took so much time to do the referendum bill and then Parliament did not sit for months and months because of the referendum.

Nothing was done in respect of the redistribution recommendations contained in the royal commission report and nothing was done to change the redistribution law. The law was left in place and began its operations during the summer of 1993, just when Parliament had been adjourned for the summer, and at the subsequent election because Parliament did not sit again until well after the election was called.

There we were in a situation in which these commissions were beavering away across the country preparing draft maps that were subsequently made public and members suddenly discovered that redistribution was back on the table, here were the maps and the public hearings started in another month. These maps were unacceptable to the vast majority of members in this House.

We heard yesterday at length from members of the Bloc Quebecois.

[*Translation*]

They made several speeches. It was unbelievable to hear so many speeches on that issue yesterday, but each of these hon. members had problems with the boundaries in his or her constituency.

[*English*]

We responded to this. That is partly why the government acted with alacrity to bring in this bill and suspend the process. We spoke in advance with members of the other parties to ensure that there was some agreement on this. We suggested a motion to refer various matters to the Standing Committee on Procedure and House Affairs in order to allow that committee to do a detailed study.

We invited comments from the opposition and we got some very constructive comments from both parties in opposition. We included in the motion various items at their specific request to make the committee process more palatable to them, to make sure we covered the points that were of concern to the opposition. I think we have covered them all.

The difficulty was that some hon. members on the other side have made speeches in the House decrying this. They wanted us to write in what the committee was to do; that is, if the committee was to bring in a report saying this. We as a government said we will let the committee make its own decision on how it will report to the House. It will consider all these matters but the report is the committee's decision. We would not prejudge it. We would not instruct the committee to do certain things such as limit the number of members of the House of Commons to 295 or reduce the number of members of the House of Commons or increase it no more than by *x* number. We said the committee would have to look at all the options and come up with a report. That turned some members of the opposition in the Reform Party in particular into nervous Nellies. They became quite upset at the thought that the committee might—

• (1530)

Mr. Hermanson: Wise owls.

Mr. Milliken: The hon. member for Kindersley—Lloydminster says: "Wise owls". I say: "Nervous Nellies".

They were afraid the committee would go out of control and come up with something worse than we now have. I suppose that is possible, but I think the hon. member for Kindersley—Lloydminster needs to look at the composition of the committee. He is a member of it and a very responsible member of it.

[*Translation*]

The hon. member for Bellechasse also sits on that committee and he is very competent. We have several competent members and, as chairman, I can do certain things to assure committee members that everything will go just fine. So, I support this bill because we now have a motion on the Order Paper to refer all these issues to the committee, and that motion is acceptable to the vast majority of members in this House. I am convinced that once the legislation is passed, the Reform Party will support our motion to the effect that the whole issue should be referred to the committee.

[*English*]

I know their doubts will vanish. The committee will be able to conduct a study and come up with a new bill.

How is the new bill to come into operation? I would hope we would have the bill passed so that we would not have the 24–month delay any more. It will simply get rid of the current system and replace it with a new one which would start as soon as the new bill has passed Parliament.

The question is when it will pass. That matter rests very substantially in the hands of the committee because we have adopted for the motion to be referred the new procedure in Parliament of instructing the committee to bring in a bill on the issue.

The committee would come back with a bill to the House. The government could then table the bill. Debate on second reading stage would be very short, as hon. members know, assuming the bill complied in all respects with what the committee recommended. We would have shortened debate and rapid passage of the bill based on the new procedure. The committee would do the work and would do it in advance.

I know hon. members will strive to have the committee achieve agreement on all major points before it. We will look at the alternatives that are available for dealing with the issue for the benefit of all Canadians.

Some members of the Reform Party have said there is not a public outcry on the issue. Of course there is not a public outcry on the issue. Members of the public are not particularly involved in the redistribution process and have never shown a particular interest in the redistribution process. Most members of the public do not worry particularly about where they are voting.

When the new boundaries are in place there will be outcries from people: I do not want to vote with that group; why do I have to drive this far to vote; why is my part of the riding cut off from all the rest, all my friends and neighbours that I normally voted with; why are we suddenly lumped in with so–and–so as our member of Parliament?

That will not happen until the redistribution is complete, the election campaign starts and people find they are in different ridings. In spite of all the advertisements of the commissions most people do not look to see which riding they are in. I have gone around my constituency and have asked, and most of the people I would be losing to the neighbouring riding in this scheme—and there are not many—are totally unaware of it. Members of the public do not know and there is no public outcry.

The people who are interested in the legislation for the most part are right here in the House. It is members of Parliament who have to work with those boundaries during the time they are elected to serve the people in their own geographic areas.

Imagine, if the redistribution came into effect today or very shortly as planned, what members of the House who are losing their ridings would do for the next four years. Who are they going to be representing? Would it be the people who elected them or the people whose ridings they think they are going to be running in the next time?

From the point of view of the public the bill makes sense because it defers the process so that if redistribution is completed in time for the next election it will be done shortly before but not a long time before the election. Members of the public will be fully represented by their MPs during the time they are elected to serve them, without having to cast an eye on neighbouring ridings where members might be running the next time. That is important. It is a significant advantage for members of the public, let alone for MPs. To ignore that reality is perilous, and there are many constituencies that are disappearing.

• (1535)

I suggest that members of the Reform Party, many of whom are suffering substantial shifts in the process and know it, particularly those in British Columbia, must be apprehensive about it. I know they are. I know many members of that party are very concerned about the boundary proposals that have been put forward.

Here is a chance to come up with a new scheme. I am not saying the committee is going to sit there and draw boundaries; far from it. We will come up with a new arrangement that will allow for a redrawing of boundaries on a more equitable basis. We think we can come up with something that is fairer and better for Canadians.

It may be that there should be a more specific requirement for consultation with members of Parliament on the issue, or at least with political parties in the existing constituencies. I do not know what will be the best solution, but the reference to the committee is open–ended and we can look at all possible solutions in the committee.

I know hon. members on the other side are anxious to get on with the work. As chair of the committee I am anxious to undertake the work to see what we can discover. There are plenty of experts on the issue of redistribution in Canada who are familiar with it. Members of these commissions may have views they wish to make known to the committee. It is important for the committee to get on with the work and hear from those people. Passage of the legislation will ensure that will happen.

I invite members on all sides to bury the hatchet they have been wielding in recent days and support the bill. I know the hon. member for Kindersley—Lloydminster particularly has his doubts, but I invite him to cast his doubts aside and walk with confidence into the future the redistribution process holds for all members and for the benefit of the Canadian public. It is a good bill. I know the hon. member in his heart of hearts thinks so and I invite him to support it.

[*Translation*]

Mr. François Langlois (Bellechasse): Mr. Speaker, I welcome this opportunity to speak on third reading of Bill C–18, an act to suspend the operation of the electoral boundaries readjustment process in Canada.

I listened with interest to the speech made just now by the hon. member for Kingston and the Islands, and I am sure he will want to show the same interest in what I have to say about this bill at this particular stage.

When considering a bill that has long–term implications for the future of the Canadian federation, it is always necessary to define the role of the sovereigntist member with respect to such legislation. I have never made a secret of the fact that I was elected by the constituents of Bellechasse to defend and promote the interests of Quebec, which includes promoting the sovereignty of Quebec.

As was pointed out, not by the hon. member from Kingston and the Islands but by the hon. member for Calgary West and also by the hon. member for Fraser Valley West, the seats in this House are ours on a temporary basis. We have them in trust, as it were. We do not own them. It is up to our constituents to determine who will sit in those seats. Of all the members sitting opposite during the 34th Parliament, only one member is left in this House, and this happened when constituents across Canada freely expressed their will that it should be so. It is always useful to recall that this House is not owned by anyone, that these seats are not anyone's property and that we occupy them on a temporary basis, until we are recalled by our constituents or decide otherwise or reach the end of our career.

That being said, I may be a sovereigntist, but it would be irresponsible of me to deny that a decision on the sovereignty of Quebec is still a decision that must be made by Quebec voters in a referendum that will be held in a few months, in Quebec. It will be held after the Quebec elections which, according to the Canadian Constitution, will have to take place in the fall, at the latest.

• (1540)

Since we, on this side of the House as on the other side, of course, are all in favour of supporting the rule of law, the very essence of democracy, we must operate within the confines of the present legislation.

At the present time, we still belong to the Canadian federation, and we must think ahead in case our ultimate goal—we can finally see the light at the end of the tunnel, since the Quebec referendum is only a few months away—should that light fade away for one reason or another, these seats will still be Quebec's. That is why we cannot afford to ignore the implications of this bill, if there were a change in the membership, since the Bloc Quebecois was elected for a specific term. That is why I took an active part in the study of Bill C–18 at every stage.

I must point out that once again, the government has acted belatedly in presenting this bill. They could have presented it 10 or 15 days earlier, so that it could have followed the normal process. But they chose to wait until the last minute when provincial commissions, especially in Quebec, had already started to hear witnesses or were about to hear them. As a matter of fact, these commissions are operating at the present time.

The way the debate has been going on has forced the government to bring a motion for time allocation, commonly called closure. My colleagues from Calgary West and Kindersley—Lloydminster rose in opposition to that motion. They were protesting against closure, and rightly so, I think. We did the same, even though we support the bill, because we will never accept closure on such a bill. We have been just as vocal as our colleagues from the Reform Party in opposing it.

The bill was passed at second reading and referred to the Standing Committee on Procedure and House Affairs which tabled its report in the House. Then my colleague from Kindersley—Lloydminster, seconded by the hon. member for Calgary West, proposed three amendments at report stage. And curiously, the party which complained so bitterly about time allocation, because debate was cut short, hardly intervened on its own motions. It is the Official Opposition which had to do the job of the Reform Party, which is a bit ironic. Why did they complain about time allocation, and choose not to speak yesterday? There is a logic there that I do not get. Could it be that their caucus meeting, Monday night, caused a number of them to lose their voices? I do not know.

Anyway, we will do our job at third reading. I do believe that Bill C–18 is necessary if we want to review the 30–year old rules on electoral boundaries readjustment. In my humble opinion, we should start this review process, immediately after the bill is passed, by studying carefully section 51 of the Constitution Act, 1867.

• (1545)

It is the basis for the entire decennial readjustment process provided for by our Constitution. It will no doubt be the first section we will have to consider in hearing testimony and debating various amendments to provisions of section 51 of the Constitution Act, 1867. We may also have to review section 51(*a*), the so–called senatorial clause, which prevents a province from being represented by fewer members in the House of Commons than senators in the Senate and which presently applies only to Prince Edward Island.

Perhaps there should also be a section 51(*b*) forcing the government to take a member from Prince Edward Island from within its ranks and make him or her a cabinet member, which is presently lacking. Why does a province with such a glorious history as Prince Edward Island have no Cabinet members in this government?

There is another question, but I will not get into it either. We can ask ourselves the question anyway. The criteria have not

been reviewed since 1964. I have no intention of going through the whole list, but it is high time that they we review them.

In 1964, the government of the day, the Pearson government, had the brilliant and worthwhile idea of taking the electoral boundaries delineation process out of the hands of Parliament and members of Parliament and putting it in the hands of independent commissions.

Grasp all, lose all, the saying goes. Perhaps the right balance has not been struck between the role of the legislator and that of the commissions. These are also questions we have to ask ourselves because a number of members have risen in this House to disagree with plans currently before the various provincial commissions.

We need to act, not hurriedly, but swiftly nonetheless, as we are facing some form of danger, a constitutional danger I would say. As I see it, the danger results from the fact that, during the 24 month period when readjustment is to be suspended under Bill C–18, during that time, the Procedure and House Affairs Committee will have to continue to work. The government will make its bed and eventually present a bill or accept the one proposed by the Standing Committee on Procedure and House Affairs. But we should not face the next federal election with a seat distribution based on the 1981 census.

One thing is certain, for the legal security of all Canadians. With all due respect, I wonder whether it is appropriate for the government to submit Bill C–18 with all its consequences, namely that we still have a distribution based on the 1981 census and that the 2003 election could still be based on 1981 census figures. Are we not in violation of section 51 of the Canadian Constitution, which provides for a decennial census and a readjustment of representation after each decennial census?

The Constitution is there for a reason. If it requires us to conduct a census, a census will be conducted, and then we will say, "We need a readjustment". If every time we are about to undertake such a readjustment, some bill cancels or postpones it, it is as though this provision were no longer enshrined in the Canadian Constitution.

I urge the Canadian government to use the authority of the Governor in Council to refer the constitutional problem to the Supreme Court of Canada for advice, so that any challenge is not left to ordinary Canadians already overburdened by taxes, and so that it can be dealt with as quickly as possible.

• (1550)

Bill C–18 also provides for the abolition of existing provincial commissions, a measure which we fully support since we cannot keep on standby—in spite of the comments made by the hon. member for Kindersley—Lloydminster, which will certainly be corrected later—and pay the members of those commissions to do nothing.

This provision should also apply. We can start all over again later. When I say "we" I mean this House, because we do not know what the situation will be in 24 months, and what the House will look like. Who knows, there may be 75 fewer seats. It is pointless to discuss the architecture of this House. After all, if the 75 seats from Quebec disappear, there will be enough room for larger desks, to accommodate those who have put on some weight because they do not have time to exercise in the Wellington or Confederation building. This could prove a lot cheaper than tearing down walls, as suggested by our friends from the Reform Party.

We Quebecers will do an immeasurable service to this House by freeing a little more than a quarter of the seats here.

Of course, I am pleased because I did not hear any terms such as break up or collapse. Things went smoothly and I was able to discuss the issue. In fact, I wonder why, when I raise the issue of sovereignty for Quebec, I hear some hon. members use those expressions— but not everyone, far from it. In fact, fewer and fewer do so, and it may be because they understand more and more that Quebec's sovereignty is not directed against anyone: rather, it must be done for our own good. As I mentioned yesterday to the hon. member for Stormont—Dundas, Quebec will always be as open as it is now with its neighbours, and particularly its Ontario friends, who are very close, not only from a geographic point of view but also in terms of the affinities which we have developed. Quebec is a state which tomorrow, just as it was yesterday and is today, will remain open and receptive to the world around it.

Again, Quebec's sovereignty is not directed against anyone. Let me give you an example. If, tomorrow or in the near future, the people of British Columbia decided to become sovereign, I will not get frantic. I will simply say: very good, this is your decision as British Columbians. That is fine, let us try to make some agreements, this is an emancipation for you, this is your choice and I see no point in criticizing it. I will not say that someone is trying to dismantle the country, to tear it apart, to blow it up or whatever. I think that we will have to consider very calmly the implementation of new structures for this country which has already gone through several structual changes. Since 1763, it has been known as Canada, but during the period when it was made up of Upper and Lower Canada, and even before that, at the time of the Quebec Act and the Royal Proclamation, it was a small country. It grew quietly, over the years.

My comments are totally relevant to the debate, Mr. Speaker. In 1949, Newfoundland joined the Canadian federation, but Newfoundland was not destroyed because it decided to give up its status as an independent Dominion. Newfoundlanders were never told that they had destroyed their country. They were congratulated on choosing to join the Canadian federation.

In the second 1949 referendum, because there were two of them, Newfoundlanders voted 52.34 per cent in favour of joining Confederation, while 47.66 per cent voted against. However, that referendum was somewhat special, and we will not have the same kind of referendum in Quebec.

• (1555)

For instance, in the riding of Labrador, the number of registered voters in the second referendum on July 22, 1948, was 2,886. The number of votes cast was 3,447, which means a participation rate of 119.44 per cent in favour of union with Canada. The people in the riding of Labrador were way ahead of the riding of Ferryland, where 3,791 voters were registered but 3,965 cast their votes, which meant a participation rate of 104.59 per cent in the second referendum, which is not bad!

The first referendum was held on June 3, 1948. There again the participation rate showed that the people of Newfoundland, and probably their ancestors as well, were interested in voting in the referendum, because as they say, we have to vote, not just for our own sake and our children's, but for the people in the cemetery. I think that is what happened there!

If we look at the riding of Grand Falls, in the first referendum on June 3, 1948, the number of registered voters was 11,458, but the number of voters on June 3, 1948 was 12,580, which gives us a participation rate of 109.79 per cent, which is quite good! Grand Falls had the best rate, closely followed in second place by Humber, with 10,745 registered voters and 11,588 people who cast their votes, producing a very respectable participation rate of 107.84 per cent. St. John's West was a close third with 19,586 registered voters and 19,880 votes cast, producing a participation rate of 101.5 per cent.

And last but not least among the ridings with a participation rate of more than 100 per cent—something not even members of the former Soviet Union have been able to do, the best record so far being 99.9 per cent in one of the former Soviet republics—the riding of St. John's East, with 16,313 registered voters and 16,322 votes cast, producing a participation rate of 100.5 per cent. A number of ridings reached 95, 98 or 99 per cent. But in spite of all that, the final result was 52 to 48. That did not prevent the Right Hon. William Lyon Mackenzie King, then Prime Minister of Canada, from saying in this House, after the results of the second referendum in Newfoundland were announced, that "It was clear from these figures that the majority of the huge number of voters who cast their votes were in favour of Confederation. It would seem that the outcome of the plebiscite was "definitely beyond a shadow of a doubt" a sign of support for union between the two countries. The government, and surely the Canadian people as well, welcomed the results of this plebiscite".

I trust that with the standards now in effect and Quebec's legislation that is almost unmatched for its rigour, a result of 50 per cent of the vote, plus one, will be accepted when Quebec makes its decision.

That being said, you will no doubt allow me to say a few words about my own riding, which is also affected by the bill as all other ridings are. Several of my colleagues in the Official Opposition spoke about their ridings yesterday and I did not yet take the opportunity to talk about mine in the other stages of the debate.

Mr. Speaker, I invite you to visit my riding of Bellechasse. You will always be welcome and I will be pleased to host you if you do not have anywhere to stay, but there is excellent accommodation almost everywhere. Anyway, it will be a pleasure for me to receive you when you come. The limits of the federal riding of Bellechasse are as follows: it is bounded on the east by the riding of Kamouraska—Rivière–du–Loup, represented by my hon. colleague. On the west, it is bounded by the riding of Beauce; on the east, by the State of Maine in the U.S., and on the north, by the St. Lawrence River, although my riding also includes some islands in the St. Lawrence, one of which is Grosse Île, where thousands and thousands of Irish families stayed on their migration to Quebec or Canada.

• (1600)

The riding of Bellechasse could now be described as a rectangle going from Saint–Pamphile in the southeast to Lac–Etchemin in the southwest, and from Saint–Jean–Port–Joli in the northeast to Saint–Anselme in the southeast, Saint–Anselme being the parish adjacent to my own parish of Sainte–Claire–de–Dorchester.

With the new electoral map as proposed, which takes into account regional county municipalities or RCMs, the riding of Bellechasse would include two more parishes in the RCM of L'Islet, namely Saint–Roch–des Aulnaies and Sainte–Louise, which are now in the electoral district of Kamouraska—Rivière–du–Loup, so that the whole RCM of L'Islet would be in the riding of Bellechasse.

More to the west, the riding of Bellechasse would gain the municipalities and parishes of Saint–Cyprien, Saint–Louis–de–Gonzague, Sainte–Rose–de–Watford, Saint–Benjamin, Saint–Prosper, Sainte–Aurélie and Saint–Zacharie, which are all located in the RCM of Etchemins. My federal riding of Bellechasse would then include every parish of the RCMs of L'Islet, Montmagny, Bellechasse and Etchemins, for a total of about 64 parishes and enormous distances we still measure in miles because the numbers are too high when they are measured in kilometres.

The homogeneity is very nice, but the distances are a little ridiculous as a single member of Parliament responsible for such a vast area cannot properly serve all of his constituents. The criteria for readjusting electoral boundaries in Canada must be reviewed.

In closing, since we are talking about redistribution, it would be interesting to say a few words on the redistribution of seats in the other place. We would be in favour of an immediate and total redistribution of the 104 seats in the other house where unelected people are highly paid to sit. I think our friends in the Reform Party would wholeheartedly agree with us that we should abolish, in their present form, all the constituencies in the other house of the Parliament of Canada. We do not need a second house whose members would be working as they are now.

I for one am in favour of the proposal put forward by the Reform Party, namely a triple–E Senate, an equal, elected and effective Senate. In my view, that respects the principle of equality among provinces, where all provinces would have the same number of representatives and all regions would be represented.

Even though I said I would be in favour of such a proposal, I do have one very fundamental reservation. The proposal would probably be acceptable to English Canada, but never to Quebec. Quebec does not belong in another house where there would be equal representation of all provinces. Quebec will have nothing to do with that, nothing at all.

In 1965, the premier of Quebec, or the man who would become premier the following year, in 1966, Daniel Johnson Sr., the "real one" as some people call him, wrote in a book entitled *Égalité ou Indépendance* that Canada will be binational and biethnic or it will not exist.

• (1605)

It is up to my colleagues and of course to you, Mr. Speaker, to determine if Canada has become binational and biethnic. Not only do we not hear the word biethnicity anymore, but outside the province of Quebec, a lot of people even deny the existence of the Quebec nation—and I use the word nation in the English sense of the word, in its sociological sense, where it means people rather than country. No matter what Mr. Trudeau says in his private meetings, the word nation in French can apply to the existence and values of the Quebec people today, a people who have demonstrated their collective willingness to live in a given territory, to prosper there in their own language while respecting their minorities and to create within this territory a national state, a home for francophones in America.

That is the goal that we, the Official Opposition, along with Quebec sovereignists and nationalists, will continue to pursue until we succeed, hopefully within a few months, in convincing our friends and colleagues in Quebec that Quebec sovereignty is as good for Quebecers as Canadian sovereignty is good for Canadians and as American sovereignty has been good for Americans. Quebec sovereignty is the affirmation of a people who have finally achieved political maturity. In that spirit, we will vote in favour of Bill C–18 at third reading.

Mr. Stephen Harper (Calgary West): Mr. Speaker, I rise today to participate in the debate on third and final reading of Bill C–18, an act to suspend the operation of the Electoral Boundaries Readjustment Act. First of all, I want to state my party's position. We in the Reform Party are against this bill and continue to oppose it. It is obviously a waste of the time of independent commissions established under legislation passed by this House. Also, it is rather strange to stop the process as public hearings are starting or about to start.

I will be discussing the policy of this government as well as its motives. I must also comment on the remarks made by my colleague from the Bloc Quebecois and his party's position. I understand that the Bloc supports this bill, but I cannot figure out why.

Basically, I do not see why the Official Opposition would support the government in establishing boundaries in Quebec for elections which, they say, will never be held because Quebec will have achieved political independence. I understand the Bloc Quebecois's position on Quebec's independence, but not their position on representation in this House. I do not understand their position on this bill, not at all. I am puzzled by a number of things.

• (1610)

The hon. member for Bellechasse mentioned that we Reformers had moved amendments to this bill yesterday. We made the points we wanted to make. Five or six of our members have spoken on the bill. Now the Bloc, which supports the bill, continues to debate the amendments we moved and that they oppose, thereby delaying passage of a bill they support. I do not understand that and, as I said earlier, I do not see the point, for the Bloc Quebecois, of supporting suspension of the readjustment of electoral boundaries and of the number of seats in a future election if, as they claim, they are not interested in those seats because they would have no use for them in view of the events to come in Quebec.

[*English*]

It is a position I do not understand. I understand somewhat better the position that the government has put forward. I listened very carefully today to the words of the parliamentary secretary who gave for the first time somewhat of an explanation of how the government arrived at its position and how it has conducted itself. I will not comment on that at length. I have said a great deal about it already in the House and in committee.

If one examines very carefully the position of the parliamentary secretary, what he really is saying is that politicians should decide whether these boundaries are appropriate or not. Many of us, Liberals and apparently Bloquiste aussi, think they are not and therefore that really justifies the bill. I know there was more

sophistication to the argument than that. But I heard that as the core of the argument and that troubles me a great deal. It is a fundamentally different concept than the one we have about the redrawing of political boundaries. It is the reason we are concerned about delaying the process for two years and diverting it to a parliamentary committee, dominated by the government majority and then, of course, having on that committee an official opposition that does not think these seats are going to be important to it four years from now.

Let me just comment a little further on that. We had a committee hearing on this bill. We passed the bill on the Thursday before the House rose. Within hours we were in committee and within a couple of hours of that the bill was passed.

The hon. member for Kindersley—Lloydminster and I were there. Officials from Elections Canada including the Chief Electoral Officer, Mr. Kingsley, appeared before the committee. I want to put on the record part of the exchange from that committee if I could because it is very instructive on what the motivations for bringing this legislation were. Let us be clear. They have very little to do with the process that is now under way. I will summarize a few points from that hearing.

The hon. member for Kindersley—Lloydminster asked Mr. Kingsley:

> —were you yourself or Elections Canada in general consulted about the suspension of the Electoral Boundaries Readjustment Act prior to its introduction into the House of Commons?
>
> Mr. Kingsley: —there was not what I would call consultation with me or my office about this bill.
>
> Mr. Hermanson: Is this unusual?
>
> Mr. Kingsley: Well, I've been in the position for four years, and previous amendments to legislation relating to the office have involved consultation with my office—
>
> Mr. Hermanson: —I want to know if the commissions have completed their work under the Electoral Boundaries Readjustment Act to this point? Would that be fair to say overall?
>
> Mr. Kingsley: The answer is yes, they have. They've done their work in accordance with the schedule and in accordance with the requirements of the statute. They are on time.
>
> Mr. Hermanson: Do you know whether they're on budget?
>
> Mr. Kingsley: In terms of the budget that had been fixed, the answer is yes, they are on budget.
>
> Mr. Hermanson: Were the commissions themselves properly constituted as required under the act?
>
> Mr. Kingsley: To the best of my knowledge, yes.
>
> Mr. Hermanson: Was there any indication of incompetence on the commission? Were there any obvious errors or mistakes reported to you or that you observed in supervising their work?
>
> Mr. Kingsley: The answer is no.
>
> Mr. Hermanson: Are you aware of any meetings having been held improperly, say, without a quorum or something like that?
>
> Mr. Kingsley: I am advised the answer to that question is no.
>
> Mr. Hermanson: Do you feel Elections Canada was able to meet the needs of the commissions by providing the maps, the census information and other information you were required to provide to them?
>
> Mr. Kingsley: That is certainly my view because I have heard absolutely nothing to the contrary from anyone.
>
> Mr. Hermanson: There has been no suggestion there were inaccuracies in any of the information received? The census information was correct?
>
> Mr. Kingsley: No information to that effect at all.

● (1615)

Mr. Hermanson went on to ask whether the commissions have the latitude if they hear representation from the public in the public hearing process to make more largely definable changes in the boundaries. Mr. Kingsley replied that in accordance with the statute the commissions have all the latitude they wish on that matter. That is the point of the exercise. I will go on.

I had asked Mr. Kingsley to confirm that the first notification was really with this particular bill. Did it occur after the tabling of the new proposals or the new maps? In other words I was asking if the government showed any particular interest in this to Elections Canada before there were specific boundary proposals that affected Liberal members. Mr. Kingsley confirmed essentially that yes it was after the tabling of the maps that the question was drawn to his attention.

> Mr. Hermanson: Are there already a number of people who have applied to meet before these commissions? Are you aware of that?
>
> Mr. Kingsley: Apparently requests have come in throughout the land.

I know that because I was one who along with several other members of our caucus had prepared submissions and made contact with the commissions. I should add that considerable money had already been spent setting up the public hearing process which is now under way.

Mr. Hermanson asked if a review were going on in committee, in other words the review proposed under the government's motion to look at the process, would it hamper in any way the current work of the commissions. Mr. Kingsley replied that from a purely technical point of view he would have to answer no. Of course we do have the bizarre situation that the hearings are now proceeding because the commissions have to do that in law. Of course there is still the intention to shut down the process.

I asked Mr. Carol Lesage, assistant director of operations, electoral boundaries, whether some of the people on the commissions were qualified. Mr. Lesage made the following observation: "In the majority of cases the commissioners are university professors in political science and in most cases specialize in questions dealing with representation".

In fact when I asked my research assistant to find some detailed articles on these questions so we could call some witnesses it turned out that many of the names she came up with were in fact commissioners.

I asked Mr. Lesage whether to his knowledge the commissioners had any particular partisan background. Of course the answer to that was no.

> Mr. Hermanson: Has Elections Canada received extensive complaints that the process is too slow, or too fast?
>
> Mr. Kingsley: I am advised that we have not received any complaint in that respect.
>
> Mr. Hermanson: Have you had a large number of calls requesting more information or registering complaints regarding the maps that were distributed?
>
> Mr. Kingsley: I remember looking at some statistics. The number of calls has increased recently as a result of this exercise at the 1–800 number.

It would appear furthermore he went on to say, that a number of those calls were directly related to the fact there were advertisements that the public hearing process was about to begin. It is now under way.

It is fairly clear there is no malfunction in this process. It simply does not suit the political self–interests of members of Parliament, particularly members of the government. It apparently does not suit the political interests of members of the Bloc Quebecois. However I do not understand precisely what those interests are. I am sure they have nothing to do with the referendum in Newfoundland 50 years ago.

• (1620)

There has been a certain amount of public reaction to this event and this bill in the media. Let me just review that because this is what people are reading across the country concerning this piece of legislation.

I will not go on and on about this but the Vancouver *Sun* said: "So much for fair play". That was its editorial on March 25.

The Calgary *Herald* of March 25 urged the government to play by the rules. The Calgary *Herald* said: "The Reform Party is right. On this issue, Reform at least appears willing to play by the rules rather than work them to its own self–interests". I have to mention that because I certainly do not have an endorsement from the Calgary *Herald* for the election and I do not suspect I will have one in the future. However, I think it is worthwhile to note that endorsement.

Winnipeg *Free Press*, March 26: "A Liberal fiddle". It goes on to point out the inequities that this legislation will perpetuate.

The Montreal *Gazette*: "Redrawing the boundaries. Ridings should reflect reality, not Liberal politicking".

[*Translation*]

In *La Presse* of March 29, Pierre Gravel wrote: "Electoral map—millions wasted". He points out, and I agree with him, that "Since they arrived in Ottawa, the Bloc has pleasantly surprised its opponents, even in English Canada, by behaving as a responsible opposition party." This is an editorial from Quebec. But he also adds that "This is the first important issue on which one can criticize it for not playing its role."

[*English*]

The Ottawa *Citizen*, March 26: "So much for principles. Crass partisan interference by the Liberals in the redrawing of electoral boundaries ensures the next elections will be unfair".

Edmonton *Journal* March 26, Norm Ovenden: "Liberals protect personal kingdoms. Proposals from independent commissions for new riding boundaries would have cut some MPs out of the political picture". Of course some of them may be cut out in any case.

The *Globe and Mail* wrote a number of articles on this. One in particular I want to quote at length: "Ottawa moves to scuttle revisions to riding boundaries. Grits cut off debate, introduce law to help process of redistribution. Using arguments that affected MPs traditionally raised at boundary revision time, Liberal MPs said yesterday that the proposed changes would disrupt traditional communities and social links within ridings and would eliminate historical riding names. The realignment of rural ridings to give them similar numbers of residents to urban ridings would also make them larger and more difficult for MPs to travel". That is what we heard.

"However, at a closed caucus meeting two weeks ago, Liberal MPs from central Ontario said that the boundary revisions would adversely affect local campaign organizations especially in weakly held ridings. The MPs burst into applause when Solicitor General Herbert Gray, the minister responsible for elections legislation, promised that the government would block the process. The government's move to close off debate yesterday prompted some dissension within the Liberal caucus. Some senior ministers objected to using time allocation so early in the party's term on an issue not crucial to Liberal policy or programs".

"Sources say some Liberal MPs facing another four years with hugely overpopulated constituencies were persuaded to support the move with warnings that realignment could boost the Reform Party's chances in Ontario. Other MPs were told the government will assign additional constituency staff to crowded ridings". I should add that all three parties have agreed to assign this additional staff through the Board of Internal Economy, which we did in any case.

• (1625)

We all know we cannot believe everything we read in the newspapers. However this is a disturbing report, not refuted to my knowledge by anybody in the government to this point. I think the motivations, perhaps not as openly painted by Liberal members as in the article, have been clearly expressed in the Commons that this does affect personal political needs.

I want to shed a little more sympathetic light on this situation. First of all I am glad to see in that article, and I did suspect and have reason to believe there are Liberal MPs and cabinet ministers who do not support what is going on. I wish they had been listened to here.

However I do think there is a problem we should be frank about. Why has this particular issue proceeded this way at this time? In the past there has been a ruckus and concern about riding redistribution. There always will be. Sometimes in the past Parliament has intervened to change the process but it has always given a public policy reason before. It has changed the amending formula in the Constitution that only it can alter, some of the particulars of that. It has through that suspended the process and it has restarted again. Never has it stopped the process without a clear public policy objective other than to study it.

Why did that happen this time? I think the reason is very clear. I saw the map in the Ottawa airport recently. The partisan map of Canada after the last election is very interesting. I know there are some differences here and there, but if you stand back a few feet you see a green bar on one side, the Reform Party and our strength in Alberta and British Columbia. You see a red bar through Ontario where the Liberal Party won most of the seats. You see a purple bar through Quebec where the Bloc Quebecois won almost all of the francophone majority ridings; most of the ridings won by the Liberal Party were ridings with larger anglophone or allophone populations. Then there is another red bar on the other side of Quebec in Atlantic Canada.

What does that mean? It means that you cannot go to an independent commission and make proposals that appear to be sticking up for your own riding without appearing to be against a caucus colleague. You cannot say your riding should be altered a certain way and therefore change the riding next to yours, unless of course you get together as caucus colleagues. That has made it more difficult. I sympathize with that situation because we have had to deal with that in our caucus in terms of preparing our own submissions.

As difficult as that situation is, that cannot block redistribution forever. It certainly is not right to have people represented in the year 2000 on a census that was conducted in the early 1980s. That is ridiculous.

With that all said this is an argument for many, many things. It is an argument for the independence of the process. As the hon. member for Kindersley—Lloydminster pointed out to me today, it is probably also in many ways an argument for the Reform Party policy of fixed election dates every four years.

It is an argument for some of the things that have been raised to restore the Senate to its role of regional representation. It is also an argument for the need for a second chamber. When there is a dominant majority in this Chamber that operates on confidence and insists that the most wildly unjustifiable thing go through and it slams it through as quickly as possible, there is an argument for an elected independent or second legislative chamber. I repeat elected. It would reconsider that measure and force the government and force the House of Commons into some reasonable compromise.

The Senate itself is in a very awkward position in these kinds of situations. The Senate has a clear legal and constitutional mandate which allows it to revisit and to block any piece of legislation. Its unelected status puts it in an extremely difficult position. I am not going to mince words on this, but I hope the Senate studies this thing as carefully as it believes it should be studied. I hope it examines very carefully all the questions, including the constitutional question. To delay this past the year 2000 is in fact a potential violation of our Constitution.

• (1630)

If the Senate believes that is the case, the appropriate thing for it to do, because of its unelected nature, would be not to block the bill, not to vote it down, but insist that the government get a constitutional reference to the Supreme Court on this so that we can be sure that we are not doing anything that is constitutionally or legally untoward. That is very important.

I have spoken a lot on this bill before. I have spoken at length today. Our point is clear. There will be other speakers from the Reform Party and I believe they will all be opposing the bill and we will be opposing it at third reading.

In closing I would like to move:

That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:

Bill C–18, an act to suspend the operation of the Electoral Boundaries Readjustment Act, be not now read a third time, but that it be read a third time this day three months hence.

The Deputy Speaker: The motion appears to be in order.

[*Translation*]

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, I rise to speak on Bill C–18 at third reading. I would like to remind you that during debate on second reading, I stressed the fundamentally democratic nature of the Bloc Quebecois and its

intention to respect the character and autonomy of the people it represents in every riding of Quebec.

I would like to draw the attention of the member from Calgary West, who is wondering about our intentions, trying to understand our approach, to the strongly held democratic beliefs of the Bloc members. I would add that one of our party's main objectives—particularly when it comes to Quebec independence—is, as I have already said, to follow the democratic process every step of the way.

We are taking part in this debate for much more significant reasons than party politics, since, as a number of my colleagues stated in this House, the decentralization process started a few years ago in Quebec is being accelerated and decision–making powers are being transferred back to the regions.

Today I want to say again that the Bloc Quebecois is in favour of Bill C–18, a bill to suspend the operation of the Electoral Boundaries Readjustment Act for a two–year period and abolish the 11 electoral boundaries commissions. Our goal in supporting this legislation which suspends the operation of the Act for two years is, as you will have understood, to respect the regional character of the population and, at the same time, to avoid hampering the process of decentralization towards these same regions that is now under way in Quebec.

• (1635)

Yesterday, I was pointing out in this House that the government in office, the Liberal government, does not usually understand the deep meaning of decentralization. In our fundamental reasons in favour of that readjustment, we are stressing that if, and I repeat if, Quebec is still in the Confederation when this step takes place, we would want to make sure at that time that all of this decentralization pursued by Quebec would be fully respected.

However, as I mentioned yesterday, the Bloc Quebecois supports Bill C–18 with some reservations. First of all, it seems essential that we denounce once again the arbitrariness and inconsistency of some boundaries established in the past. To that effect, we must emphasize the importance of administrative divisions in Quebec. I remind you that these administrative zones not only have a strategic importance for Quebec, but they are also based on fundamental geographic, economic, industrial and cultural considerations, and we must fully understand all the work done by the economic, cultural and geographic communities in Quebec.

As long as Quebec remains part of the Canadian Confederation, the federal commissions readjusting electoral boundaries will have to take into consideration regional county municipalities as well as administrative regions.

As I said in my first speech, and this is the reason for our second reservation about Bill C–18, we consider decision–making an essential element of regional policy for the year 2000. Yet decentralized economic and social development is absent from Canadian policy as seen by the highly centralizing Liberal government. Again, the Liberal government's centralizing thrust works against the process and the work being done in Quebec.

Let us not be afraid of words; let us not deny history; it is high time that Quebec broke free from this centralizing federalism which is extremely costly and leading us to bankruptcy.

Decentralization of the political and economic decision making process appears to us equally essential to the creation of jobs in RCMs, particularly in my area of Sherbrooke, in Val–Saint–François and in the Asbestos region. Therefore, in the spirit of the reform of the Minister of Regional Development of Quebec, Mr. Picotte, and following the consolidation of regional development councils, the Bloc Quebecois commits itself to entrust the regions with political and economic decision–making.

The Bloc Quebecois proposes that the Government of Quebec should not be the only one involved in the developing of a consistent economic policy. The general direction of development must be defined by the regions in the first place.

I personally support the approach proposed by the Bélanger–Campeau Commission, according to which regional authorities are synonymous with regional government. Regional development councils will enjoy the credibility that comes with being elected and have the authority to pass regulations and raise taxes.

The rest of the provinces have to be told that. This way, Quebec remains original and authentic in its approach to regional development.

Decentralization of a central government, this bureaucratic monster which is well known to civil servants, must come from political sovereignty.

The Bloc Quebecois believes that decentralization of government funds and political power is the only way to promote development in eight regional strategic areas defined by the regional council of Eastern Townships, which brings us to the redistribution of all constituencies in the Eastern Townships.

Last spring, in the five–year development plan for the Eastern Townships, local decision makers were able to identify three major development themes.

First, development strategies are defined according to problems caused by delays and all the catching up to do. By promoting resource development, manpower training, research, technological development and business networking, these local

decision–makers are influencing economic development throughout the country.

Hence, we truly believe that people should feel they belong to their region and that ridings should be defined according to common interests shared by municipalities. That basically explains our position on Bill C–18.

• (1640)

Second, in any forward looking approach, it is primarily at the local level that development policy can be defined based on natural and cultural assets of the RCMs and on environmental protection.

Third, we should always start from a decision at the local level, when defining a set of criteria for building on our strengths through investments to modernize our agriculture, forestry and mining sectors and make them more competitive. Therefore, it is primarily for structural reasons that we support this bill.

If my colleagues will bear with me, I will try to explain the reasons behind specific actions by Quebec. Human resources development, manpower training, the potential for natural and cultural development, research and development, environmental protection, natural resources industries and business networking are a priority for my team, and we believe that the RCMs of my riding of Richmond—Wolfe and other Quebec ridings, and the revised electoral boundaries, will be the basis for economic development.

My question is: Should we be always waiting for federal subsidies to boost research and development in the RCMs of Val–Saint–François and Sherbrooke? No. The Bloc Quebecois replies that the time has come to repatriate all powers and public funds which belong to us as a sovereign country and to share them with the regions which represent the real power.

In Richmond—Wolfe, the Bloc Quebecois wants to do more than change the structure and the riding boundaries. We want some logic.

Some hon. members: Good.

Mr. Leroux (Richmond—Wolfe): The members across the way are reacting to these words because they are not familiar with them. Do they know the words logic and decentralization? Decentralization is part of a logical process of regional self–management based on grass–roots democracy. Does that mean something to you?

Our approach favours the emergence of very decentralized and unbureaucratic organizations. Having read the Auditor General's report, we know the high cost of this bureaucratic monster, which is leading us straight to bankruptcy. In short, we oppose all authoritarian social and economic management policies of unified and centralizing administrations, like the Liberal government, which are ruining this country's finances, let us get that clear it once and for all.

By favouring the decentralization of decision–making, we will help the people in the ridings work for regional development instead of trying to develop an impossible Canada.

Adopting Bill C–18 on third reading is a good thing, but, in closing, I wish to say to hon. members that the next stage, consideration by the Senate, is not really essential for us. That institution costs us $43 million a year, but does not produce anything. Nevertheless, Bill C–18 is now at third reading, and we support it.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I listened carefully to the speech of the hon. member for Richmond—Wolfe and I had the feeling that maybe the one who wrote his speech is the same person who wrote the speech of the hon. member for Bellechasse, because both have nearly the same theme. I wonder why he can discuss sovereignty or the separation of Quebec in a speech on new electoral boundaries throughout Canada. It is incredible! Maybe logic defies reason in his speech. In any case, I have a question for the hon. member.

• (1645)

Does he think that he will stay in this House after a referendum, if Quebec says yes to Canada and wants to stay here with other Canadians? If that is the decision, will he remain a member in this House and will he participate as a member, as he is doing now, and abandon his ideas of sovereignty and separation in order to defend his constituents' real interests?

Mr. Leroux (Richmond—Wolfe): Mr. Speaker, I am very pleased that the hon. member is so receptive to the idea of openly discussing sovereignty in this House and that he is prepared to accept some of the arguments that have been raised here so that together we can consider what lies ahead for us.

Our course of action will be quite straightforward. Yes, the Parti Quebecois will win the next election in Quebec. A referendum process will be launched and will be won by the Parti Quebecois. The members of the Bloc Quebecois will be pleased to work in Quebec with considerable open–mindedness with a view to laying the groundwork for negotiations with English Canada. Yes, we will be participating in the process.

Mr. Paul Crête (Kamouraska—Rivière–du–Loup): Mr. Speaker, I would simply like to comment on the speech by my colleague from Richmond—Wolfe. In my opinion, his comments were most relevant to this debate, unlike what the government member had to say.

He spoke at length about decentralization. I would like him to explain to us a little more how he would go about ensuring that

the will of local communities is respected if and when the process of redrawing the electoral map is undertaken.

Mr. Leroux (Richmond—Wolfe): Mr. Speaker, to provide an adequate answer, I must point out that regional county municipalities in Quebec—as my colleagues have explained in detail—are municipalities grouped together and whose economic, cultural and social activities are closely related and involve people commuting between home and the workplace. These regional county municipalities were asked to develop strategic plans and first review all the problems experienced in their region, in terms of employment and social, educational and cultural development.

Once the diagnosis was established, a strategic plan was developed for each regional county municipality. Let me use the example of the Eastern Townships, where there are seven regional county municipalities. Together, these municipalities examined and put together their strategic development plans, and then quickly selected major thrusts and common development projects, favouring a decentralization of the Quebec government to the regions, a transfer—the hon. member opposite should listen—of funds to the decision makers at the regional level and, consequently, a decision-making process with real spending power.

When we look at the proposed electoral reform, we realize that this structure is not understood and is simply ignored. The powers that be in Ottawa do not understand this structure and they draw electoral boundaries which systematically undermine an effort which has already been going on for some ten years in Quebec. These are the major structuring arguments which lead us to participate in this debate, and this may be the reason why some hon. members are not listening to what we are saying.

• (1650)

If hon. members are receptive, they will understand that what is taking place in Quebec is really a decentralization in favour of the real decision makers, those who are key players in the field. First, these people can identify problems and, second, they can provide original and effective solutions.

[*English*]

Mrs. Sharon Hayes (Port Moody—Coquitlam): Mr. Speaker, I am pleased to join the debate on the proposed suspension of the operation of the Electoral Boundaries Readjustment Act. I rise to oppose Bill C-18 and to support the Reform amendment to that bill.

There are three issues here that need to be addressed and have been addressed. I would like to put my thoughts to them. The first one is the issue of government interference with due process; the second is the issue of proper representation for the people of Canada; the third is the proper use of funds and the affordability of the process that we are looking at.

In terms of government interference there are several things I feel the government is doing in proposing this bill. In 1964 the Electoral Boundaries Readjustment Act put into place a system that was non-partisan and operated under general principles, a system to look at electoral boundaries within our country and make a choice in a system to make it fair to Canadians.

On a whim the government has decided to dismantle a due process. The people of Canada look at the motivation and wonder what motivates this and what in future might happen the same way, as well as government interference in the process here in this House in terms of time allocation and the closure on bills.

I have a quote here from a few years ago of a former member of this House who represented a constituency in B.C. when closure was enacted by a former Conservative government to enact the legislation that this government is trying to annul.

Let me quote from *Hansard* of December 17, 1985. The Right Hon. John Turner stated:

> The proposal of the government to impose closure on Bill C-74, an act which in effect amends the Constitution of this country with regard to the number of members who have the right to sit in this Chamber, cuts very deeply into the ability of the House to represent adequately the people of Canada. The House of Commons, its make-up, its essence and how we operate should not be tampered with in a careless, callous and cavalier fashion.
>
> I warn those who sit on all sides of this House, particularly those who sit on the backbenches of the Conservative government, to take heed and pay close attention to what the government is attempting to do, because it affects all of us and our ability to represent adequately the people who did us the honour of sending us to the House.
>
> This is the first time in the history of the House that a government has made redistribution a partisan issue.

Now we have a second time.

> At all times previously redistribution, a measure to redivide the seats of the House of Commons, has been done in a non-partisan, impartial manner. There was all-party agreement, in fact for 30 years.

If the action so heartily condemned by the leader of the Liberal Party was wrong then, why is it suddenly so right now? Does time change these things, or is it power? Suddenly debate and a thorough review of the best approach to take in an atmosphere of freedom are no longer valid concerns when he is the one in power.

Is it any surprise that MPs on this side of the House are now suspicious of the government's motives and undefined plans?

Government interference is also in the fact that it is allowing or seeks to allow or disallow the input from the public, from Canadians. Instead it wants to put the decision to a parliamentary committee of which of course it would control the outcome.

The very act of redistribution takes at least two and a half years, possibly longer. It involves the striking of commissions, it takes a look at geography, drafts boundaries, involves consultative processes and perhaps, as we saw in 1981, court challenges in the process.

• (1655)

Besides that, Elections Canada has to look at it and put into place all the returning officers needed. Polling districts have to be set up.

The 1988 election had to operate from a 1981 census. The potential of the process that we now see if this is delayed for two years as suggested would be looking of course at something that would take us into the year 2000 before we had redistribution.

We would be looking at 1981 numbers and I would like to reflect that in my own area. My constituency right now is made up of three centres, Coquitlam, Port Moody and half of Port Coquitlam, and happens to be one of the fastest growing areas in the lower mainland.

In the 1992 referendum there were 77,900 voters and in the 1993 election there were 86,324 voters. According to Statistics Canada in the three centres the population in 1991 was 136,000; in 1996 that is projected to be 158,000; in the year 2006, 197,000.

There was 21 per cent growth from 1986 to 1991 in Coquitlam alone, and 26 per cent growth in that same period in Port Coquitlam. By the time we come to the year 2000 which is potentially where we would be if the process is shut down and the representation is not there we would be looking at numbers that do not reflect the proper representation by population. The skewing would be that much worse than it has been.

I was interested to see the numbers that were assigned to this project that has happened and hopefully in the public consultations this will be looked at.

The target number in our particular area was 96,000 voters. Certainly some of these things need to be reviewed.

I was interested to review that the United States House of Representatives has in total 435 representatives. They represent ridings of approximately half a million people. That maximum is set by their constitution and like ours their boundaries are adjusted every 10 years.

Britain, on the other side of the scale, has 651 members. There are so many members and so little room in the House they cannot accommodate these members. In fact to vote they have to file past the Speaker. This limits debate. It shortens the question period.

We do have to look at numbers and in fact the Canadian people are saying they do not want the numbers increased. The cost is high enough in this House.

What do the Canadian electors want? My second point is they want proper representation. Effective representation comes from representation by population. The numbers that come from each constituency should reflect the population. Those numbers should be equal as much as possible for the constituency.

However, outside in rural areas to make up for that we need reasonable regional representation.

Once again I would make a point of the importance of the other place, representing regionally and equally across this country, an elected Senate that is effective and therefore equal representation of all Canadians.

The third thing we have to remember is the affordability of the process. The process that is in place has met the criteria proposed by the body that the Electoral Boundaries Readjustment Act is proceeding on budget. It has accomplished to this point its purpose on budget and would be wasted if the process were put aside. I propose that what we do need is proper use of funds. We should let this proceed to the point at which the public can be consulted, the input is in place and we get the feedback that Canadians want from this process.

• (1700)

It is true that we do not need more seats in Parliament. The Reform stand is that Canada is already one of the most governed countries of the industrialized world. Do we need more representation? No, we need better representation. Do we need more costs? No, we need better representation.

We need representation by population. We need regional representation. We need proper use of the money that has already been spent and a step in the right direction for public input on how best to spend money in future electoral processes.

With these comments I would like to support the motion for the amendment to put aside or to postpone Bill C–18, as proposed by my Reform colleagues.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, the hon. member for Port Moody—Coquitlam in her speech stressed very greatly the importance of not increasing the number of members of this House.

In the negotiations that were carried on there was some discussion about that issue and I know that members of the Reform Party pressed to have a committee to not only consider whether there would be any increases but to have a commitment that it be frozen. It would have been happy had such a clause been included in this bill.

I have two questions for the hon. member. First, did she in making her statements bear in mind the fact that this bill merely suspends the process for two years? It is not a bill that in any way interferes with the process or changes it. The process will resume in two years time if nothing else has been done. Did she bear that in mind when she quoted from the speech by the Right Hon. John Turner who was after all criticizing a bill that changed the process right away? This was not a case of a suspension bill, this was a change in the process. I note there is no change in this process in this bill.

Second, would she support this bill if it contained a clause that limited the number of members of the House of Commons to 295?

Mrs. Hayes: Mr. Speaker, in answer to the first question, a suspension of process, what does that mean? That means an interruption in a process that is already in place. What this does is take it to a Liberal dominated committee again. What is its intention? We do not know. Why suspend it if you feel that it will proceed? Let us carry on with what is there and use the process that is there.

As to the other question, if the number of members were limited to 295, certainly that would be an improvement and from the feedback from my constituents they would heartily endorse a freeze on the number of members of Parliament. Perhaps this should be looked at more carefully over time and perhaps that could even be reduced depending on what we would find to be the proper representation by population and the proper regional representation model that would apply to the Canadian people.

Mr. Dan McTeague (Ontario): Mr. Speaker, I commend the hon. member on her comments. She certainly made some efforts at researching this issue. The hon. member has also referred to her own riding in the context of where she might be if we do not have redistribution in the next 10 years.

• (1705)

The hon. member may not know that my riding currently has about 210,000 constituents. I had absolutely no difficulty in attesting to and recommending that this government proceed with the legislation as it had planned for the very simple reason that the riding next to me had only one–third the number of constituents.

The member talked about the prospect of capping the number of seats that we have in this great House. Given the situation in which one may have a riding that does not have as many as the hon. member's riding does, would she not agree that it might be better to redistribute between the existing ridings?

Perhaps more important, rather than talking about the waste that might occur by having to suspend the electoral boundaries, we might be doing something that helps the Canadian public and the taxpayer.

Mrs. Hayes: Mr. Speaker, there are many things that can be done to help the Canadian public and certainly—I hope the Liberals are listening—the Canadian taxpayer.

It is not simply electoral boundaries and that is another thing I hear loud and clear. There are inequities in the system right now. There are very large ridings and very small ridings but with the process in place, I believe in the public input that would be given to that process. Many of the things that the hon. member asked would be put on the public agenda and discussed. Then something very real could come out of that.

I feel that should be put in place and followed through as it is already very much along the way. Finish it and get the public input. It is not just the hon. member and I. The public wants a voice in this as well.

Mr. Dale Johnston (Wetaskiwin): Mr. Speaker, as some of the other speakers have in this debate offered an invitation to you and indeed to the rest of the House to visit their ridings, I would also like to do that. I am certainly proud of my riding.

I would have to admit that I am just a little biased as far as that riding is concerned. I was born in that riding as was my father. His father was born pretty much in this area of the country and then emigrated to Alberta and homesteaded in this constituency. I am about the third generation Johnston in that area. I guess members can understand my affinity for it.

As far as redistribution is concerned, or representation by population, I guess it is always difficult to arrive exactly at representation by population when one considers what a huge country Canada is and that over the last many years the population has more or less gravitated from the countryside to the larger cities.

In my opinion to try and arrive at true representation by population would be extremely difficult if one does not take into consideration, as one would have to, some method of considering the size and vastness.

My riding has many small towns in it. The population continues to grow as opposed to some in rural Saskatchewan where the population shift is really dramatic from the country to the city.

It is interesting to note that the guidelines state that Alberta constituencies should not exceed a maximum population of 122,000 approximately or a minimum population of around 73,000. Certainly my riding does fit into those upper and lower limits.

I agree with my colleague who included an amendment to this bill that would limit the amount of seats in the House of Commons and put a cap on it at 295. I would feel quite comfortable supporting the bill in that form. Why the government chose not to put that in the bill is really a mystery to me. This could have been one time when we had unanimity in the House.

• (1710)

The west side of my constituency is quite sparsely populated. As we move into the cities, which are along the corridor of No. 2 highway, they are really the largest populated centres of our constituency. As we move to the eastern side of the constituency again we come into an area where the population dwindles off.

In one of the local papers recently faxed to me the editorial was that they have not seen much of their MP lately. That is a problem. The larger the constituency gets as far as area is concerned, the bigger problem that becomes. It becomes a physical impossibility to be seen the desired number of times in a given area of the constituency. It is something that we find in these large areas. If one tried to get anywhere near 100,000 people in southeastern Saskatchewan one would have to take in a very large area of that province. To a certain extent that holds true in the southern portions of Alberta as well.

My party suddenly needed a speaker.

Mr. Milliken: We could have a vote right now.

Mr. Johnston: At any rate, it certainly gives me an opportunity to brag about my constituency. I also have to say that we have an extremely well informed electorate there as is evidenced by the fact that I am here today. It was given a choice. We presented the constituency with six candidates to choose from and I was the fortunate person to come here and share this experience with the House.

As far as postponing the process, I have in my constituency many people saying that they would like to present briefs to this panel and have their views heard as to what they plan to do as far as the constituency and what they would like to see done. I am really at a loss as to what to tell these people. I tell them that we would really like to see this bill die in the House but that we do not think there is any danger of that. We have to recognize the simple mathematics that the people who introduced the bill certainly hold sway over the result of the bill.

As a result of that I have people in my constituency looking to me and asking what to do. Apparently there is very little they can do. Maybe what they should be doing is preparing their brief now for what will take place in maybe a year or two from now.

We talk about the difficulty of trying to represent a rural riding. I have never had the opportunity to try and serve an urban riding but I would assume that the transportation problem, the physical problem of trying to get around the constituency is somewhat less of a burden. It would seem to me that whatever formula the committee ultimately comes up with must take into consideration the actual physical territory that the member has to cover. Surely it is not just the plains that have this difficulty. I know my neighbours to the west in British Columbia have large tracts of terrain they have to cover.

• (1715)

In conclusion, Mr. Speaker, I would like to invite you to my constituency. I would be pleased to introduce you at our annual stampede and rodeo, and that goes for all members of the House. It is an event that is second only to the Calgary Stampede as far as being an excellent show. I am a little prejudiced but I think that you are a little closer to the action at our show. I believe the Speaker has actually been to the Ponoka Stampede and I would very much like to invite all members of the House to come and join us on the July 1 long weekend.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I listened with great attention to the speech of the hon. member and I congratulate him on the discourse. He said, if I heard him correctly, that if the bill had a cap on the number of MPs at the present level of 295 members—I think he said 195 in his speech but I am sure he meant 295—he would have supported the bill.

That being the case, how can he justify the comments of his colleague who moments before him said that the bill distorted representation by population. If that is true, how could he vote for such a reprehensible bill?

Mr. Johnston: Mr. Speaker, I am not 100 per cent sure if I have the question straight, but to answer a part of the question, if the bill did cap the number—the hon. member is completely correct, I meant 295 not 195—I would be tempted to support the bill.

Perhaps my colleague is not prepared to support the bill. That is her prerogative. But I would be prepared to at that point.

[*Translation*]

Mr. François Langlois (Bellechasse): Mr. Speaker, I really appreciated the speech by the hon. member for Wetaskiwin. I thank the hon. member for Kingston and the Islands for allowing a more adequate vision of the hon. member for Wetaskiwin.

The hon. member gave us a good description of the role of a member of Parliament representing a rural riding, as I do. Does the hon. member agree with current standards allowing a variation of 25 per cent of the provincial quota for a riding, in many if not most cases, to compensate for the size of the territory and reduce the number of constituents the member must represent when he or she has many communities to visit?

• (1720)

The hon. member for Wetaskiwin said that some of his constituents had not seen him since the beginning of this Parliament. Well, it sometimes takes several months or even an entire year to cover a whole riding.

I also want to ask how the hon. member for Wetaskiwin can reconcile his party's objective of limiting or reducing the

number of electoral districts with that of adequate representation for rural ridings requiring much more travelling. And while we are on the road, of course, we cannot meet with anyone.

[*English*]

Mr. Johnston: Mr. Speaker, in an attempt to answer the member's question, the 25 per cent allowance for geographic size in many cases would be adequate. In my view there are cases where it would not be adequate.

It is most difficult in larger ridings. We find that people in the large ridings, the electorate, are really very mobile. They have to be in order to live in areas that are sparsely populated. Rather than MPs continually make house calls it would be incumbent upon them to have meetings in a central area, advertise them well and make sure that people got there to make their representations.

Further, it is most important to reform the Senate to the point where it is elected, equal and effective. It is most important in my view. In that way we would be looking after more regional representation. It is one of the facts of Canadian life that the population is very widely but not very evenly distributed.

Therefore it is all the more important that we have regional representation, a Senate with equal representation from each province that is actually effective in blocking, revising or sending bills back to the House or committee and is elected by popular vote. That is absolutely essential in Canada.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, my colleague from Red Deer, as many Reform MPs have suggested, recognizes the importance of representation by population as well as regional representation.

We have had debate on Bill C–18; we are coming to the end of it. The Liberals proposed that something was terribly wrong. Reform looked at the situation. We were sincere in reviewing it. We were sincere in our agreement with Canadians that there were too many seats. We looked for ways and looked for a commitment from the government to find solutions. When that was not forthcoming my colleagues and I became very concerned about the whole process.

We are amused at why Bloc members who do not seem to have an interest in the matter would be so concerned. Once again it is—

The Deputy Speaker: I gather from the hon. member's remarks that he is speaking on debate rather than on questions or comments. Is that correct?

Mr. Hermanson: I have a question. I am trying to say we hear Bloc members and wonder who they are speaking for. We hear the Liberals and we know they are speaking for themselves. Canadians have to ask who can represent them on this issue. On many issues it seems like Reform has been representing the people.

Has the hon. member for Red Deer consulted with constituents? Does he feel he is representing them on Bill C–18?

Mr. Johnston: Just to correct my colleague, Mr. Speaker, the riding is Wetaskiwin.

Actually I have consulted with my constituents not only federally but at the provincial level as well. I made representation a couple of years ago to the commission that was looking at redrawing the electoral divisions in Alberta. I think I am representing the wishes and views of my constituents here today.

• (1725)

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

(The House divided on the amendment, which was negatived on the following division:)

(*Division No. 30*)

YEAS

Members

Abbott	Ablonczy
Benoit	Breitkreuz (Yorkton—Melville)
Bridgman	Brown (Calgary Southeast)
Chatters	Cummins
Duncan	Epp
Forseth	Frazer
Gilmour	Gouk
Grey (Beaver River)	Hanger
Hanrahan	Harper (Calgary West)
Harper (Simcoe Centre)	Harris
Hart	Hayes
Hermanson	Hill (Prince George—Peace River)
Hoeppner	Johnston
Manning	Mayfield
McClelland (Edmonton Southwest)	Meredith
Mills (Red Deer)	Morrison
Penson	Ringma
Robinson	Schmidt
Solberg	Solomon
Stinson	Strahl
Taylor	Thompson
White (Fraser Valley West)	White (North Vancouver)
Williams—45	

NAYS

Members

Adams	Alcock
Allmand	Anderson
Arseneault	Assadourian
Asselin	Augustine
Axworthy (Winnipeg South Centre)	Bachand
Barnes	Beaumier
Bellehumeur	Bellemare
Berger	Bergeron
Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)
Bertrand	Bevilacqua
Bhaduria	Blondin–Andrew
Bodnar	Bonin
Bouchard	Boudria
Brown (Oakville—Milton)	Brushett
Bryden	Bélair
Bélisle	Caccia
Calder	Canuel
Catterall	Chamberlain
Chan	Chrétien (Frontenac)
Clancy	Cohen
Collenette	Collins
Comuzzi	Copps
Crawford	Crête
Culbert	de Savoye
Deshaies	DeVillers
Dhaliwal	Dingwall
Dromisky	Dubé
Duceppe	Duhamel
Dumas	Dupuy
Easter	Eggleton
Fillion	Finlay
Flis	Fontana
Gaffney	Gagliano
Gagnon (Bonaventure—Îles–de–la–Madeleine)	Gagnon (Québec)
Gallaway	Gauthier (Roberval)
Gerrard	Godfrey
Godin	Gray (Windsor West)
Guarnieri	Guay
Guimond	Harb
Harper (Churchill)	Harvard
Hopkins	Hubbard
Ianno	Iftody
Irwin	Jackson
Jacob	Keyes
Kilger (Stormont—Dundas)	Kirkby
Kraft Sloan	Landry
Langlois	Laurin
Lavigne (Beauharnois—Salaberry)	Lebel
LeBlanc (Cape Breton Highlands—Canso)	Leblanc (Longueuil)
Lee	Leroux (Richmond—Wolfe)
Leroux (Shefford)	Lincoln
Loney	Loubier
MacAulay	MacDonald
MacLellan (Cape Breton—The Sydneys)	Malhi
Maloney	Manley
Marchand	Marchi
Marleau	Massé
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest)
McTeague	McWhinney
Mercier	Milliken
Mills (Broadview—Greenwood)	Minna
Mitchell	Murphy
Murray	Ménard
Nault	Nunez
O'Brien	O'Reilly
Ouellet	Pagtakhan
Parrish	Paré
Patry	Payne
Peric	Peters
Phinney	Picard (Drummond)
Pickard (Essex—Kent)	Plamondon
Proud	Péloquin
Reed	Regan
Richardson	Rideout
Ringuette–Maltais	Robichaud
Rocheleau	Rompkey
Scott (Fredericton—York Sunbury)	Serré
Shepherd	Sheridan
Skoke	Speller
St–Laurent	Steckle
Stewart (Brant)	Stewart (Northumberland)
Szabo	Telegdi
Terrana	Thalheimer
Tobin	Torsney
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Ur	Valeri
Vanclief	Venne
Verran	Volpe
Walker	Wappel
Wells	Whelan
Wood	Zed—184

PAIRED MEMBERS

Brien	Caron
Dalphond–Guiral	Daviault
Debien	Discepola
Goodale	Lalonde
Lastewka	Lefebvre
MacLaren (Etobicoke North)	Martin (LaSalle—Émard)
Mifflin	Peterson
Pomerleau	Rock
Sauvageau	Young

The Deputy Speaker: I declare the amendment negatived.

Mr. Gagliano: Mr. Speaker, I rise on a point of order. I believe you will find unanimous consent for the question to be put now on the motion for third reading of Bill C–18 and that the vote just taken shall be applied in reverse to the motion for third reading.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 31*)

YEAS

Members

Adams	Alcock
Allmand	Anderson
Arseneault	Assadourian
Asselin	Augustine
Axworthy (Winnipeg South Centre)	Bachand
Barnes	Beaumier
Bellehumeur	Bellemare
Berger	Bergeron
Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)
Bertrand	Bevilacqua
Bhaduria	Blondin–Andrew
Bodnar	Bonin
Bouchard	Boudria
Brown (Oakville—Milton)	Brushett
Bryden	Bélair
Bélisle	Caccia
Calder	Canuel
Catterall	Chamberlain
Chan	Chrétien (Frontenac)
Clancy	Cohen
Collenette	Collins
Comuzzi	Copps
Crawford	Crête
Culbert	de Savoye
Deshaies	DeVillers
Dhaliwal	Dingwall
Dromisky	Dubé
Duceppe	Duhamel
Dumas	Dupuy
Easter	Eggleton

Fillion
Flis
Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gallaway
Gerrard
Godin
Guarnieri
Guimond
Harper (Churchill)
Hopkins
Ianno
Irwin
Jacob
Kilger (Stormont—Dundas)
Kraft Sloan
Langlois
Lavigne (Beauharnois—Salaberry)
LeBlanc (Cape Breton Highlands—Canso)
Lee
Leroux (Shefford)
Loney
MacAulay
MacLellan (Cape Breton—The Sydneys)
Maloney
Marchand
Marleau
McCormick
McKinnon
McTeague
Mercier
Mills (Broadview—Greenwood)
Mitchell
Murray
Nault
O'Brien
Ouellet
Parrish
Patry
Peric
Phinney
Pickard (Essex—Kent)
Proud
Reed
Richardson
Ringuette-Maltais
Rocheleau
Scott (Fredericton—York Sunbury)
Shepherd
Skoke
St-Laurent
Stewart (Brant)
Szabo
Terrana
Tobin
Tremblay (Rimouski—Témiscouata)
Ur
Vanclief
Verran
Walker
Wells
Wood

Finlay
Fontana
Gagliano
Gagnon (Québec)
Gauthier (Roberval)
Godfrey
Gray (Windsor West)
Guay
Harb
Harvard
Hubbard
Iftody
Jackson
Keyes
Kirkby
Landry
Laurin
Lebel
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Lincoln
Loubier
MacDonald
Malhi
Manley
Marchi
Massé
McGuire
McLellan (Edmonton Northwest)
McWhinney
Milliken
Minna
Murphy
Ménard
Nunez
O'Reilly
Pagtakhan
Paré
Payne
Peters
Picard (Drummond)
Plamondon
Péloquin
Regan
Rideout
Robichaud
Rompkey
Serré
Sheridan
Speller
Steckle
Stewart (Northumberland)
Telegdi
Thalheimer
Torsney
Tremblay (Rosemont)
Valeri
Venne
Volpe
Wappel
Whelan
Zed—184

NAYS

Members

Abbott
Benoit
Bridgman
Chatters
Duncan
Forseth
Gilmour
Grey (Beaver River)
Hanrahan

Ablonczy
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Cummins
Epp
Frazer
Gouk
Hanger
Harper (Calgary West)

Harper (Simcoe Centre)
Hart
Hermanson
Hoeppner
Manning
McClelland (Edmonton Southwest)
Mills (Red Deer)
Penson
Robinson
Solberg
Stinson
Taylor
White (Fraser Valley West)
Williams—45

Harris
Hayes
Hill (Prince George—Peace River)
Johnston
Mayfield
Meredith
Morrison
Ringma
Schmidt
Solomon
Strahl
Thompson
White (North Vancouver)

PAIRED MEMBERS

Brien
Dalphond-Guiral
Debien
Goodale
Lastewka
MacLaren (Etobicoke North)
Mifflin
Pomerleau
Sauvageau

Caron
Daviault
Discepola
Lalonde
Lefebvre
Martin (LaSalle—Émard)
Peterson
Rock
Young

The Deputy Speaker: I declare the motion carried.

(Bill read the third time and passed.)

The Deputy Speaker: It being 6.14 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

HIGH SPEED TRAINS

Mr. René Laurin (Joliette) moved:

That, in the opinion of this House, the government should immediately take the required measures to authorize the construction of a high-speed train (HST) linking the cities of Windsor and Quebec City, as well as the necessary infrastructure.

He said: Mr. Speaker, it is with pleasure that I rise again today to speak about the high speed train between Quebec City and Windsor.

For the Bloc Quebecois, this public transit system, which is effective, fast, convenient, comfortable, pleasant and environmentally friendly, is a key component for the economic development of our main urban centres in Quebec and Ontario.

We all know that communication links inevitably entail trade deals and industrial business. This was well understood by our ancestors who invested in railroads between both our provinces to start with, and then throughout Canada.

Traditionally, prosperity in Quebec and in Canada has been very closely tied to our investments in transportation. Our standard of living and our competitive position largely depend

on decisions that are taken today regarding the transportation infrastructure of tomorrow.

Unfortunately the railroad network and facilities used for the transportation of passengers and goods in Canada are considerably behind and our obsolete infrastructure has progressively given a competitive edge to other means of transportation such as cars, buses and airplanes.

Has the government forgotten that the increasing use of airplanes between Montreal and Toronto has put more pressure on airports and the highway system? Has it forgotten that increased dependency on cars has wasted more energy and hurt the environment? The government appears to have neglected facts which are nevertheless obvious.

It is more important than ever that Canada and Quebec have an efficient public transportation infrastructure which promotes the use of non–polluting and renewable energy resources in order to protect our ecosystems as much as possible, in keeping with the concept of sustainable development.

The government must consider this high–speed train project, which will make the transportation system more productive and provide technological benefits as well. It must establish a general policy involving Canadian transportation technology considered one of the most advanced in the world. It offers a unique opportunity to engage in an international industrial strategy that will allow Canadian and Quebec entrepreneurs to be leaders in introducing the high–speed train to North America and to the developing world.

• (1820)

The high–speed train, also called the HST, or the TGV in French, is the logical way to develop passenger rail transportation in Canada. Some 10 million people, that is 40 per cent of the total population of Canada, live in the Quebec–Windsor corridor. This section, which covers the most densely populated area of Canada, is used every day by 10,000 people. The Canadian HST could take over at least 35 per cent—and, according to another realistic scenario, up to 45 per cent—of the total passenger market between Montreal and Toronto. Such a concentration is sufficient to support an HST which will definitely improve the quality of service in the most densely populated urban corridor of Canada and relieve congestion in the airports and on the roads.

Besides, we firmly believe that the government should have committed itself to putting into place permanent job–creating projects that would really help stimulate economic growth while reducing unemployment. For the Bloc Quebecois, a high–speed train for the Quebec City–Windsor corridor is an initiative which largely meets these objectives.

The HST will bring about the creation of some 120,000 jobs, directly or indirectly related to the construction of the system and its equipment, operation and maintenance, to the technological transfers and to the industrial agreements to follow, not to mention the positive impact that it will have on the tourism industry.

The crucial role of the corridor for the Canadian economy has been stated many times and the high–speed train is practically the most efficient mode of transportation between larger cities. The European experience clearly shows that the high–speed train draws people to hotels, office buildings, convention centres, restaurants and other commercial or tourist activities.

A high speed train service will have additional economic spinoffs beyond those directly related to building and operating the train. Indeed, the increased number of passengers travelling the Quebec City—Windsor corridor will spend money for meals on board, accommodation and entertainment, and developers will invest in infrastructure to provide additional services needed to meet the growing demand.

Thus, a high–speed train will encourage the public and private sectors to better promote their communities and to develop package deals for tourists travelling aboard this train. Several communities along the corridor will also benefit from a faster connection to much larger cities and, consequently, improve access to their numerous facilities.

At the same time, connections to other modes of transportation intended to improve the total passenger transportation system will be an important advantage for some of the communities close to cities on the HST line.

• (1825)

I take the case of Trois–Rivières and Kingston which will also be able to benefit from considerable social and economic spin–offs. That might facilitate the transportation to Kingston of our future students who will have to abandon the college in Saint–Jean.

Keep in mind that a community located close to a high speed train line would regain prestige because it would be seen as a modern and expanding community. The proof of this can be found in France where communities located close to the high speed train line capitalize on that in their written and oral publicity.

The Bloc's proposal is not just to promote tourism or economic development of local communities and job creation. We also consider it essential that Canada and Quebec invest in a railway infrastructure that is modern and better adapted to the realities of the 21st century. With improved facilities, we will be better able to face the challenges of the year 2000.

To do so, we must opt for a rail transportation system that will reduce ground and air traffic which has reached the saturation point, that will use non–polluting and renewable energy resources, and that will improve our industrial co–operation with a series of technological transfers between different European and Canadian companies, allowing them to become a technological bridge–head of high speed rail on the North American continent.

Research, development, innovation and technology transfer are one of the best solutions to economic problems and that is why we must speed up our efforts in that direction.

In Quebec and Canada, we have a critical mass of high–tech companies that creates a favourable climate for the development and implementation of advanced technologies. In addition to providing attractive opportunities for our scientists and technicians, these companies are a source of major spin–offs in terms of production and exports in the manufacturing sector. It is therefore essential for the future of our economy that we promote research and development and technological upgrading by supporting the strengths we already have in our high–tech companies. One of our serious problems in this respect is the delay in disseminating and implementing new technologies. The construction of a Canadian HST would make good use of our industrial capabilities in one of the sectors in which we excel, namely transportation equipment.

How much have governments invested in the past 20 years in developing or upgrading our airport facilities and how much will have to be invested in the years to come? What does it cost to maintain our road network and how much will future improvements cost?

We agree all these investments are necessary, but it is high time we took the same kind of action to rejuvenate our passenger train services. More government subsidies for developing transportation by bus or by air means the Canadian HST project is less likely to be realized.

We all know the HST project has been examined a number of times in the past ten years: there was a study by VIA Rail in 1982–84, updated in 1989; there was one by GEC, Alsthom–Bombardier in 1988–89 and another study by the Quebec–Ontario rapid train task force in 1989–91.

All these studies come to the same conclusion, which is that the potential market is sufficient to ensure the profitability of a high speed railway transportation system. The HST project would certainly enjoy the support of communities that would be able to take advantage of an HST service.

• (1830)

In June, a feasibility study on the construction of high–speed rail lines in the chosen corridor is to be made public by the federal, Quebec and Ontario governments. It will be very interesting to see the results of the cost benefit analysis carried out by the tripartite committee on technologies available to build a high speed train. Hopefully, all these exhaustive studies on a high speed train will eventually result in its construction and not gather dust on a shelf. On the other hand, once convinced of the undeniable potential of this project, governments and the private sector should jointly undertake a comprehensive feasibility study to determine the cost of the whole project and how to share responsibilities for this venture.

It is estimated that it will take $7.5 billion over ten years to build a high–speed line between Quebec City and Windsor. The tax revenues generated by this project over the construction period should reach $1.9 billion. At this rate, the high–speed line will be paid for very quickly. One must also take into account that the government's expenditures will be reduced since the high–speed train will provide transportation between cities at a much lower cost than that of upgrading the road and air networks. This is what you call rationalizing government expenditures.

That is why the Bloc Quebecois recommends the construction of a high speed rail transportation system which will provide the following advantages: 120,000 jobs per year in Canada during construction; nearly $1.9 billion in tax revenues also during construction; funding provided mainly by the private sector; use of a well proven Canadian technology allowing speeds of 300 kilometres an hour; new construction and urban renewal in communities all along the HST corridor; increased competitiveness for the corridor cities; a more economical and accessible mode of transportation for individuals as well as for businesses and communities established along the corridor; an environmentally–friendly mode of transportation; decreased highway and air traffic, reducing the need for new infrastructure; finally, technological expertise giving Canadian industry a strategic leading edge on the American high speed train market valued at approximately $250 billion.

Without any hesitation, the Bloc supports the HST project because nowadays, no society and no region can afford not to use its innovative resources.

Construction of the HST would guarantee Canada and Quebec a prosperous future filled with benefits like those I mentioned earlier.

Construction of the HST in the most densely populated area of Canada is a unique investment opportunity. By investing right now, Canada and Quebec would reap dividends for decades. There would be immediate spinoffs during construction, and benefits for Canadians and Quebecers would continue to accrue throughout the project.

• (1835)

The Quebec City–Windsor high–speed train project is undoubtedly a much more useful and desirable investment than the defunct helicopter project was. Particularly in the greater Montreal area, which was so badly hit by unemployment, it will provide an opportunity for industrial conversion in a field where export opportunities and therefore job opportunities are excellent.

I will conclude by telling you that, with the high–speed train, Canada will make the most profitable investment in transportation in its entire history. This investment by the Canadian government will not increase the Canadian debt and will contribute to VIA Rail's profitability. I hope that my colleagues will understand the importance of supporting this project, which fits part of our natural economic development and a good way to use the skills we have acquired.

The Deputy Speaker: I recognize the parliamentary secretary to the minister of agriculture who, I believe, has the unanimous consent of all members of the House to speak very briefly about an urgent matter.

* * *

[*English*]

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food): Mr. Speaker, I thank the members of the House for the opportunity to clarify what has been a misunderstanding of a statement I made at the end of question period today. Unfortunately the time allotted to me did not allow me to make a very critical part of that statement regarding the PVY–n virus in Prince Edward Island and the potato growers there.

As I said then, the minister recognizes and continues to give serious attention to the issue, as he has for the number of months he has been appointed. He recognizes that legal proceedings are inevitably lengthy and expensive to all parties that may be involved. The minister sincerely hopes that protracted litigation may be avoided and can be avoided. He will seek through legal counsel and continuous discussion with the industry to achieve that result.

I apologize to the industry for any misunderstanding that may have been caused by the incomplete statement earlier today.

I again thank the House for the opportunity to clarify this.

* * *

HIGH SPEED TRAIN

The House resumed consideration of the motion.

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I want to take this opportunity to thank the member for Joliette for his very informed speech on high speed trains.

I have no quarrel whatsoever with his enthusiasm for a technology that we are obviously considering. He alluded to the fact a report and a study on which $6 million is being spent by Ontario, Quebec and the federal government is to be released in June. Surely he wants to be true and honest with Canadian taxpayers by at least waiting for the report and until such time as government and Parliament can make a decision on it.

As I said, the governments of Quebec, Ontario and Canada have embarked on a major study to determine the viability of a high speed rail system in the Quebec City to Windsor corridor.

The present study covers a broad range of subjects that have been identified in previous works and is so designed to provide the most comprehensive evaluation of the potential of high speed rail in the corridor.

The three governments hired a consortium of consultants as managers of the project. The consortium is responsible to produce the benefits and the costs and the financial analysis for the overall project.

In addition the consortium is supervising and co–ordinating the following component studies, all very important to the decision making: data gathering, passenger and revenue forecasting, technology assessment, including the operating and strategy and costing.

The member alluded to one technology but he also should know that two technologies were under consideration. New technologies are being developed even as we speak.

The member talked about $7.5 billion. I do not know where he got those figures. The study has not been finished yet and some of his figures, unfortunately, are from previous reports or previous studies that have been done.

Also included are the industrial strategy and the economic benefits, institutional options and the legislative and labour issues, trends in intercity passenger transportation and government support, environmental aspects, impacts of the urban system and settlement patterns and the light freight and station concessions. This study builds on the findings and recommendations of the Ontario–Quebec task force report which identified several shortcomings in its work and the work of previous studies.

• (1840)

One of the main concerns in the task force report work was the inadequacy of the data that formed the basis for the passenger and revenue forecasts. To address this concern one–third of the total allocated budget of $6 million for the current study has been devoted to the gathering of data concerning travel patterns

and attitudes of the travelling public and to the forecasting of future usage.

This is the most critical aspect of the high speed proposal. Will people use it if in fact it is built? Previous studies of passenger travel in the corridor were conducted in a short timeframe and did not address the seasonal variances that may exist.

The quality and reliability of the base data have also been greatly improved over previous works. We have obtained 60,000 survey responses, three times more than had been obtained in the previous studies. This level of response was possible through the full co–operation of all the carriers in the corridor. Complete access to their passenger facilities and equipment was obtained to facilitate the conduct of the surveys. This is the first time researchers have been able to gain this unconditional co–operation. The survey results were also provided to the individual carriers to validate accuracy and reliability.

We have exerted a great deal of effort to improve the quality of the data to be used as the base for the study. This information is presently being incorporated by many of the consultants who are still in the midst of their work. It would be inappropriate and naturally premature to presume the outcome of their work.

In October 1989 the federal government established a royal commission on national passenger transportation with the objective of reporting on a national integrated, intercity passenger transportation system to meet the needs of Canadians in the 21st century. The commission reported its findings in 1992 and recommended with respect to high speed rail that governments only invest in high speed rail if the overall benefits exceed the costs and taxpayers do not have to pay an operating subsidy.

Furthermore, the commission recommended that there be public consultation on the implications of the government's decision and that the government establish a regulation under which high speed rail would operate, including safety and environmental regulations.

Clearly the royal commission has indicated through its recommendations that a hasty decision should not be promoted and that the full impacts of high speed rail are known prior to making a decision.

The Canadian debate on high speed rail has been ongoing for a long time and has intensified over the last few years with the release of several independent reports. These reports indicated that the governments will have to play a major role in any high speed project in Canada. The scope and the nature of the federal government's participation are yet to be determined or defined.

The House of Commons Standing Committee on Transport addressed the question of the role of the federal government in high speed rail and reported its findings in March 1992. The Member should know that the theme of that whole report was a leap of faith.

The standing committee's recommendations are to a large extent addressed in the many component studies underway within the scope of the present study. Once again, these results will not be known for some time and the government should have all the information at hand prior to deciding on the future of high speed rail.

Canada's national rail passenger service has undergone many changes over the past few years. VIA Rail operations have been downsized in order to reduce subsidies. High speed rail is an option to improve the quality of service that is presently provided by VIA Rail.

A decision on the role of the federal government on high speed rail should not be made in isolation but would have to be addressed in the light of the broader context of the overall transportation needs in Canada. Canada's freight railways, CN and CP, have incurred substantial financial losses over the past 10 years. The railways are preparing proposals for the consolidation of their networks in Canada and some rail rationalization may be inevitable. This does not mean that valuable right of way which can be redeveloped for future purposes will be forgone. However, it would be beneficial to include this aspect in the decision on any high speed rail system.

• (1845)

As I stated earlier, the creation of jobs is a priority mandate of the federal government. A high speed rail project during the construction period will create significant employment. We do not argue with that. The economic impact study which has yet to be completed will quantify the levels that would be generated by a high speed rail project.

The choice of technology is another area that must be identified. As I have indicated, we are looking at more than one technology. A high speed rail project will not see the light of day without significant contributions from the private sector. The motion should not be moved forward without the benefits of the study.

We are prepared to further discuss this matter once the $6 million study, paid for by the Canadian taxpayers, is brought forward and presented to Parliament.

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, I rise in the House today to speak on Motion No. 112 proposed by the hon. member for Joliette.

The motion calls for the federal government to authorize the construction of a high speed train link between Windsor and Quebec City. That is something which has been talked about in government circles, not to mention within the transport industry itself for many years but to little avail.

Before such a rail line could even possibly be seriously considered by the federal government, a wide array of important details and snags would have to be studied and worked out after

a long period of planning and public consultation. This is a project that could have far reaching ramifications to Canada well into the 21st century.

Although the good side of the coin is pretty evident for all to see, we should first take a good hard look at what some of the potential downsides of such a plan might be. I do not believe the hon. member's motion really addresses any of the essential specifics needed by the House before it could possibly see itself as being well enough informed to consider such a complicated issue.

Transport Canada is presently studying the high speed rail issue at length. Until it releases its report on the matter tentatively for some time in June, I certainly would not consider it wise for this House to blindly approve the sweeping motion put forward by the member for Joliette.

I understand as this is a private member's motion I am speaking on at the moment, it has little chance of successfully passing the skeptical eye of government benches. I nevertheless feel I have not seen enough by way of concrete information that would allow me to support the motion in good faith.

At present the motion before us in the House is simply a standard motion. It basically says there is something we should do and that is about it. There are no details, no dollar figures and of course nothing concrete or of an analytical nature.

Let us not be mistaken here. Properly constructed, a high speed rail line would cost somewhere in the neighbourhood of $5 billion to $7 billion. That is a little more than pocket change even for free spending members on the other side of the House.

The first question I would have to ask the hon. member for Joliette is where he would suggest the funding for such a project might appear. Is it expected to miraculously materialize out of thin air? Or, does the member actually have some ideas in mind as to where he would raise the necessary funding for this bold and innovative proposal? There is no mention at this point in his motion. Quite frankly that concerns me.

There have been all sorts of rumours flying of late as to who would or should shoulder the burden for such a major expenditure. On one hand let me say right now I would be much more apt to throw my support behind a high speed rail proposal if I had some concrete assurances that the entire multibillion dollar cost of such a major undertaking would be handled entirely by private industry. Unfortunately I have been hearing a number of disconcerting things that would have me believe otherwise.

The concept of a 50:50 funding split between the private sector and various levels of government, including our own here in Ottawa has been discussed and certainly has not been ruled out. From what I understand this possibly means the federal government could be asked to shell out as much as $2.8 billion toward the construction of something that sure sounds nice but carries the potential of turning into a bottomless money pit.

If this $2.8 billion figure is anywhere near accurate and truthful as the truth now stands in the mind of the hon. member for Joliette then I would strongly suggest it may be time to set the alarm bells ringing over this one.

• (1850)

The arguments that have been floating around in favour of publicly funded high speed rail lines are always the same ones we end up hearing when requests for government handouts come up, something to the effect of "do not worry, Mr. Prime Minister, sure you are putting up a big chunk of money but do not be concerned. This is a profitable enterprise and we are going to cut you a chunk of the profits".

As charitable and generous to the government as this offer may seem at first glance, let us be realistic. In the past so–called profitable endeavours the government has been foolish enough to get itself into have turned out to be total financial busts more often than not. The record of government involvement in the sphere of industrial development has been a dismal one as far back as most of us can remember.

This rotten record speaks for itself and it speaks volumes. Ottawa is unable to effectively manage its financial investments in the private sector and this will probably never change, nor should it.

If the high speed train link is supposed to be such a financial benefit for the federal government in the long haul with all the profit sharing that will take place why let us in on a share of the profits in the first place? Certainly it cannot be because private business has suddenly become enamoured with the likes of the Ottawa political crowd.

Considering that the political elites of Ottawa have not had the competence to turn an annual budgetary surplus since the early 1970s, I would certainly be surprised if any viable industry would want to enter into a working partnership with the federal government.

What could possibly be the justification for government participation in this high speed proposal? In short, the crux of the issue is very simple. If the rail line is a financially viable project then the federal government should give its full legislative backing to such a plan, provided there is no fiscal component involved. If that is not proven to be fiscally viable, why then would the government want to sink any of its non–existent money into such a plan? It certainly would be nice for us to be the North American pioneers of high speed rail transportation. If the logic is not there, neither should the taxpayers' money be.

The whole issue of taxpayers' dollars becomes even more acute when one considers the potentially far reaching ramifications of the upcoming Quebec referendum. If Jacques Parizeau and his Parti Quebecois are successful in their next run at the voters, as many polls seem to indicate, then we would certainly expect to see the whole separatism issue shoot to the forefront, a public debate yet again.

As unappealing as I personally find this considering my preference for a strong and united Canada, we certainly must take this situation into account when we examine the possibility of assisting any major infrastructure project between Quebec City and southern Ontario. As distasteful as this may sound to some ostrich–like Liberals with their heads buried in the political sand, it stands to reason that the federal government should have the common sense to refrain from throwing any further multi–billion dollar funding allotments to Quebec until such times as the future of that province is settled democratically and decisively, hopefully once and for all.

Even if the government had wads of money spilling out of its coffers at this point, which it certainly does not, there would be no sense in undertaking a major high speed rail link, a third of which would be located in Quebec, as long as the separatist threat continues to loom over the economic and political well–being of this great country.

As with the citizens across the rest of Canada, voters in Quebec are no longer willing to allow their support to be bought off with their own taxpayers' dollars. That time has long passed. People from the Atlantic to the Pacific are aware that the national and provincial treasuries are as bare as the trite promises contained in the Liberal's red book. They are no longer willing to let their elected representatives throw oodles of their own hard earned money at dubious megaprojects, especially ones that would be completely lost to Canada in the event of a successful Quebec separatist effort.

These are the hard facts of the late twentieth century, and though they may seem confrontational or narrow minded they are not meant to be so. They are simply meant to set out the honest truth, alarming and brutal though it may be.

I have not arrived at my conclusions lightly, nor have I arrived at them without significant consultation with other various official sources within the transportation sector. This includes extensive and recent meetings with representatives from Bombardier, the Quebec based company hopefully planning to receive a significant chunk of any contractual work which would arrive out of this high speed link.

• (1855)

Despite the admittedly optimistic outlook of Bombardier officials I am afraid past experience has shown Canadian people that their politicians should look a little more before they leap. That is precisely what I am attempting to do now by avoiding making hasty commitments to this very shaky concept. As such I find I am unable to support the motion made by the hon. member for Joliette.

The homework has not yet been done. I believe the proposal for a high speed train line, though intriguing, is simply too much too soon at this point in time.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, first of all, I would like to say that Quebecers who are listening to us, and also some Canadians, must be convinced, when they hear comments such as those coming from the Reform Party, that Quebec should become sovereign. I thank the Reform members for behaving in such a way, because they are helping our cause.

Mr. Speaker, first, I would like to thank you for allowing me to support my colleague from Joliette who moved this motion in the House, by asking him to demand that the government take the required measures to authorize the construction of a high–speed train linking Quebec City and Windsor.

As early as February 1, I had the opportunity to address this House and explain why the government should implement this project as soon as possible. I was recently followed by the youth wing of the Quebec Liberal Party, which is determined to pressure the Johnson administration to hold to it. That same federalist youth wing tabled this resolution at the policy conference of the Quebec Liberal Party in Montreal in March. The leader of the Parti Quebecois, Jacques Parizeau, often asked the former premier of Quebec, Robert Bourassa, to put this project forward as an economic recovery tool. I am telling you all this because the implementation of the HST in the Quebec City–Windsor corridor has almost universal support in Quebec. To be convinced of that, you simply have to look at the 1991 report of the Task Force on the Quebec–Ontario High–Speed Train, co–chaired by the honourable Rémi Bujold, the former member of Parliament for Bonaventure—Îles–de–la–Madeleine.

I know that the government is expecting a report by this summer, which will make comparisons between competitive technologies. However, this is a question of form, not of substance. I am sure that the report which will be presented to the Minister of Transport will indicate a strong desire to go ahead with the HST and will suggest several ways to do so. Recently the dollar has been in a free fall while interest rates have been rising—we cannot know how high they will go—and the stock market has been very volatile.

In these circumstances, it would be easy to criticize the Minister of Finance for not having reduced our deficit. It would be easy to criticize the Governor of the Bank of Canada for having allowed a rise in interest rates. It would also be easy to ask the government to review its borrowing policy on foreign markets in order to protect ourselves from the fickleness of foreign investors from all parts of the world. But, Mr. Speaker, Canadians are worried and in need of a leader, of a government which will restore their self–confidence, a government which will give them hope in a better economic future in the short term, with an extraordinary venture, the construction of a high–speed train.

Why such a train? The government claims that it is ready to provide venture capital to promote high–tech industry, but are these empty promises? What is it waiting for to give the go ahead to the HST project? In two years it will be too late. The Americans will have forged ahead, depriving us of any hopes of winning contracts for high speed lines. We will not be able to export $200 billion worth of technology over the next 10 or 12 years. At stake are many value–added jobs as well as our competitive edge in the high tech transportation field.

Why a high speed train? Because it will travel a corridor more than 1,200 kilometres long. It means more than 120,000 jobs over a 10–year period.

• (1900)

A high speed train will allow municipalities in the corridor to build the infrastructure necessary for the economic development of their citizens and will give them hope for a better future for their children. This venture, worth some $7.5 billion, will be the highlight of this last decade, a landmark future generations will remember about the 20th century in Canada.

When I have the opportunity to meet people from all walks of life in my riding of Beauport—Montmorency—Orléans, the same two issues keep cropping up: the fears of seniors and the exasperation of our youth with our generation.

Let us look at the fears of seniors. They are concerned about developing our country, educating the next generation, establishing in our society all the required structures for education, hospital and other health services, transportation, environmental protection and good quality of life in general. Ten years ago, these people were not worried about their future, they believed the next generation would take care of them and they would reap what they had sowed a hundredfold. But as soon as they meet with economic difficulties, all governments, including the one in place, ask seniors to pay the bill.

Let us look now at young people, those who dreamed of a better world, those who worked hard to acquire a specialty and university degrees, those who were promised a leisure society in the year 2000, those who are presently discouraged, jobless and frustrated because they see the previous generation—our generation—enjoying conditions they will never be able to obtain. We have to give them faith in and hope for a brighter future. We must leave them something besides an accumulated debt of $500 billion. We must show them that we were daring and that we left them with big projects and the opportunity to develop them in the years to come.

The HST project is exciting, visionary and affordable. Affordable in the long run if we learn to expand it according to our means; affordable because each dollar invested will create real jobs for the long term, not temporary employment like the municipal infrastructure program.

Railway companies are less and less interested in operating regional lines. They would rather be travel wholesalers operating only the main lines. After studying the situation in several countries like Italy, Germany, Japan and the United States, we concluded that rail transportation is a state responsibility almost everywhere. Decisions on operation and expansion are always taken by government, which is also involved directly in construction and financing either through subsidies or loan guarantees.

There would be nothing wrong with following the same model used for the bridge between Prince Edward Island and New Brunswick, which will be done with the help of the private sector and some generous subsidies from the federal government. As for the environment, it is interesting to know that, even when running at 300 kilometres an hour, the HST uses close to half as much energy as a car and four times less than passenger jet aircraft.

The HST would not cause air emissions and would use a type of energy that is abundant in Ontario and in Quebec. Following the cancellation of the agreement with New York State, these provinces have an enormous electrical potential to support this new transportation mode. Besides, this means of transportation is not so new since most big North American cities used this type of energy for their transit from the 1900s to the 1950s. There is no need to reinvent the wheel, our ancestors left us everything we need. Now, all we have to do is demonstrate a willingness to innovate in a transportation corridor that presents many opportunities.

• (1905)

Finally, I strongly urge this House to adopt the motion presented by my colleague from Joliette and to demand that the government rule immediately on its substance, in other words to give the go ahead to the HST, subject to a review of the terms and conditions which will be presented to the Minister of Transport in June.

[*English*]

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I would like to make a brief remark before I start my speech on the TGV.

Goodness knows I am a federalist and I am a deeply committed Canadian. I feel very differently from the people across the way in the Bloc Quebecois. At the same time I would be less than truthful if I did not feel hurt as a resident of Quebec, as a citizen of Quebec, by some of the remarks made by the member for Kootenay West—Revelstoke.

I do not believe extreme statements about any part of the country, whether it be Quebec, the west or Atlantic Canada, help Canadian unity. I have always believed in constructive dialogue. We are adversaries at times. At the same time I do not think that loud and extreme statements help.

[*Translation*]

I am pleased to address today the motion presented by the hon. member from Joliette that the government should immediately authorize the construction of a high–speed rail service between Quebec City and Windsor.

Before stating the government's position on the motion, I would like to provide some background information which will assist in understanding our response to the motion put forward by the hon. member for Joliette.

In November 1991 the federal Minister of Transport of the day, along with the ministers of transport from Quebec and Ontario announced a joint study of the feasibility of operating a high–speed train service in the corridor between Quebec City and Windsor where the prospects for viability are surely the highest in Canada. This study was to take between 18 and 24 months to complete, at a cost of $6 million to be shared equally among the three governments.

The decision to conduct the study was based upon the recommendations of a joint Quebec–Ontario task force report released in May 1991 which examined the merits of high speed rail service in the corridor. This task force was created by the premiers of Quebec and Ontario in 1989.

The task force concluded that a final decision on whether to proceed with a high speed train project could not be made without undertaking a more detailed study covering such areas as traffic forecasts, routing, available technologies, environmental issues and funding alternatives by the private sector and the three governments. The report also recommended that the Government of Canada should be an active participant in this new study.

So, in keeping with these recommendations, the federal government agreed to participate with Ontario and Quebec in undertaking this more detailed work.

Based on the foregoing, the objective of this feasibility study is to recommend whether governments should initiate and/or support the development of high–speed rail service in the Quebec City–Windsor corridor.

The study is based on a review of representative technologies which would operate over various routes. Six such technologies are currently under consideration. The study enables realistic projections of impacts, including revenues and costs, to be evaluated and involves the participation of some thirty consultants on various aspects of the analysis. Obviously, we are talking about a very serious examination.

The study was initially scheduled for completion in the fall of 1993 but has been delayed as a result of the magnitude and complexity of the work. I should point out, however, that the study is still within its original $6–million budget, which, as I said, is shared equally between the three governments. The present schedule provides for the completion of a draft final report a few months from now.

As we are just coming out of a recession, we are faced with very high unemployment. Owing to high deficits, governments will want to ensure that projects will not require large amount of public funds. It could be argued, on the surface, that the implementation of a high–speed rail service would be a major initiative for considerable job creation and a major economic stimulus. The results of the economic impact studies will give an idea of how many jobs could be created by such a project.

The jobs would not be created in the short term, however. Should this project be approved, it would require at least several years of detailed environmental studies and assessments.

[*English*]

The government is faced with another reality which has been addressed by the Minister of Finance in a recently tabled budget, namely the deficit and the question of deficit reduction.

The government has demonstrated for the benefit of all Canadians its commitment to deficit reduction in the budget. We must address the unemployment problem in a constructive fashion. Care must be exercised in ensuring that any potential job creation initiatives will not have an adverse impact on the deficit but, on the contrary, should be such as to result in a steady reduction of both our deficit and national debt.

The benefit, cost and financial analysis will only be known at the completion of the study which as I mentioned previously will not be available for some months. Therefore it would not be appropriate to speculate on the results and to precipitate a decision as tabled by the hon. member for Joliette.

It is obvious that for a national government any decision on the potential of a high speed rail service must be examined in the light of the broader context of the overall transportation needs in Canada of Canadians.

[*Translation*]

Furthermore a decision of the potential of a high speed rail service should be examined in light of the broader context of the overall transportation needs in Canada, as I mentioned earlier. High–speed rail service has gained prominence throughout the world. France, Sweden, Spain, Italy and Japan are some of the countries that have benefited from the introduction of high speed rail services.

While recognizing the very obvious merits of such technology, we should be cautious and not jump to the conclusion that high speed rail service could have similar results in Canada, at least not until the review now under way is completed. Conditions that exist in Canada such as climate, demographics, intermodal competition, and the institutional and regulatory environment are all real concerns and could determine whether a high–speed rail service is viable or not.

Much closer to us, all attempts to initiate a high–speed rail service in the United States have failed. The most promising, namely the Texas project, has failed to raise the required private funding.

At the present time, it appears that only one high–speed train project will proceed in the United States. That is the Northeast corridor project between Washington, New York and Boston. The success of this project depends, to a great extent, on major government subsidies.

The difficulties encountered in the United States are a valuable lesson that we should not ignore and provide a further incentive to proceed carefully only once we have all of the information needed to make a sound decision.

While we treat the initiative proposed by the hon. member for Joliette with all the objectivity and seriousness it deserves, and we think it should be considered objectively and seriously, I believe that it would be wise and appropriate to wait to review this matter until the joint study has been completed. It would be totally irresponsible to rush into a project of this magnitude without taking the time to review it from every angle.

[*English*]

The Deputy Speaker: The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the item is dropped to the bottom of the order of precedence on the Order Paper.

It being 7.14 p.m. the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24.

(The House adjourned at 7.14 p.m.)

HOUSE OF COMMONS

Thursday, April 14, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

CITIZENSHIP ACT

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, to hold Canadian citizenship is our greatest honour and responsibility. It is also recognized around the world as a symbol of opportunity, equality, freedom, fairness, and above all hope.

If we are to move forward as a nation Canadian citizenship must be strengthened and appreciated even more.

Next week is National Citizenship Week, a time when all Canadians are encouraged to reflect on the principles, rights and responsibilities of our citizenship. Therefore this is a most opportune time for me to make two announcements on behalf of the government and the people of Canada.

First, I am pleased to announce plans for the development of a new Citizenship Act. We have had a proud history of citizenship legislation in the country, a history of generosity and progressiveness, but the Citizenship Act as it exists today is almost 20 years old and we have rarely amended it in any serious fashion.

[*Translation*]

I wish to propose far–reaching changes to citizenship legislation that will be part of the renewal of our identity as Canadians—changes to strenghten the ties that hold us together—whether we are Canadian by birth or by choice.

[*English*]

There are compelling reasons to undertake this initiative at this time. It actively addresses an issue important to all Canadians, affirming a sense of pride in ourselves and confidence in our nation.

We also require a new Citizenship Act both to respond to the realities of our changing society and to guide us into that future. We need a dynamic act that underscores the significance of an active, aggressive, enthusiastic citizenship. We need a Citizenship Act that also ensures fairness and integrity, one that removes certain discriminatory aspects of current legislation, eliminates inconsistencies in the granting of Canadian citizenship and improves the process of acquiring that citizenship and that Canadian passport.

These important issues need the input and deliberation of Canadians and the careful consideration by members of Parliament in this Chamber.

That is why I am pleased to say that the Standing Committee on Citizenship and Immigration will be examining the principles, rights and responsibilities which are fundamental to the Canadian concept of responsible citizenship.

I have asked the committee to consider the reciprocal obligations inherent in the relationship between Canadian citizens and our society.

I hope the committee will make recommendations on ways to enhance the value and visibility of Canadian citizenship. I am hopeful that a report can be completed by June and make way for preparations of a bill to come to this place in the fall.

[*Translation*]

Creating a new vision of citizenship for all Canadians is vital but it is not enough. Too many of those who are currently entitled to become citizens and desperately want to do so are blocked by an administrative system which has become overburdened and unable to cope.

• (1010)

[*English*]

Denying would–be citizens the chance to participate in and contribute to the life of our society is unacceptable for this minister and this government.

In Toronto, for instance, people have had to wait as long as two years to get their citizenship after meeting all the basic requirements and criteria of being landed immigrants for three years. That is unacceptable as well.

There are a number of serious bottlenecks in the system. We are one of the last countries, one of the last jurisdictions, for instance, to grant citizenship through a one on one interview basis conducted by citizenship court judges. In essence we are saying yes too slowly and at too high a cost because 95 per cent of all applicants get accepted. Why make them wait and why do

taxpayers have to pay the price for that process to take shape? Clearly there is a better way.

That brings me to the second announcement. I intend on the part of the government to streamline the system by eliminating the role of citizenship judges and replacing them with a more efficient and effective administrative process. However we will not wait until legislation is passed in order to do away with the position of citizenship court judges as a way of enhancing the processing of time.

We will move instead immediately on a series of administrative and regulatory changes to speed up the process today. This includes increasing the daily number of hearings, establishing group hearings to test knowledge and language requirements, encouraging applicants to file by mail rather than the long administrative process they have to go through today, extending business hours to evenings and Saturdays for citizenship courts which is also more convenient for the working public, as well as inviting distinguished Canadians to preside at citizenship ceremonies.

These measures will speed up the process. They will also strengthen the fairness of the system and ensure that all citizenship candidates meet the essential requirements that we as Canadians would want. My ultimate goal and that of my government is that applicants obtain citizenship six months after applying for this privilege.

Our judges have done a fine job and we are indebted to them for their work. Let us be perfectly clear. The political and partisan appointments of citizenship judges will become a thing of the past. As vacancies arise new citizenship court judges will not be appointed. Current judges will become part of the new administrative process and help us in this transition until the expiry of their terms.

[*Translation*]

Mr. Speaker, I have discussed this issue with my hon. colleague the President of the Privy Council and Minister of Intergovernmental Affairs. I am pleased to say that these changes are in step with the initiative taken by government to streamline its agencies and commissions, and to reduce to a minimum the number of order–in–council appointments.

[*English*]

I propose to ask eminent Canadians, for instance, those who have received the Order of Canada, to preside over citizenship ceremonies. I also intend to move more of those ceremonies out of the citizenship courts and into the heart of all of our communities, the heart of Canada, so that citizenships can be celebrated in school gymnasiums, in cultural auditoriums, in community halls, in church basements where many more people from the entire community can join in honouring and welcoming the new members of the Canadian family and where all of us, young and old, can be reminded of the importance of our citizenship. Sometimes the things we value most are the things we take for granted. We must start to view citizenship as more than just the aspirations of immigrants and newcomers to Canada. We must come to celebrate citizenship as a bond among all of us.

• (1015)

I am counting on the members of the House of Commons, the members of the committee and my parliamentary secretary, whom I wish to thank, to help make this initiative truly meaningful and inspirational.

I will also work closely with my colleagues, the Minister of Canadian Heritage, the Secretary of State for Multiculturalism and the Status of Women, the Minister of Justice, the Minister of Intergovernmental Affairs and others in the development and promotion of our new Citizenship Act.

A country's citizenship act should be a proud, bold and enthusiastic statement of its history, its hopes, its principles and its dreams. A revitalized citizenship act should be a symbol of what we hold to be important as Canadians.

There is an appetite across the country for us to strengthen those symbols and to articulate the vision that ties us all together as Canadians, irrespective of the fierce loyalty we feel for our regions, our provinces and our own backyards.

We need a symbol that unites us, east to west to north. I invite all hon. members to join with me and the government in this exciting endeavour and to seize this opportunity for progress and renewal of the Canadian spirit.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, I listened carefully to the Minister of Citizenship and Immigration's statement announcing plans for the development of a new Citizenship Act as well as measures, some quite vague, to speed up the administrative process involved in processing citizenship applications.

We, members of the Bloc Quebecois, recognize that, in the rest of Canada, the Citizenship Act reform announced by the minister may seem meaningful, especially in view of the many obstacles to obtaining citizenship which, as the minister indicated, are attributable to a slow administrative process.

We believe that doing away with citizenship judges is a step in the right direction. It is a fact that this structure is costing taxpayers a great deal and is partly responsible for the backlog in the processing of citizenship applications.

Everyone agrees that a great many of those appointments were actually partisan or political ones. This kind of patronage by the Liberal Party and the Conservative Party in our citizenship courts has to stop. That such a backlog exists in the processing of citizenship applications is incredible. As we speak, 220,000 people are waiting to be heard by a citizenship judge, and their numbers are growing by 10,000 every month in

spite of the fact that we have 32 citizenship courts across Canada.

In his 1990 report, the Auditor General severely criticized the absence of performance standards within the citizenship registration and promotion program.

• (1020)

The amount of time required to process applications had increased considerably. In 1986, 91 per cent of all citizenship applications were processed in less than nine weeks, whereas in 1989, only 30 per cent of applications were processed in the same period of time.

Despite the fact that there have been no follow–up checks, delays continue to be a major problem, one that needs to be corrected as quickly as possible. Under the circumstances, the decision to close the citizenship office on St–Denis Street in Montreal is baffling. Will the delays be shortened as a result of this closure, Mr. Speaker?

Clearly, we can no longer accept delays of two years between the filing of the application and the actual administering of the oath of citizenship. Moreover, this anachronistic oath requiring a person to be faithful and to bear allegiance to Her Majesty Queen Elizabeth II of England and to her heirs and successors should also be carefully reviewed.

Having said this, I would also say how surprised I am that the minister has asked the Standing Committee on Citizenship and Immigration to make recommendations to him by the month of June. This is not very much time, considering that all aspects of the citizenship issue need to be addressed. Why does the minister not table his bill right away so that the Committee can examine it in the usual manner?

I also want to take this opportunity to criticize the minister's decision to hold consultations outside Parliament and the committee framework on immigration levels for the next ten years. This issue is vitally important to the future of the country. Furthermore, the Official Opposition has no representation in such an outside consultation process. This goes against parliamentary standards worthy of a democratic society.

It is necessary and useful to discuss the administrative, regulatory and legislative measures needed to improve the situation. It is surprising, however, to hear the minister say that one of the objectives of the committee should be to redefine the true meaning of Canada and citizenship, as if somehow these concepts became blurred with the passage of time.

Clearly, the common vision which he would like all immigrants to share is not one–dimensional, but rather multidimensional. We have already said here in this House that there is not only one Canadian reality, but at least three: one for francophones, one for anglophones and one for first nations or aboriginal peoples, whether in Quebec, the Prairies or the Maritimes.

As far as we are concerned, the Canadian reality is not the one painted by the minister, one where citizens form one big family united by common values and the desire to fit into the same mould. As members of a society with its own distinct characteristics, Quebeckers feel a sense of attachment first and foremost to Quebec's economic, social, cultural and political institutions. This was the case long before the Bloc Quebecois sent members to Ottawa, or the Parti Quebecois sent representatives to Quebec City. This attachment to Quebec soil and the unique identity which flows from this sense of belonging are historic realities, ones which must be embraced not only by those who have lived in Quebec for several generations, but also by immigrants like myself wishing to settle permanently in the province.

This morning, I read the statements made by the minister. He is concerned about the vision of Quebec that is being projected by the COFIs in the province. There is nothing unusual going on here, since it is the minister's Liberal colleagues in Quebec who run these centres. Above all, I would ask that the minister not interfere in education as this is a provincial field.

• (1025)

National pride and a sense of attachment to a society, be it Quebec or any other, flows above all from the welcome extended to immigrants, from the way in which their differences are respected and from the process whereby immigrants learn about the history and culture of the people of their adoptive land.

The residents of the Prairies, British Columbia, the Maritimes, Ontario and the Northwest Territories all have their own distinctive cultural features.

In conclusion, while we do not oppose the reform of the Citizenship Act, we must not allow ourselves to be deluded into believing that national identity comes only through citizenship. No, it stems from a desire to live and work in, and to help build a country.

[*English*]

Mrs. Sharon Hayes (Port Moody—Coquitlam): Mr. Speaker, it is my privilege to rise in response to the announcement today of the plans to develop a new Citizenship Act. It is of great importance to all Canadians and to the future of the country that we are all proud citizens and contributors to the economic growth, the cultural diversity and the social renewal of Canada.

Citizens of Canada should have a commitment to the future of the country and to their fellow Canadians. I would like to take some time to briefly comment on some aspects of the announcement of the minister. Today the Minister of Citizenship and

Immigration described his department's response in seeking to eliminate the patronage aspects of citizenship court judges.

With Canadians I have talked to, I have felt that we are truly fed up with the perceived misuse of partisan privileges. I asked them and members can be sure they are. I am pleased with this first step in the right direction in getting rid of patronage appointments.

Of the 48 judges who now occupy the benches of the citizenship court, 34 full time and 14 part time, there surely will be a long delay before full implementation of this program. They must complete their five–year, average $64,000 a year income positions.

Some appointments are recent and no announcement of the particulars of what their severance arrangements might be has been made. As well, there is no comment as to the hundreds of other positions within the department and what sort of arrangement might be made.

We still do not have a concrete government response to the issue of patronage within the system or of government interference. For instance, we have just seen an election where candidates have been appointed. Even in this very department, what about all the recent refugee board appointments? They are much more numerous than the citizenship court judge appointments and just as lucrative.

I applaud the government's willingness to include the standing committee in the process of the review of the Citizenship Act. Hopefully this involvement will be more than just recognizing general principles and ideas. I for one have input from Canadians for that process.

I have a polling system in my riding and just recently I asked this question to do with citizenship: "Should citizenship be granted automatically to those who were born in Canada regardless of the status of their parents' citizenship?" The response I had has been two–thirds against this notion which is now in the system. These things have to be looked at and I hope that our committee will have input in these areas.

The idea of streamlining the process, as in all processes of government, is to be applauded. Other attempts at amnesty and streamlining have happened in the past. In fact what comes to mind is the streamlining process in immigration between 1991 and 1992. That addressed a pressing refugee demand need within the system.

• (1030)

Those very stresses are now facing the citizenship courts. There is a three–year wait between the time people arrive and the time they can apply for citizenship. The three–year wait and the right of citizenship are putting the onus on the citizenship courts.

Canadians are again faced with fast tracking of these individuals. For the sake of security in our country and the maintenance of the value of our citizenship, I demand full accountability of any acceptance system.

It came to mind that over a century ago people moved from one country to another on what was known as an underground railroad. We must not be too hasty to change our present citizenship system to a Bombardier bullet train.

Of greatest importance to me and I believe to all Canadians is the elevation of the concept and value of citizenship within this country. Does Canadian citizenship at the present time have the value it deserves? Has the government helped make that citizenship a value by some of the choices it has made? Has it helped Canada be an economically viable place in which to live where the citizens can be a proud part of that viability?

I look at the budget and I see sinking credit rates. I ask if the government has helped citizens become part of a country that is to be a full player in the trade and economy of this world. I ask the government whether citizenship has been helped with the continued fractionalization of our country.

I look at present policies of bilingualism and multiculturalism. I believe they created a country that does not stress the equality of Canadian citizens as individuals but stress the individual's association with a particular group. I challenge that.

I ask the government if it has enhanced citizenship with the notion that was introduced in that act in 1977, that citizenship is a right rather than a privilege to all who qualify.

Reformers believe that Canadians should have every reason to be proud of their citizenship. It is a pride that should not be devalued but strengthened and encouraged because it is a privilege to be a Canadian, not just a right.

Those who are Canadians by birth or those who become citizens by choice should honour this privilege as we work together to make this country all it can be. Citizenship should be the first step in our commitment and investment toward a brighter future. That future is our responsibility in this place as the law makers of the country and not only within the Citizenship and Immigration Department, but in all departments. I challenge the government to make this country the best place in which anyone could want to live.

* * *

COMMITTEES OF THE HOUSE

AGRICULTURE AND AGRI–FOOD

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I have the honour today to present the first report of the Standing Committee on Agriculture and Agri–food which deals with bovine somatotropin hormone, often referred to as rBST.

The issue of rBST was picked up by the standing committee on agriculture to study because it was an issue of great concern to those in our farming communities. They wanted the commit-

tee to come forward with certain recommendations to deal with rBST.

The committee concurs with a recommendation of a one year moratorium on the use of rBST. The committee also concurs that during this year a cost benefit analysis of the dairy industry be undertaken and that animal health including the stress placed on target animals, animal genetics and U.S. consumer reaction be studied in order that we as Canadians may get a greater understanding of the effects this will have on our consumers and on our dairy industry.

• (1035)

[*Translation*]

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to present the 15th report of the Standing Committee on Procedure and House Affairs concerning the membership of committees.

With leave of the House, I intend to move the adoption of the 15th report later today. Mr. Speaker, I believe that you will find unanimous consent to dispense with reading of this report.

The Deputy Speaker: Is there unanimous consent for this proposal?

Some hon. members: Agreed.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, with leave of the House, I move, seconded by the hon. member for Rimouski—Témiscouata, that the 15th report of the Committee on Procedure and House Affairs, presented in the House this day, be adopted.

(Motion agreed to.)

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT, 1994

The House resumed from April 12 consideration of the motion that Bill C–17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994, be read the second time and referred to a committee.

[*Translation*]

The Deputy Speaker: Before beginning the debate, I wish to inform the House that because of the ministerial statement and responses thereto, Government Orders will be extended by 28 minutes, pursuant to Standing Order 33(2).

[*English*]

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I previously addressed the House on the amendment that was moved by the member of the Bloc who spoke second in the debate.

I know there are members in the House who apparently oppose the bill.

[*Translation*]

I can understand the position taken by members of the Bloc Quebecois because they are the Official Opposition in this House and as such they are obliged to oppose the government's proposals, especially the budget. But they fully realize that we adopted a budget here in this House and presented it to the people of Canada. It is a fair and equitable budget, which is very popular throughout Canada.

• (1040)

[*English*]

I know it is not popular with some members of the House, but the Canadian public thinks the government has performed extremely well in the budget. I know members of the Reform Party in their heart of hearts know that too, but of course they have to oppose it because they want to make more unspecified cuts.

I would love to go on at length today but I realize there are many other members who wish to participate in the debate, and having spoken once I feel it would be unfair for me to continue at length. On the other hand, we are into 10–minute speeches. The speeches are very short.

I commend to hon. members opposite in preparation for their speeches later today the opportunity to reread the words of the President of the Treasury Board which he spoke on the introduction of this bill on March 25. If they have time and if they want to continue, they could read my speech on that occasion which I must say was a masterpiece of clarity and explained all the provisions of the bill in great detail.

With that in mind, I move:

That the question be now put.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: No.

The Deputy Speaker: Debate.

[*Translation*]

Mrs. Christiane Gagnon (Quebec): Mr. Speaker, we say no to Bill C–17; no to the so–called reform of unemployment insurance; no to this government's budget measures; no to the $735 million grabbed with impunity from Quebec workers; no to the $1.620 billion lost by Canadians; no to misleading and devastating savings; no to reducing the benefit period; no to reducing benefits, sole means of subsistence for many workers;; no to offloading expenditures onto the provinces; no to regional inequities penalizing Quebec and Eastern Canada once again; no to social assistance as the only recourse left after unemployment insurance benefits run out; no to undue delays in reducing unemployment insurance premiums.

We reject any policy conceived and adopted under pressure that penalizes workers and the provinces under the guise of economy. These savings are achieved at the expense of workers who lost their jobs because of the dismal state of the current job market. Moreover, half of these so–called savings, in the order of $635 million in Quebec alone, must be absorbed by the provinces through social assistance payments.

Finally, negative consequences will not be distributed equally among the provinces. When we hear that the benefits paid to Quebec taxpayers will be reduced by $735 million while those paid to Western Canadians will only go down by $430 million, we must reiterate vigorously the disadvantages suffered by Quebec within the Canadian federation.

We say no to the harmful attitude perpetuating the idea that the unemployed do not want to work. It is not the unemployed who lack vision, it is their governments. People cannot be blamed for the lack of jobs, but governments can. We say no to unsound, ineffective and unfair policies; no to government mismanagement; no to the systematic overlooking of the real problems and the real solutions. Young people say no to the alarming unemployment facing them. They say no to the unpalatable placebo called the Youth Service Corps. Young people need jobs, not measures which will penalize them right from the start. We say no to harassing the poor and the unemployed; to conducting underhand attacks against poor working women; to letting civil servants interfere in the private lives of mothers; to tolerating paternalism toward women; to having to prove everything to get some minor benefit; and to creating tensions between spouses regarding who will have custody of the children.

• (1045)

We know, and this has been repeated time and again, that women have precarious jobs, which do not pay well and which are very vulnerable to the swings of the job market. Women need permanent well–paid jobs. They have no need for new constraints in their family and private lives.

We say no to precarious and poorly paid jobs; to the lack of job–creation measures which has the shameful effect of increasing the number of unemployed; to overlappings in training programs and to political decisions which favour the rich at the expense of the poor.

Until this government takes the required objectives measures to ensure that the rich share their wealth with others, we will oppose any legislative policy penalizing young people, low–income workers, women and the unemployed.

We say no to misleading statements to the effect that savings will be reinvested by businesses.

The government's evaluation regarding the reinvestment of such miserly savings is not based on any solid ground. Nothing is provided to promote or control this aspect. Moreover, only large corporations might be able to create a few jobs because of the lowering of contributions. We know that small and medium businesses are the ones which create the most jobs. How can we expect them to pay a full salary with annual savings of $40, for example? Employers need real job creation programs.

We say no to the dead–end in which Quebeckers and Canadians find themselves and we say no to despair.

We would have loved to have the opportunity to support real job creation initiatives, as well as the transfer of training programs to Quebec, the promotion of social justice, the respect of privacy and the implementation of programs which would have generated some hope.

However, in light of these phoney measures, the people of the riding of Quebec say no.

The women of Quebec say a flat "no", not even a "no thank you".

[*English*]

Mr. Ted White (North Vancouver): Mr. Speaker, although the bill is mainly of a housekeeping nature it once again reminds us of the tax grab of the previous government. That tax grab is being expanded by the present government.

A businessman I know got pretty angry recently when he was writing his month–end cheques for his business. He had to write about six cheques, five of which were for various forms of taxation. There was money that had to be sent to the Workers' Compensation Board, Revenue Canada for corporate tax, the B.C. government for PST, the municipality for a business licence tax, and Revenue Canada for the GST.

In small businesses taxes have become a major disincentive to expansion and job creation. There is some evidence that the tax saturation point has been reached.

For example, the Department of Finance figures list tax revenues for September 1992 at $11.07 billion and a year later in September 1993 at $10.17 billion. That is down 8.3 per cent in one year. The revenue for April to October 1992 was $64.94 billion. For April to October 1993 it was only $61.22 billion. That is down 5.73 per cent from a year earlier. These drops are pretty serious because they really interfere with a government's ability to raise additional revenues to fund the programs we all rely on.

If we look at something like the GST, recent figures from the GST branch of Revenue Canada show that GST revenues dropped about $.2 billion between 1992 and 1993. It is interesting that although the GST revenues dropped the actual cost of collection jumped 25.4 per cent in one year from $268.5 million to $336.7 million.

• (1050)

In one year the number of GST employees increased by 23.3 per cent. I wonder how many businesses would deliberately increase their workforce at a time when revenues were dropping. To increase them 23 per cent is a disgrace.

A number of votes have already taken place in this House on the recent budget of the government. Predictably every Liberal MP voted in favour of both the budget bill and the bill authorizing borrowing of up to $37 billion.

Of course every Reform MP voted against both those bills. We proposed an amendment that would cap spending but that was rejected by both government members and the Bloc. I had hoped that some government members would respond to an intelligent debate in the Chamber and would change their votes but it was not to be.

On Monday, March 8, 1994, the hon. Secretary of State for Multiculturalism spoke in favour of the borrowing bill. During her speech she turned to the public gallery where there were a group of high school students. She said she was talking about their future and how important the $37 billion borrowing effort was.

When her speech was over I asked the hon. member whether she had ever asked her children or grandchildren or the people in the gallery whether they wanted $37 billion more added to their mortgage for the future. The hon. member replied that her children told her the government was moving in the right direction. Frankly I found that hard to believe. I really find it hard to believe anyone would approve of someone else borrowing $37 billion on their behalf and leaving them to carry the can. I find that quite difficult to believe.

On the same day I gave a speech about the budget. I explained how I felt as I had listened to the Minister of Finance deliver the budget. I said I had felt a bit of anger and despair but mostly a terrible sense of sadness because of my background with New Zealand and understanding the debt crisis situation that had developed there. I had seen the same symptoms and problems before: the denial that there was a problem; the failure to act soon enough; the rejection of the idea that there would be a day of reckoning.

Unfortunately we have now been committed to another $40 billion in debt this year. The national debt federally now exceeds $510.7 billion. It is growing by approximately $1,400 per second, every second of the day. The debt per taxpayer is around $36,500 and per capita is almost $18,000.

In relation to this tax load the government has been increasing its spending in some programs. It constantly praises the student job creation program and brags about its increases of expenditures on it. I think that is mainly because it is politically correct to do so.

An internal audit of the program last year concluded it was very poorly monitored. It was rife with political patronage and it was a questionable benefit in terms of genuine job creation.

That raised a few red flags for me when I received about 80 applications for grants under the student job creation program, the challenge program, in mid–March. As I looked through these grant requests from Employment Canada I was shocked to see the sorts of things previous MPs had authorized taxpayers' money to be spent upon.

One of Reform's basic promises is that we will be the fiscal watchdogs looking for ways to cut unnecessary spending and government waste. Regardless of the party that was in power previously, NDP, Conservative or Liberal, all of them were rubber stamping these terrible grants that really were quite a questionable use of taxpayers' dollars.

I quickly arranged for a small group of North Vancouver citizens chosen at random from the voters list to come in and have a look at some of these applications. Without exception every single one of those people rejected at least half of the applications that were put before me. That is a very telling piece of information about the value of this student job creation program.

We are caught between a rock and a hard place. If we do not automatically approve these challenge grants we perhaps are ruining the prospects for student jobs. On the other hand if we do rubber stamp them we are authorizing the wastage of taxpayers' hard earned dollars.

• (1055)

Debt should be a major concern to youth. We know many Canadians have become very cynical about politicians. Young people especially find it very difficult to take part in politics and to get involved in the votes. The lack of participation by young people in this political process is a major concern for us in the Reform Party.

Today in the House we are really mortgaging the future of Canada's young people. There are many vital government activities which young Canadians have a direct stake in protecting. These include education funding and student loans, job training, and the building of infrastructure.

However the most important issue facing the youth of today is this debt and taxes problem. Young people need to know that every year this federal government is spending approximately $40 billion more than it takes in. By next year Canada will owe $550 billion to its creditors. That is $20,000 for every person in Canada. Approximately $40 billion more is being added to the national debt every year.

Deficit spending is of critical importance to young Canadians because every time the government borrows money to fund programs it is picking the pockets of future generations. It is guaranteeing they will have to pay more taxes and have a lower standard of living than did their parents.

Today's high tax burdens are already holding back company expansion and job creation and driving businesses out of Canada. If the trend is not reversed things will get much worse. I urge all young people who are watching this program today and hear about the bill which will increase spending to write to the Prime Minister: Tell him you want this intergenerational transfer of wealth stopped and you want it stopped now. Tell him you do not want higher taxes and you do not want your job prospects, your take home pay and your health care system put at risk by this deficit spending program. Tell him you do not want to be left with the bills of my generation. If you are between 18 and 24 years old and watching this program today, virtually the entire $500 billion debt has been incurred during your lifetime.

The Deputy Speaker: Order. The hon. member and all members need to be reminded that the procedure is designed to avoid any kind of outbursts. The member will please put his remarks to the Chair and not to anybody who might be watching on television, be they 10 years of age or 99 years of age.

Mr. White (North Vancouver): I apologize, Mr. Speaker. I got carried away with the excitement of the speech.

Through you, Mr. Speaker, if there is anyone watching today who feels they should write to the Prime Minister about these things, I encourage them to do so.

It is important that the young people of today should try to take part in the political process. They should become involved so that they can direct us as their representatives to work on their behalf to minimize the impact of this borrowing and the mortgage on their future.

Thanks to a lot of publicity by the National Citizens' Coalition over the years, the shocking details about a lot of government mismanagement of funds have become apparent. One of the most public aspects is the MPs pension plan. MPs who have served just six years can retire on a pension for life. Unfortunately the previous Prime Minister just missed out with only five years of service. She was unable to pick up a pension for the rest of her life. However many people who have served here for just six years have managed to pick up a pension for life.

One of the things the Reform movement would like to change is this gold plated pension plan. It is just one of the many things which contribute to the high tax burden of Canadians and which is totally unjustified. Members can be sure that Reform MPs will continue to be the watchdogs for the Canadian citizens to make sure that we spend less, tax less and add less to the borrowing burden for the future.

• (1100)

The Deputy Speaker: It should be put on the record that we are now on 10–minute speeches. Perhaps some members are not aware of that.

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the Reform Party and opposition members are trying to really paint a very bleak picture in terms of what is happening in our society in terms of what this government is doing.

One would have to put things into perspective. We have two types of problems in our society. One is what we call a structural problem in terms of the infrastructure as a whole. It would have to be looked at.

The second problem is matter of the spending habits of governments of the past. I would suggest that the budget which was tabled by the Minister of Finance specifically addresses those two issues.

On the notion of government spending we have seen measures in the budget that specifically deal with government spending. It has been the practice of the government that every time we introduce a program we look at ways we could see a cost analysis of it in order to ensure a net benefit for the community as a whole.

On the issue of infrastructure, the structural problems, the Minister of Human Resources Development is undertaking one on the most aggressive reviews of not only the ways we deliver our social programs but the way we handle our youth across Canada as a whole. I commend him for taking this very aggressive initiative along with the Secretary of State for Training and Youth.

Unless we address the whole notion of our educational system, as everybody will know, we are going to continue in this limbo. We are going to continue to see those structural problems in our society. To that end the government has fulfilled its commitment prior to the election of reinstating funding for the literacy secretariat. We now have a capable minister in charge of that ministry.

That in itself does not solve the problem. We can talk all we want in the House but unless we have the elective co–operation of the provincial government as well as of the municipal government we will not be able to move further. The problem is not only in the House. People might think the government can with the stroke of a pen solve a lot of social and economic problems. That is not the case.

To that extent there has been a very proactive approach taken by this government with a minister specifically dedicated to dealing with provincial governments, the Minister of Intergovernmental Affairs. He has undertaken a review in terms of how the government at the federal level does provide the services to the community as a whole. He is having a lot of consultations with other levels of government in order to have a collective approach of providing services to the community as a whole.

The same thing this minister is doing is carried out by all members of cabinet, by all members of the government. Therefore we are quite aware of the fundamental changes that need to be addressed in our society and we have taken action, unlike the previous government which talked and talked and the community did not see tangible action. We are taking action.

Rather than painting a bleak picture in society, the opposition should give credit to the government where credit is due, that this is a government in action.

The Prime Minister on a regular basis, every time he has an opportunity to speak anywhere, has clearly stated that government agencies, departments, ministers and members of Parliament are always on the lookout for ways to save taxpayers' money so at the end of the day we can show the Canadian public that we are taking action by example and at the same time we are serious about seeing the economy turn around.

I say to the hon. member that for better or for worse Canada is on the leading edge of all the big G–7 countries around the world in terms of economic growth. That goes to the credit of both the private sector and the public sector in recognizing the need to work together.

The youth are going to continue to be on the leading edge in terms of the changes that are required. Institutions, federally, provincially and municipally, have to recognize that unless we get to the bottom of the problem, which is the educational system, we are not going to be able to find a long term solution for our economic ills.

• (1105)

To that extent it will only be fair for the opposition to give credit to the cabinet, to the Prime Minister and to the government for taking a leadership role in trying to address the whole fundamental structural problem faced by our society within the area of training, literacy skills, and for that matter working with the provincial level to address the educational problem.

In closing, I am really proud to be part of a government which in a very short time has taken so many aggressive, progressive, dynamic, tangible actions and steps to deal with the ills that have faced society for the past 15 or 20 years.

Not everything is bleak. We still live in the best country in the world. We still have the best social programs in the world. We still have one of the most accessible educational systems in the world.

We want to make it even better. Let us stop telling Canadians that things are so dark, so bad. They are not that bad but they could be a lot better.

This government recognizes the fact that we must reach a minimal level of unemployment. As long as there is one unemployed Canadian the government will continue to work to ensure there is an opportunity for every Canadian.

We will continue to work but it is time for us as parliamentarians from all sides of the House to start working as a team in order to address the difficulties faced by our society.

It is my hope that when this item comes before the House it will receive the unanimous approval of Parliament, that we will all vote and give a strong mandate to the Minister of Finance, and to the government so it can continue to do the excellent work it has begun during the last 115 day or so.

We have to start working in a positive fashion. Canadians have told us they want us to work together. They want to see a team effort in order to address some of the social and economic difficulties and challenges facing our society.

They are sick and tired of seeing the type of bickering that takes place not only in the House but I suggest at all levels among politicians from different political parties. Canadians have told us clearly they want to see positive steps taken by everyone to solve some of the difficulties we are faced with.

To that end the call is out for every member of the House to work together so we can move forward with tangible steps to respond to the needs of Canadians from coast to coast.

I thank my colleagues for their positive comments this morning and it is my hope that they will support the bill before the House.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est): Mr. Speaker, Bill–17 now being debated is an omnibus measure. It contains some good provisions of which we would approve, as well as

some harmless ones. However, this bill primarily targets the unemployed.

To decrease the budget allocated to unemployment, the bill proposes a reduction in benefits and an extension of the number of weeks of insurable employment required for benefit entitlement. This certainly represents the biggest part of the budget. This year, the cuts will total $750 million, next year, $2.5 billion, and the following year, another $2.5 billion, for a total of $5.5 billion taken from unemployed Canadians. On top of that, another $2 billion in cuts will be made to transfers to the poorest provinces, bringing the total to $7.5 billion. This was the crux the budget tabled last February, a budget which is totally ineffective given the present debt and unemployment levels in Canada. Not only is it ineffective or useless, it is also totally crazy, because we have a government that, just like the previous speaker, the hon. member for Ottawa Centre, is crazy to pretend that they are acting, when in fact they are doing absolutely nothing to deal with the debt and the unemployment situation. Not only are they refusing to do anything positive, but they are going after the unemployed, the disadvantaged, the poor, the weak, the women, the elderly, and that is crazy.

• (1110)

That goes to show the evil side of the current Liberal government that picks on the weak in our society. It clearly shows the total lack of imagination of the government when it comes to measures that could be introduced to straighten the situation our country is in. The government has got no backbone. There are a lot of concrete, fair and equitable measures it could introduce, but does not, because it does not have the guts to act.

Why pick on the poor and the unemployed like the government does in this budget, when we could ask healthy Canadian corporations to pay their fair share of taxes? Several thousand corporations have managed to stay healthy these last few years. And when I say several thousand, I refer to the 90,000 corporations that have paid no taxes at all in Canada over the past few years.

There are over 200 millionaires who paid less than $100 in taxes. These corporations and these individuals should at least pay their fair share, especially when the country is in the middle of a serious crisis, so serious in fact that it is attracting the attention of the International Monetary Fund. The IMF is about to intervene because the debt in Canada is getting out of control and the government is ineffective. In fact, the money markets have reacted very badly to this awful and sick budget. There is a whole series of concrete, fair and equitable measures that could but will not be introduced.

Let me give you other examples of how to take the fat out of government operations, and God knows there is a lot of fat to take out and the government is not doing anything about it. Duplication of federal and provincial services, what is usually called overlap, costs us an incredible amount of money. In Quebec alone, it is estimated that such duplication costs $1 billion because the province of Quebec is delivering the exact same services as the federal government. Not only is it an awful waste of money, it creates more problems. It delays the implementation of major programs.

Take, for instance, manpower training, an area where an estimated $250 million will be wasted. Not only are we wasting this money, we are not providing any training.

• (1115)

In Quebec, 70,000 jobs are available but people are not qualified enough to take them. Why? Because the Canadian government lacks efficiency and has no backbone. They do not want to move although the solutions are there; they prefer to take it out on the poor, the unemployed and the destitute. This is immoral and crazy. I could never be part of that Liberal government. I would be too ashamed to agree quietly to such proposals.

This government is not even liberal. It has inherited the Conservatives' spirit: it helps the rich get richer supposedly because the rich will create jobs. This very old conservative way of thinking has no basis whatsoever. I have nothing personally against the rich but, in a society like ours, I feel that corporations and wealthy citizens must pay their fair share like everybody else. The poor and the destitute should not be asked to pay for the government's mistakes or for the fact that Canadian corporations are not taxed enough.

This is a conservative way of thinking which borders on fascism, since fascism tends to widen the gap between the rich and the poor and creates a very unfair situation like the one we have in Canada today. That is what we see today: a lousy government which merely introduce bills on the back of the poor, the destitute and the unemployed, asking them to pay more, while the rich and the family trusts are well protected.

Here is another example. The Minister of Finance has a family trust. Apparently, it is worth $40 million. Others have family trusts too. Family trusts in Canada are said to hold $80 billion at least and maybe twice as much. This is money that is not taxed, that the government does not want to tax.

This government is crazy, because it is ignoring the Auditor General's recommendations. He said in his recent report that in the last three years, $5 billion was wasted by the federal government. We do not hear about it, but the government is going to take almost $5 billion from the pockets of the unemployed. It is forcing unemployed people onto welfare, putting more pressure on the provinces. It turns the unemployed into welfare recipients and it pretends that it is an aggressive measure. The government says that it wants us to move ahead with confidence, but I call that the Shawinigan Waltz: two steps forward, one step back, change direction, three steps back, one step forward. The government tries to solve the unemployment problem with an infrastructure program that will create temporary jobs for men, but it forgets about women and young people. Moreover, this make–work project will be implemented just after the government raised the UI premium rate from $3 to

$3.07. The finance minister himself said that cancelling this increase would create 40,000 jobs.

• (1120)

In conclusion, I will tell you that the Shawinigan Waltz dancers are having a ball. The government claims that it wants to create jobs, but it turns around and does all it can to keep that from happening or it implements very temporary, quite ineffective measures. I say no to Bill C–17. It must not pass.

[*English*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I appreciate having the privilege of speaking on the implementation of the budget that was presented for 1994.

[*Translation*]

First I would like to comment on the speech made by the last speaker from the Bloc Quebecois, whose specialty is the Shawinigan Waltz. I do not know if the hon. member is an expert dancer, but I can tell you, from watching him and his colleagues from the Bloc and from the Reform Party, that all opposition members are pretty light on their feet.

The member from the Bloc accused members of the government of being fascists and of creating mass injustice. He also said that all Liberal members should be ashamed. Let me tell him that the members who should be ashamed are those who refuse to pledge allegiance to Canada and who are willing to accept a salary to come to Ottawa with the intention of tearing our country apart. I am telling you, members of the Bloc, that you should be ashamed.

We are talking about finances, about money, but all you want to do is laugh at the Bank of Montreal or at credit unions.

The Deputy Speaker: Since the hon. member was not in the House earlier, I wish to remind him that he should address his remarks to the Chair.

Mr. Bellemare: My remarks are about the budget and I am just giving my impressions of our discussions on the subject.

The Reform Party is not being any more objective about the bill. You heard the last speaker from the Reform Party say that our youth program was a waste of money and that instead we should ask our young people not to accept jobs but rather to become politically active by writing to the Prime Minister, to the Minister of Finance and others, which I find totally ludicrous.

I think that our bill is a very sound piece of legislation. We have a good budget that addresses two major problems. First, it addresses the national debt and deficit issues. The Reform Party would like us to shut down the government and take what little bit of money we have left to pay off the debt.

If we did that, we would not be able to provide services and no one could pay a lot of taxes. The role of a government is to provide services to the community; it is not a private industry. Therefore, it has to address the debt problem and cut some activities, some programs. It must also create jobs, and we can see that the Liberal government is creating an atmosphere that gives hope to everybody across the country. What was lacking these last couple of years was hope; people were totally desperate. Young people, students, university graduates had become totally desperate for they had lost every hope of finding a job.

• (1125)

We are now changing this attitude, changing this climate in Canada, so that graduates and even drop–outs can find a job. The youth program is in the works. I find that very encouraging and very positive. There is something positive after all. There are some budget items that I personally oppose. The budget is not 100 per cent perfect. I would give it a mark of 99 per cent, perhaps, or of 98 per cent, at times, when I get up in the morning.

I deplore the fact that the government has put a wage freeze on public servants, that the same wages that have been frozen for three years will be frozen for two more years. I truly deplore it. I also deplore the fact that employees will not be able to get pay increments. I told the President of the Treasury Board and the Minister of Intergovernmental Affairs that I deplored the fact that public servants would get no wage increases for two more years.

I appreciated the fact that both ministers promised me that if senior management could find a way to further reduce government expenditures, this two–year period could be brought down to only one year perhaps, or even less. I truly hope so.

Although there is certainly no such thing as a perfect budget or a perfect piece of legislation, contrary to what the members of the Bloc Quebecois and of the Reform Party suggest, we are not going backwards. We are not taking two steps back, two steps forward, one step to the side and then one more step back. We are trying to solve problems, the problem with the economy of the whole country. Jobs have to be created. Temporary jobs, yes, and permanent jobs too, but for that we have to create a positive climate where people in the private sector can have confidence in the economy, take risks and further develop their businesses.

It is not with the solution suggested by the Reform Party, that is closing down government, stopping all operations and making everybody jobless, that we will create a suitable climate for developing this country. And we will surely not do it by following the example of the Bloc Quebecois, with their strange

way of twisting everything towards their own goal, to destroy this country. That, Mr. Speaker, I cannot accept.

I will be pleased to vote for this legislation. It is not perfect, but I would surely give it a mark of at least 98 per cent.

[*English*]

Mr. Cliff Breitkreuz (Yellowhead): Mr. Speaker, the member opposite just spoke of the budget inspiring hope in Canada and among Canadians. Heaven help us if he thinks that is what it is doing.

It is both unfortunate and undemocratic that the government is forcing debate on the entirety of Bill C–17, the budget implementation act. Bill C–17 is an omnibus bill. Essentially it addresses four major issues and lumps them under one bill. Therefore it could be difficult for members to vote totally in favour or against the bill as I believe that each issue merits its own debate.

Having said that, I will be discussing one portion of Bill C–17 which deals with grain transportation.

• (1130)

Bill C–17 would increase production and the government's share of freight rates under the Western Grain Transportation Act from 10 per cent to 15 per cent for crop years beginning on or after August 1, 1994.

A goal of the Reform Party is to change the way the agriculture industry is dealt with by the federal government. The movement of grain to export positions is highly regulated in Canada and that is an understatement, to say the least.

Since 1897 when the Crows Nest Pass agreement became law, the government has regulated and controlled grain freight rates. It fixed and set freight rates western farmers paid Canadian Pacific to move their grain to what is now Thunder Bay.

In the early 1920s legislation was passed expanding and extending the effect of the original rate set in 1897 to all shipping points on the prairies, to all railways and to additional destination points. In short, the legislative action in the 1920s was the most significant turning point in the history of the Crows Nest freight rates for grain.

It changed the system from one governed by a two–party agreement between the federal government and CPR to one by which Parliament unilaterally imposed a national policy by statute. The industry has been paying ever since because of government regulation.

During the 1960s railways began to absorb losses as the cost of shipping grain exceeded the revenue from fixed freight rates. As a result, the railways could not afford to make necessary investments in the grain rail system. The MacPherson royal commission on transport which reported in 1961 concluded that the Canadian railways were losing money on transporting grain at statutory or government set rates.

In 1982 consultations with farm groups were held on transportation policies led by Dr. Clay Gilson. As a result, he recommended payments be made to the railways initially but over a period years these payments would be phased to the producers until producers received 81 per cent of the benefit and the railways received 19 per cent.

One year later in 1993 the federal government's response to the transportation crisis was to enact the Western Grain Transportation Act. The WGTA provided for the continued regulation of freight rates and a subsidy based on the difference between what the producer paid to ship grain in 1982 and the actual cost of shipping grain in the same year.

In essence the WGTA increases the freight rates so that the railways would have enough revenue to maintain the grain transportation system. What about the farmers? What does the WGTA do for them? Government payments to the railways would defray the cost to farmers of moving grain but producers would pay an increasing portion of rail costs over time.

In the WGTA a system was born that has regulations regulating regulations. The previous federal government reduced the Crow benefit from last year of $720 million to $650 million in the current year. The Conservatives planned further 5 per cent reductions next year and the year after if Crow benefit payments were not changed to be paid to farmers instead of railways.

The current government dropped the Conservatives' conditions and instead is proposing a 15 per cent cut next crop year. That leaves the Crow benefit at about $614 million, a drop of $106 million in two years. That means producers are left holding the proverbial bag. They will be paying more for freight while at the same time putting up with big brother, the federal government and its stifling regulations.

I submit that the entire system is flawed, bordering on the absurd. The WGTA prevents farmers, shippers and railways from introducing savings into the system but at the same time with Crow benefit cuts farmers have to use a high cost system with less money to pay for it. The strangle hold that regulations have over grain shipping is squeezing the life out of many western producers. Farmers must put out more money for freight and severe regulations prevent them from using cost saving ways to collect and ship grain.

• (1135)

We are asking the government to consider introducing an entirely new piece of legislation to govern the way farmers move grain, a piece of legislation that is fair to the farmers and railways alike.

The WGTA promotes provincial offsetting programs, distorts domestic prices and promotes railway inefficiency. It is also a barrier to investment in the industry. It is clear that something needs to be done.

We advocate a trade distortion adjustment program to defend exporting producers against foreign subsidies on competing products. The program is all encompassing to the agriculture industry and would benefit producers by taking into account their individual needs.

The program would include an automatic triggering mechanism based on the historic volume of exported products. There would be no producer premiums and legislation would ensure timely payout to affected producers within this same market period.

It is important to vigorously support and defend Canada's food producers against the effects of matters over which they have little control such as foreign subsidies and trade distorting influences. What Canada needs is a viable market driven industry through the application of federal safety nets, programs that are production neutral, not commodity specific.

Canadian producers need to be able to transport their grain to foreign markets without barriers. The federal government is only chipping away at the WGTA, thereby passing further financial burden to the producers.

As the system now stands the backlog and confusion in grain movement are a direct result of the inability of government managed system to serve the agriculture industries. We need only look at the rail car shortage which is not only cutting into sales and costing farmers money but damaging relationships with important customers as well.

Canadian railways are not meeting their unload targets at Canadian ports as required by WGTA. More influence must be placed in the hands of those who have a legitimate stake in the industry, those who rely on the agriculture industry to make a living, namely the farmers. They are the producers and must have greater participation in how the industry operates.

The federal government is proposing to reduce its share of freight rates under the WGTA in the bill. By doing so the government is leaving farmers with the worst of both worlds, increased freight costs and a high cost, inefficient and inflexible system.

The federal government has a good opportunity to change the way things are done in the agriculture industry. Surely it can see that over regulation is crushing the hope of Canadian producers. We need a single program to protect our farmers, not a mix and match of of programs.

There has been some movement in this direction, judging from the recent meeting between the federal agriculture minister and his provincial counterparts.

The government is only justified to protect Canada's agriculture producers from international forces as other countries are continuing to generously subsidize their agriculture industry. I urge the government to continue negotiating the GATT in an attempt to get international subsidies down so subsidies in this country can go down accordingly.

We must work to make the agriculture industry more self–reliant, not only for today but for the future as well.

[*Translation*]

Mr. Paul Mercier (Blainville—Deux–Montagnes): Mr. Speaker, the sudden flare–up of interest rates could kill the economy which was slowly starting to recover.

To help it recover, to really put it back on its feet again, the government should have given it a helping hand, but instead it gave it a punch in the face.

• (1140)

We were waiting anxiously, but full of hope, for a recovery of the job market. But it is more unemployment that we will have because of rising interest rates. Has the Bank of Canada gone crazy? No, it is only trying to cope, as well as can be expected, with 10 years of mismanagement of this country. I will not pass judgment on its present policy.

In the United States, France and Canada, we are now hearing the old economic debates are coming to the fore once again. How can we revitalize a sick economy, particularly with monetary policy? Galbraith, Sorman and others have, I am told, opinions on this subject which are as clear–cut as they are divergent. People also talk about neo–Keynesianism. I will not venture into this subject because whatever I said would surely contradict one of these prominent economists.

You know what the argument of the Bank of Canada is, Mr. Speaker. For Canada to stay competitive on the loan market, Canadian rates must be higher than American rates. That is the result of our enormous debt. However, American rates have been increasing this past month to quell the risk of inflation there. Consequently, we are told, Canadian rates must also go up. Q.E.D., what perfect logic.

The problem, as you know, is that the American economy is expanding rapidly. We are told that it will not be hurt by this dampening measure. The American economy has a little fever? Put an ice pack on its head. This therapy is quite defensible.

The problem for us is that our central bank thinks it has to apply automatically the same medicine to our economy, which is anemic and needs a tonic. If we cannot raise our rates higher than the American rates, how will we find investors for the debt

securities that we have to issue because of our enormous debt? Is that the financial independence advocated and promised in the famous red book which will meet the same fate as Mao's little red book and be thrown in the garbage with its promises of a brilliant future?

Do you know what it says in the Canadian red book under the promising title of "independence"? I will tell you right now that the red book does not talk about the independence of Quebec, but about the independence of Canada from other countries. And I quote: "A Liberal government will end the Conservatives' junior–partner relationship with the United States and reassert our proud tradition of independent foreign policy". It is mind–boggling! In terms of financial independence, Mr. Dubuc, an editorial writer at *La Presse*, pointed out earlier last week our complete dependence upon our creditors. The way things are going with this government, our policy will be dictated to us by the International Monetary Fund tomorrow, and the pill will not be easy to swallow. Will Canada, which is ironically the most indebted and potentially the wealthiest country on earth, become part of the Third World?

This is the result of a decade of unacceptably frivolous public management in this unfortunate country. We have accumulated the heaviest per capita external debt in the western world. The time has come to pay the piper. And we do not want to hear this government claim that it has inherited this situation and that it has no choice but to face the music. When did our external debt begin to rise really? The 1970s. Who was in office at that time? The same party as today. And back then, where was our present Prime Minister who takes such pleasure reminding our leader that he was once a member of the Conservative cabinet?

• (1145)

He was the President of the Treasury Board in 1974 and Minister of Finance in 1977, 1978 and 1979.

I shall now come to the heart of the problem, the icing on the cake. The increase in interest rates will jeopardize the recovery and who is going to pay the price? The unemployed. However, who or what is being targetted by the pitiful attempts of this government budget to at least slow down the growth of our debt? The wealthy? Those who benefit from tax shelters? The federal civil servants who are responsible for duplication and overlapping? Ministers' air travel? Not at all! It is always the unemployed who must foot most of the bill we now have to pay in order stop the deadly increase in the public debt.

If we are to go by what Pierre Fortin and his colleagues from the Faculty of Economic Sciences of the Université de Montréal say, the Canadian unemployed workers will have to pay for half the predicted new drop in the federal deficit, even if we take into account the budget for social reintegration.

As mentioned in the same study, since the unemployed end up depending on social security, we are once again witnessing a transfer of the deficit on the provinces. We are talking of at least one billion dollars. The provinces, in turn, will pass a part of it on to the municipalities, which will have no other choice than pass it on to whom? To Canadian taxpayers. We are back to square one. I know what I am talking about because I was a mayor for sixteen years.

It is far from being decent, Mr. Speaker, it is most cynical and unbearable. Only the legendary patience of our two peoples can explain why no angry outburst has yet occurred among unemployed workers and welfare recipients as it would surely have been the case in other countries.

Social peace and the most elementary sense of fairness both call for a fair distribution of the sacrifices imposed by the situation. Since Bill C–17 completely fails to meet those conditions, I will not support it.

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, it is with pleasure that I rise today. Naturally, I will follow my party line in opposing Bill C–17.

Why will I oppose it? There are several reasons, the first one being, and I will explain it immediately, my strong opposition, which is not unknown to anyone, to the closure of the Saint–Jean military college and military base. As you know, this will lead to the loss of about one thousand jobs in the Saint–Jean area. When we look at the provisions of Bill C–17, we realize that these people will be doomed to a life of poverty in the short or medium term.

First of all, I would like to explain to this House the whole history of the Saint–Jean area, which has always been recognized as a very high level military region. Several factors can explain that, including geography. We are very close to a river, to the American border. When looking back at the region's history, we realize that the Indians, the natives, were already very much present, precisely because of its strategic and geographical location.

Naturally, that was followed by the arrival of the French and the building of forts. As a matter of fact, my region is known as the valley of forts. Then came the British and their resistance to the Americans, who attempted to invade Canada. In fact, had it not been for that valley of forts, we would probably be American citizens today.

• (1150)

What does Bill C–17 do in terms of the closing of the military college? As I already said, an incalculable number of unemployed people in the Saint–Jean area. I oppose it for those reasons, but also because it is an illogical budget cut that I will explain. It has been put forward in some arguments, and it is still being done today, that Quebec is already under–estimated, under–represented and under–budgeted in terms of national defence spending. I think that in Quebec, National Defence spending is 15 per cent, while our contribution is 25 per cent.

Same thing for the defence infrastructure. Only 13 per cent of the defence infrastructure is in Quebec while our contribution is 25 per cent. The budgetary cuts in this area, as a result of which—as you know—1,000 people end up unemployed, are going to widen that gap since officer–cadets from the Collège militaire royal de Saint–Jean who are going to leave for Kingston are going to be the source of additional defence spending and infrastructure in Ontario to the detriment of Quebec.

The same applies to the military base and the language school. Given the circumstances, teachers would have to leave Quebec to go and teach in other parts of Canada, which would again lead to an increase in the budgets everywhere but in Quebec and widen the gap.

You certainly know also that Quebec will do without the helicopter contract; in fact, we had asked the liberal government to cancel that program. This already represents on the part of Quebec a sacrifice of 1.7 billion dollars. Unfortunately, the government has neglected our recommendation to establish a fund for industrial conversion, which would be a better option than cutting UI benefits and which would allow people laid–off in the military sector to be retrained for positions in other sectors of the economy. Unfortunately, for the time being, that solution is not accepted by the government, which prefers to go after the unemployed with Bill C–17.

I want to come back to the military college and say again that it is an illogical decision from an economic point of view. It has already been proven that in terms of costs per officer–cadet, Saint–Jean College costs a lot less than the two other military colleges. It costs $58,000 per year to train an officer–cadet at Saint–Jean compared to $71,000 at Kingston. We can see therefore the illogical situation created by the Liberal government's decision to close down a military college clearly more productive than other institutions.

As regards the military base of Saint–Jean, you know that it is the most modern in Canada. So how can you explain that a base which cost $180 million will be almost completely shut down since its activities are going to be reduced by 75 per cent?

These are issues we cannot remain silent about. In the case of the language school—and I have documents to prove it—Lieutenant–Colonel Paul Addy of Saint–Hubert wrote the following—and I have his letters here—to his brother, Brigadier–General C.J. Addy: Maybe the issue should be reconsidered because the solution will be more costly than keeping things the way they are. Therefore, Mr. Speaker, we are also facing an illogical situation here.

We must also remember the historical context in which the construction of the military base took place. That is very important. It was built following a Liberal promise. At that time, there where three major projects underway in the Montreal area. There was Mirabel to the north; Place Guy–Favreau on the island of Montreal; and the base of Saint–Jean to the south of the Montreal Island. It is also illogical because these promises now lie broken and it is Quebec and Saint–Jean that must bear the consequences.

• (1155)

I will say nothing on the death of bilingualism because it was mentioned several times and I am trying to limit myself to fiscal arguments. However, the government had other choices to make. Take for example the ERYX missile project for which the total is now $212 million. At the time, the current Minister of Human Resources Development condemned that project; he disapproved of the amount of money the Tory government wanted to pump into it, some $11 million. Now the government's budget projections show that this project will reach $212 million. All this for a short–range anti–armour weapon system which does not even appear on the list of weapons required by the Canadian Forces in Bosnia. It is not even recognized by the UN as an effective weapon.

So we have a hard time understanding why the government chose to close a college with a long standing reputation and to pump money into a weapon which produces no positive results except the squandering of public funds.

It is often said that the Maritime Provinces are also victims of plant closures, but nobody talks about the fact that they want to build coastal defence vessels. Just imagine, Mr. Speaker, these would would be used to clear mines from our ports and harbours, as if the Russians were in a position to lay mines there these days. That in our view is an absolute waste of $746 million. On that point also, I think the budget choices of the government are totally illogical.

There is also the fact that if the officer–cadets currently in Saint–Jean were moved to Kingston, we would have to expand the facilities there and we will still have to pay grants in lieu of taxes in Saint–Jean, even if the building is empty.

A very interesting CROP survey concerning the city of Saint–Jean was published last week. It shows that the government is not backing down and still intends to close the military college and move it to Kingston. We think that the cost of adding to the Kingston facilities and laying off surplus teachers will more than offset any potential saving. This choice was not about saving money, it was not about bilingualism, it was not about culture, it was only, as I said before, about politics. This decision to hit Saint–Jean with the closure of the college was a political one.

The point I am trying to make is that it was a reckless gesture and that the government is not seizing the opportunity to convert the defence industry. We could put money in a defence conversion fund which would help save military industries, while at the same time ensuring that such monies are awarded in a fair and equitable fashion across Canada, as it should be in the Confed-

eration we still belong to. If there are very few military bases and colleges in Quebec, it is because, at the time, there was a trade–off for more military contracts. But with the changing international situation, these military contracts are going up in smoke. Not only that, but the few that are left in Quebec must have spin–offs across Canada.

So, as you can see, Quebec is a loser with this budget and, on top of that, Bill C–17 hits it again. This bill victimizes the unemployed instead of setting up a retraining program for the 1,000 people who will lose their job in Saint–Jean. Once again we are sidelined. The government remains insensitive to our plea. For all those reasons, I am very happy to announce that my party and I will vote against Bill C–17.

• (1200)

[*English*]

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, I would like to raise a few points on Bill C–17. There are many problems with it depending on which area one would want to approach it from.

Often we hear the other side of the House say they are concerned that the Reform Party does not support this or the Reform Party does not support that. This certainly is a prime example of what happens. They jam a lot of different areas all together. If we turn one down because there is something in there we do not like, they say we are against everything.

I mentioned in the past how they did that with the Charlottetown accord. It was not just the other side but in fact all parties at that time. They had this huge, all–encompassing accord. Then after the people of Canada in their wisdom decided to turn it down they forever more are saying each and every part of that accord was rejected.

Some people voted against it because they did not like the fact it was almost impossible to amend it. Some people did not like the way the Senate was set up. Some people did not like the arrangements for the province of Quebec. Some people did not like it because of the concept of aboriginal self–government with no definition as to what it really was. The aboriginal people themselves did not like it. Yet every time now that we come back to one of the issues in there the government says: "You had your chance and you turned it down".

So it is with Bill C–17. The government likes to say we are against the individual parts of this, but of course we cannot be against the individual parts. We are not allowed. We either accept it in whole or reject it in whole. There are many areas in there.

I talked in the past about the transportation subsidies. Unemployment insurance is another example where the government is saying we are turning something down that we should be embracing. The government in fact is twisting our very words.

Under unemployment insurance they are dropping the rates from $3.30 to $3 and then we are chastised for making any comment against its action. The reality is they were the ones who put it up to $3.30 in the first place. Then they say a company with 10 people or 50—I cannot remember the magic number used—is going to save all these thousands of dollars with which it can hire new employees. The reality is that nothing has been saved because it was a charge imposed by the government in the first place.

If it were true, and I pointed this out to the Minister of Human Resources Development before, it should have put the rate up by $3 instead of 30 cents and then dropped it back down. That way the companies would save 10 times as much and all our economic problems would be over.

The reality is whether we should be debating the implementation of this budget at all. It is already out of date. The budget will not work. It has not taken into account the impact and the effect it has had on our economy already, how it has shaken the confidence of international lenders around the world. Our foreign bond credit rating has dropped. The stock market has dropped. Interest rates have climbed and our dollar has dropped. We are in big trouble and it started with this budget.

It is time the government realized this is not a budget that is going to work for Canadians. Instead of debating this we should be setting it aside and working together to develop a new budget, one that will really work and one that will address the real needs of the Canadian public.

We have to oppose the bill because it is the implementation of a variety of acts, some of which might be good but many of which will not work. It works toward passing an overall budget which itself is flawed and already out of date.

[*Translation*]

Mr. Jean H. Leroux (Shefford): Mr. Speaker, I rise to support the position taken by my colleague for Mercier regarding the amendment to Bill C–17 which changes the rules applicable to Unemployment Insurance.

Using as a base provisions contained in the 1994 Budget, the government has considerably changed the rules of the game as far as UI is concerned, without resorting to a special bill. I stress that fact, because the proposed changes are more than a simple change of rules.

• (1205)

This is the end of the redistributional effect of Unemployment Insurance. What people should realize is that workers should not be penalized for the lethargic state of our economy, especially when the government was elected on the promise that it would create hundreds of thousands of jobs and now looks idly—yes, idly, Mr. Speaker—at the waste of government money and at the sclerosis of its finances.

Up to now, the government has refused to debate its fiscal policy with the opposition. Moreover, it rejected the proposal of the Bloc Quebecois to create a committee to study all budgetary expenditures. However, without any consultation, the government decided to cut into UI, without putting into place the means to help workers. Mr. Speaker, my question is to the Liberal members: Where are the jobs they promised during last fall election campaign?

Now that Liberals are in power, do they not fear the mounting discontent among taxpayers? It seems to me that my colleagues opposite, high in their ivory tower, do not realize the seriousness of the situation. They have lost touch with the reality of the employment market. What we need is an economic policy based on employment. We do not need unjustifiable and discriminatory measures aimed at the less well–off, which leave thousands of families with no alternatives and no hope.

As my colleague, the member for Mercier, said so eloquently in the speech she made in the House on March 25, the amendments to the Unemployment Insurance Act do not reduce the inequities between the rich and the poor of our country, on the contrary. The announced changes do not provide for any specific measure reducing youth unemployment. Finally, these changes do not cancel out the raise in UI premiums of workers and businesses as of January 1st, 1994.

Several things bother me. What is the real purpose behind these changes in the Unemployment Insurance Act? Does the government really want to tackle the problems of unemployment and the labour market or does it simply want to hide its true intentions and have the middle class and the less well–off pay the bill?

The Minister of Finance announced recently in his budget that public expenditure control was one of the main goals of his government. I agree that such a goal of fiscal consolidation is necessary and even noble, but I am surprised and worried that close to 60 per cent of the projected drop in the federal deficit, some $2.4 billion out of a total of $4.1 billion, will be assumed by the unemployed, who are 1.607 million in Canada and 452,000 in Quebec.

According to the Minister of Finance, at least 85 per cent of the unemployed will see their benefits reduced. It is easy to figure out. Is it not strange when one is advocating social values and equity, as the Liberal government did so well?

In terms of equity, the government is making the unemployed pay the bill for its fiscal consolidation. That is an absolutely disproportionate share of the burden. We ask much more from the unemployed than from wealthier groups.

• (1210)

The Minister of Human Resources Development announced drastic measures regarding workers who lose their jobs. He said: "The proposed changes prejudge in no way of the social security system reform. These interim measures were necessary and constitute positive steps. At the same time, we are making additional savings by reducing duplication".

What the minister means is that tighter eligibility requirements, combined to a shorter benefit period, will force UI recipients off UI and onto welfare. These interim, positive steps will cost taxpayers in the various provinces at least $1 billion; Quebec taxpayers alone will have to pay $289 million. What do they take us for! Not all of us are wearing blinkers.

Basically, the federal government is making budget savings at the expense of Quebec's 452,000 unemployed and Canada's 1,607,000 unemployed. I am afraid that reducing the benefit period will be totally ineffective and that this measure will actually be counterproductive and fall short of the official objective.

Increasing the unemployment insurance qualifying period from 10 weeks to 12 could affect many of the thousands of seasonal workers in the eastern part of Quebec, to say nothing of Atlantic Canada.

Sixty per cent of UI cuts will be borne by Quebec and the Maritimes, two regions where we find the people who will be most affected by the increase in the number of weeks required to qualify for benefits. In other words, the fishing, tourist, forest and construction industries will be the hardest hit by this reform. That is unacceptable!

To wrap up, unemployment insurance reform reflects the Liberals contempt for the unemployed. The Minister of Human Resources Development admitted to pursuing the following objective: to force recipients to work longer to be eligible for the same number of weeks of benefits. As if the unemployed chose not to work!

But that is not where the problem lies. So, it is not by tightening eligibility requirements and reducing the number of weeks of benefits that the unemployment problem will be resolved. Unemployment in Quebec and Canada is due to a lack of jobs for everyone and people have to go from one temporary job to another. The proposed reform will do nothing to solve the problem of insecure jobs, on the contrary.

The government claims that the decision to lower the unemployment insurance premium rate from $3.07 to $3 per $100 of insurable income in 1995 and 1996 will create 40,000 jobs by 1996. There is something wrong with that! Last December, this

same government raised the premium rate from $3.00 to $3.07. Moreover, this Liberal government, by its own admission, eliminated 9,000 jobs on January 1 because of this increase in premiums for employers and employees. Is that not sufficient proof that the government's proposed reform is ineffective? And part of this reform is already in effect, to boot.

What does the government really want to do with this reform? Are all the facts that I have just given you not enough to prove that the proposed reform is not appropriate and that it will do more harm than good?

• (1215)

[*English*]

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, I am pleased to rise today to speak in the debate on Bill C–17. I might point out that although I have spoken many times during the questions and comments periods of the debate, I find it hard to believe this is my first speech in the House. I hope all the folks back home in Prince George—Bulkley Valley are watching today.

In my address today I am going to acknowledge some of the good points of the budget, which I think is appropriate. Our party is not here simply to criticize. Where credit is due we certainly will applaud.

Accordingly I must inform the House that in our opinion there are very few good points in the budget, so a great deal of this address will deal with many of the problems in the budget generally and the negative effects that we feel it is having and will continue to have on the economy of the country.

First, I congratulate the government on certain aspects of Bill C–17 which indicate at least some fleeting recognition of the necessity to curtail government spending within the public service and in the area of transfers to persons and provinces. For example, the government has extended an existing salary freeze for public service employees and has frozen the salaries of members of Parliament. I applaud that. The government has also frozen transfers to the provinces under the Canada assistance plan for the fiscal years 1994–95. As well, amendments to the unemployment insurance lengthening qualification times may encourage some firms to hire and may discourage the abuse of the system.

On that point, it possibly would have been appropriate if the government had looked at putting a hiring freeze on the public service sector as well and let attrition actually contribute to this effort to cut costs in the public service sector.

Clearly these actions could be representative of a step in the right direction. There is some indication that the government recognizes problems surrounding expenditures devoted to public sector salaries, transfers to the provinces and social programs.

Unfortunately this is where the government's foray into the realm of reality ends. Despite repeated warnings from domestic and international investors there has been no significant reduction in government spending. Overall government spending has increased. The reaction of the markets in recent times reflects the government's continued neglect to address the financial problems of Canada in its recent budget.

On April 22, 1993, the present finance minister questioned the Conservative government on its budget. At that time he stated that the Conservative budget was a stop–gap budget that did not address Canada's real needs. I suggest to the Minister of Finance that perhaps he should apply his past comments to his recent budget. In so doing he may just come to an understanding as to why the financial markets have reacted in the way they have. Quite simply, the budget brought down by the Liberal government does not address Canada's real needs.

It is my opinion that the Liberals are on course to add $100 billion to the national debt over the term of their mandate. The consequences of that will cause severe stress to our economy. Specifically it could translate into such excessive tax increases that the Canadian consumer will be left with a severely deflated disposable income and those who would invest in this country, the investors and the developers, would end up having a zero comfort zone.

Our standard of living and our way of life would begin to become dramatically downgraded. The people of the country could be transformed into minions of the state, simply working to feed the government and its insatiable spending habits.

• (1220)

Some forecasters predict that government growth could be the strongest among the G–7 countries in 1994. I believe industry is looking to the government for stability in politics and in taxation so that as a result of the forecast it may begin to develop this comfort zone and take any advantage it can of any upswing in the economy.

Unfortunately it is not the intention of the government to allow industry to have that comfort zone and it has been demonstrated in the recent budget. The government appears to be well on its way to being a major deterrent to economic recovery in Canada as a result of the budget. Nowhere is it more pronounced than in the budget.

It is the opinion of our party and of millions of Canadians that we need serious cuts in federal spending if we are ever to transform Canada into an attractive country for investors. As well we need serious cuts in government spending and some clear indication that the government is getting its financial

house in order if the consumers of the country are ever again to develop any measure of consumer confidence.

The government has introduced some cost cutting measures. However the government will still be running a $40 billion deficit this year. This is because it has introduced 18 new spending programs and 15 new studies.

In the budget speech the Minister of Finance stated that people told the government it should freeze spending and it agreed. That is what he said.

The minister may have agreed with that point but he took no action to implement it. In fact he did the opposite. Total government spending is up from $160 billion to $163 billion. Because of this action and the recent rise in interest rates it is my opinion that the government cannot possibly reach its target of 3 per cent to GDP ratio in three years. It is impossible under the present budget.

Total debt as a percentage of GDP has been increasing steadily over the last 25 years. In 1970–71 total debt represented 21.8 per cent of GDP. Forecasting predicts that in 1995–96 total debt will represent approximately 75 per cent of GDP. By the turn of the century, if current government spending habits continue, total government debt will surpass our GDP. This would mean that we would eventually owe more than we earned in a year as an entire nation. I find this a national shame.

Our poor financial condition is evident in some recent trends in the Canadian economy. The dollar has come under increasing pressure and foreign investors are withdrawing their money in response to the staggering government debt load.

The IMF warned of such a situation last year. It predicted that the dollar would begin to slide if "Ottawa and the provinces fail to cut spending in their upcoming budgets". This is exactly what happened.

The Dominion Bond Security Rating Service recently downgraded its rating on Canada's foreign currency debt from AAA to AA high. Dominion stated that it had no choice but to downgrade the rating since there were no "meaningful reductions" in the government's recent budget.

This represents yet another harbinger that the nation's fiscal house is in disorder and could be on the verge of collapse. None of this has frustrated the Prime Minister and his government. It has not frustrated them at all. The encouraging news that I have just outlined has somehow prompted the Liberal government to embark on a $6 billion credit card infrastructure program.

• (1225)

Interest rates have been edging up as foreign investors see Canadian debt load increasing and as they react by selling off their Canadian dollar holdings. The dollar has lost two or three cents since budget day and as well the government deficits will continue at unreasonably high levels in the short term.

The budget similar to the Liberal election victory is a status quo entity, that is if they do nothing and say nothing they hope to emerge undamaged by public scrutiny. Contrary to the claims of the finance minister the budget is just nibbling at the edges of the problem.

The one area of spending that needs to be reformed and is not, which is the largest government spending program, transfers to provinces and persons remains relatively untouched by the government. Over 50 per cent of our budget is spent on social programs and transfers to provinces and persons. This huge area has been virtually untouched.

Industry, investors and individuals are looking for signs of stability and thereby certainty of the future economic direction of our country.

The Deputy Speaker: It is the hon. member's maiden speech. I wonder if there might be unanimous consent to let him have a little longer to finish it. Is it agreed?

Some hon. members: Agreed.

Mr. Harris: Thank you, Mr. Speaker. I am just about done.

The budget was supposed to represent stability and certainty in the future economic direction of our country. Sadly, very sadly, budgets such as the one presented on February 22 do not provide any kind of stability or certainty. Continued deficits point to higher taxation, individuals are cautious in the use of their disposable income as they see it shrinking and as they see their job certainty becoming more uncertain and industry is looking south of the border for a more hospitable economic climate.

The underground economy is running at about $70 billion a year. This all represents definitive evidence that there are problems with taxation on industry and taxation more generally.

Alberta has recognized the negative effects government debt produces. Accordingly in its provincial budget it has taken measures to eliminate the provincial deficit within a few years and is predicting a surplus. Those people from western Canada hope that will work and they are confident it will.

Other provinces and the federal government must take similar action. Rosy revenue projections are simply no longer acceptable. The federal government needs to take action on this issue and we need action today.

I will just sum up. We in the Reform Party have been constantly speaking about taking action. The government has failed to listen to us. We in the Reform Party will continue to speak on additional cuts that the government has to make to its budget and we have been. We will do all these things in an

attempt to prevent the government's fiscal house from crumbling and come crashing down.

The implementation of Bill C–17 and the budget generally represent the removal of yet another cornerstone of our financial house. It is on the verge of collapse and accordingly our party and I must oppose it.

[*Translation*]

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, Bill C–17 is a direct result of the finance minister's great budget. So just about anything having to do with the budget will impact on Bill C–17.

Instead of touching on every aspect of the cuts achieved at the expense of the unemployed, I will move in a more specific direction.

• (1230)

The cuts in the finance minister's budget affect the unemployed, seniors and, in large part, the national defence budget. The defence cuts were wanted by the Liberal Party before it took office; we in the Bloc Quebecois also wanted them so I will not question their validity. Of course, I cannot help but point out that the military college in Saint–Jean is not and will never be part of the acceptable cuts, let alone justified by economic arguments which, in my opinion and that of my Bloc colleagues, have never been proven.

However, section 7.1 of Bill C–17, which deals with national defence cuts, seems vague and shortsighted to me.

These cuts will translate into civilian and military layoffs. Under section 7.1 of this bill, payments will be offered or given to employees who have lost or will lose their jobs due to civilian and military personnel reductions. We must also speak up about staff cuts at the national defence research centres.

Section 7.1 is vague regarding the duration and amount of payments to national defence laid–off workers. It is also shortsighted because it does not offer future prospects to the people who have lost their jobs as a result of the finance minister's budget.

The old saying "instead of giving a fish to the hungry, it is better to teach them how to fish" can be applied at many levels in our society. Why, as the Bloc Quebecois suggested during the election campaign, did the government not implement programs to convert defence industries to civilian production, in line with the red bible of this good government full of good intentions but very reluctant to take action?

When I see companies such as Paramax and Oerlikon after the EH–101 helicopter contract was cancelled, and also in the case of Oerlikon after the end of the cold war, I wonder what markets these companies can turn to.

Unfortunately, I think that the programs under section 7.1 providing for payments to those who will be affected by the cuts leave little hope to the many highly–skilled workers with very limited retraining opportunities, given our current economic environment.

Where do we find in Bill C–17 an incentive to employment recovery? Throughout the campaign, the Liberal Party kept talking about jobs, jobs, jobs, but we find very little incentives, if any. Generally speaking, in life or in the private sector, when corrective action is taken in response to some alarming situation, you try to plan different options.

What options has the government included in Bill C–17 to promote recovery? I have met with people in my riding and they do not speak highly of this kind of reform which does nothing to resolve the real problems. The gap between the social classes is increasing irreversibly. The middle class, which is the government's major source of income, is starting to wonder if the measures we take are not aimed at its elimination. Overtaxed and competing against the underground economy, the middle class could hardly believe the budget. Why were big businesses and trusts still spared, while members of the middle class, who, given the present economic situation, have started to join the ranks of the unemployed, were being squarely targeted by the government?

I said previously that if you taught someone in need how to manage instead of giving him money, that person would become self–sufficient. Here is an original example of job creation incentive. My colleague from Joliette has introduced Bill C–230, which is an amendment to Bill C–17. This amendment would allow resourceful unemployed people to create jobs for themselves and maybe even for others. There are many workers who were employed for eight, ten or twelve years, who were laid off because of the economic situation and who, thanks to their entrepreneurial spirit, created small businesses, thus losing all the UI contributions they made over those ten or twelve years.

• (1235)

Bill C–230 would allow a worker who becomes unemployed and decides to invest in a small business to receive, over a certain period, 50 per cent of the UI benefits to which he would otherwise be entitled if he did not have the will and the desire to start a venture. The break–in period for a small business is somewhere between three and eight months. Such a measure would be an extraordinary boost to job creation!

If a person who worked and paid UI contributions for many years does not have the initiative to create something, that person is entitled to UI benefits while staying at home doing nothing. Yet, if that same person has the will to start a business and needs help at the beginning, he or she simply loses entitlement to UI benefits. If Bill C–17 included measures such as

those proposed by the hon. member for Joliette, I would probably support that legislation.

Unfortunately, the bill contains no incentive; it merely makes it harder for the unemployed to survive and it will only accelerate the transition from UI to welfare, without any measure to help economic recovery. I have no choice but to oppose this bill and hope that it will be amended by including measures such as those proposed in Bill C–230.

[*English*]

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I appreciate the opportunity to say a few words about the budget. In particular I would like to say that as this debate has unfolded in the last few days, time and time again hon. members of the Bloc have risen and talked about what a horrible deal Quebec gets at the hands of the rest of the country.

After the last such outpouring of emotion from the Bloc I thought it might be interesting to do an analysis, an investigation, and see how bad it really is. I would like to read it into the record and bring some edification to some of the members of the Bloc. Let me quote from the estimates of equalization for 1993–94 by revenue, source and province.

An hon. member of the Bloc recently talked about the transfer payments and equalization and the fact that: "We recognize we are the recipients of transfer payments, but we send a whole lot of money into Canada, into the national treasury by way of income and corporate taxes".

Let me set the record straight as far as personal income taxes are concerned. I will not go through all of the provinces, but I will if I may outline Quebec, Ontario, British Columbia and Alberta.

Transfer payments from the federal treasury to the province as a direct result of personal income taxes: Quebec is the net beneficiary of $1,529,700,000 a year; Ontario pays out $2,137,000,000; Alberta pays out $63 billion and B.C. $199 billion.

On business income revenues, Quebec pays out $78 million; Ontario $175 million; Alberta $245 million and B.C. is the recipient of $109 million.

Let us cut to the bottom line. There is a whole stream of statistics here and any of my hon. colleagues from the Bloc are quite welcome to ask the Department of Finance for the information. They can get it by phoning the Library or the Department of Finance.

• (1240)

Estimates for this year have Quebec being the net recipient of $3.730 billion from the federal treasury. Ontario will contribute $3.946 billion. Alberta with one–tenth of the population of Canada will contribute $4.218 billion and British Columbia, $1.294 billion.

I thought it would be worthwhile to put this on the record so my colleagues in the Bloc and the people of Quebec understand that there is a net benefit to Quebec to remain in Confederation. This is not a one–way street.

The other point I would like to raise in conjunction with the debate on the budget is the changes to the Unemployment Insurance Act. I am speaking in support of the changes that the government has introduced and would ask it to consider extending them to some of the recommendations that were leaked in the press earlier.

The unemployment insurance program as it is today is not the program that was envisioned when it was first announced. Unemployment insurance today is a wealth transfer tax. It is a transfer of wealth from those who are working to those who are not working.

That is fine except let us call it what it is. Instead of calling it unemployment insurance, let us call it a wealth transfer tax. It transfers that wealth from one part of the country to other parts on a sliding scale of entitlements and requirements. It certainly cannot be considered unemployment insurance.

I ask members to consider the situation of an employee who earns $15,000 to $18,000 a year, has never been out of work, pays unemployment insurance on a weekly basis and has done so for 15 or 20 years. Contrast that with a seasonally employed person who might make twice as much money working six or eight months of the year. That person is then entitled to unemployment insurance for the remainder of the year. They already make twice as much money as the person who works all year long. Yet the person who is unemployed seasonally gets a ton of money from the unemployment insurance program at the expense of the person who works all year long and does not take any time off.

Is it fair? We have to change the unemployment insurance program to reflect reality. Just as individuals may take advantage of the unemployment insurance program that exists today, so do businesses take advantage of it.

If a business sees that it is going to have a slow time for a month, a month and a half, or two months it is very easy to lay people off and bring them back into the workforce. They can go on pogey. The employer has no fear of losing them as skilled employees because they are not going to find a job in a month and a half.

When laying off employees the employer can tell them: "Don't worry, we will bring you back in a month and a half". What happens? The unemployment program is subsidizing a business and their employee pool. That is not what it was designed to do. That is a business taking advantage of the unemployment insurance program just as some employees do.

How do we go about fixing that? If we were to make the unemployment insurance program a pure insurance program run

by the employees and paid for by the employees, there would be natural checks and balances built into the program that would prevent abuse. If premiums were abhorrently high because other people were abusing it, it would not take very long for all the people who found themselves being abused to get in there and change it.

• (1245)

Therefore, what do we do in order to ensure that those who do not have the resources or the employment are looked after? Canadians are caring and compassionate. We are not going to let people starve in the street. That is a basic understood fundamental Canadian value.

How do we go about ensuring that does not happen? I submit it is time that our country started dealing with situations and problems as they are, not as we wish them to be. If that means that because of the changing nature of work in our country and around the world people are going to be working fewer hours and getting more for it, having more leisure time, then we have to reflect the realities that exist.

If it means that we are going to have to look at a guaranteed annual income then let us look at it. Let us look at these things honestly so that when we have an area of the country with extremely high systemic unemployment, people can say: "I can choose to live here because I like living here. This is where my family has always lived. I am only going to simply survive. If I want to do well or if I want my children to do well I am going to have to do the same thing that my forefathers did. I am going to have to go where there are jobs and where the economy is stronger".

We have to deal with the reality of the economics in our country and around the world as it is and not as we would wish it to be. If we continue to look at this through the rose coloured, rose tinted glasses that we have been we will never start dealing with the fundamental problem we have in our country. The fundamental problem is that there are areas where the nature of work is changing.

We know beyond the shadow of a doubt that the unemployment in the maritimes is going to stay high for at least our lifetime. It is tragic but the reality exists that if people who live in the maritimes or in any other systemically disadvantaged part of our country want to do better they are going to have to move to another part of the country where their children are going to have opportunity just as our forefathers had to leave whatever their home country was and come here.

I thank the Chair for the opportunity to make these points. I wanted particularly to make these points about the value of Confederation to my hon. colleagues from Bloc from Quebec who are constantly reminding the House of how historically disadvantaged they are when the reality is they are not.

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, first, let me thank you for doing me the honou of asking me to replace you in the chair for a few moments. This is a true historical event in this House. Imagine, a sovereigntist, a member of the Bloc Quebecois in the chair! Both you and I, Mr. Speaker, will go down in history for that.

I want to discuss here Part V of Bill C–17 amending the unemployment insurance.

Talking about unemployment is talking about employment. Last March, in the Great Chicoutimi—Jonquière area, the seasonally unadjusted unemployment reached 15.5 per cent. These kinds of rates bring us back to the inability of our leaders to manage our primary resource, that is our human resource. Wherever you stand, you have to acknowledge that the situation is tragic.

• (1250)

The mechanism we put in place to counter fluctuations in the economic cycle really comes into play when we go through a period of high unemployment. That is when the Liberal government chose to send a clear signal to Canadians. It makes far–reaching changes to the unemployment insurance plan. Moreover, the government promised jobs. That was the main theme of its election platform, but it seems that the colour of its red book has been fading in the last little while. I see it turning from red to beige a little more every day. What are they telling us now? They are tightening the screws. Following the changes made by the Tories, the Liberal government is continuing to undermine our social safety net.

The logical thing to do would be to create more jobs, not to dismantle the system already in place.

Eligibility for unemployment insurance is reduced, the benefit rate will also be reduced for the great majority of recipients and the benefit period will be shortened.

We are told that the government wants to establish a better balance between the period of employment and the benefit period. It overlooks some countries which do not follow that economic model. One cannot help feeling angry about such disappointing measures which show that the government is unable to create jobs.

According to the budget, there will be a net deficit reduction of $8 billion in 1995–96, but only $4.1 billion of that will result from the new measures announced by the Minister of Finance. The unemployed are the ones who will pay for 60 per cent of the deficit reduction effort, that is, $2.4 billion of a total of $4.1 billion. Even if you deduct the $400 million that the government plans to reinvest in order to help unemployed Canadians get back into the job market, their contribution is still 50 per cent.

How can the government ask the unemployed to make such a large contribution? The government estimates that the repercussions on provincial welfare programs will total $65 million to $135 million. According to three economists from the Université du Québec à Montréal, these changes will cost the provinces at least $1 billion, including $280 million in Quebec's case. Why is there such a big difference between these estimates? Who is telling the truth? The government or the experts? I think that the experts have more credibility because they are impartial.

The government says that it wants to strengthen the relationship between work history and benefit entitlement. But its proposal will only widen the gap between the various regions of our country.

By increasing from 10 to 12 the number of weeks required to be entitled to unemployment insurance benefits, the government is shutting out a particular category of workers who would barely qualify under the existing system. The increase in the number of weeks required to qualify for benefits essentially affects the Maritime provinces and Quebec.

• (1255)

By restricting accessibility on one hand and by favouring applicants who have accumulated a larger number of work weeks on the other hand, the government is forgetting how shaky the employment situation is in many areas. Moreover, it is not taking into account the structural changes that have occurred in the job market. Instead of adapting the unemployment insurance program to the new realities of the labour force, the present government continues to reduce the protection given to workers.

The government has made up its mind, even though it indicates that these measures can be seen as temporary. They lead us to believe that the choices have already been made and that the broader reform of social programs will only serve as an exercise in justification.

Finally, lessening the importance of the regional rate of unemployment in calculating UI benefits will inevitably penalize the regions with the highest rate of unemployment. The reduction in the number of weeks of benefits will hit hardest the regions with a rate of unemployment over 10 per cent, once again the Maritimes and Quebec.

Indeed, eastern Canada is hit hardest by these measures. This is how an internal document of the Department of Human Resources Development estimates the cuts in benefits: $735 million for Quebec; $630 million for the Atlantic region; $560 million for Ontario and $430 million for Western Canada. Once again Quebec bears the brunt of the cuts. One cannot say that this is fair. Quite the contrary, regional disparities persist and the gap remains. Provinces with a high rate of unemployment will suffer higher cuts.

Finally, the government is increasing benefits for low–income people with dependents. Their benefit rate will be 60 per cent, while it will be 55 per cent for others. According to the Department of Finance, about 15 per cent of UI recipients will belong to that group. That measure will require women to prove that they have the custody of their children and will necessitate the introduction of monitoring measures. Besides, it was reported in broad headlines in *La Presse*, on Monday April 11, 1994, that the New Brunswick government wanted to require single mothers to identify their children's father; that those who refused would no longer be entitled to social assistance. Is the Liberal government, our government, heading in the same direction?

The government argues that the changes will contribute significantly to job creation when the premium reduction will come into effect on January 1, 1995. The government has postponed until next year a measure it could have applied today. There is no doubt that these changes reflect this government's inability to offer a real recovery plan.

In closing, I will say that the government ought to fight unemployment rather than the unemployed. And one of the ways to offer a real recovery plan that would restore a balance and be equitable to Quebec, Mr. Speaker, is to transfer jurisdiction for labour training to the Government of Quebec, with the related funding, of course. Quebec already has the expertise in this field, being the closest to its constituents. It should have the right to manage labour training programs for its workers.

• (1300)

[*English*]

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, thank you for the opportunity to bring our concerns before the House.

I would like to focus my remarks on the government's proposed changes to the unemployment insurance program. In the budget tabled on February 22 the government proposed the following changes to the UI program, some of which are included in Bill C–17.

The government is rolling back UI premiums for 1995 and 1996 to $3 for every $100 in insurable earnings, down from $3.07. It is reducing the benefits to 55 per cent of insurable earnings, down from 57 per cent. It is increasing the benefits for those UI claimants with low earnings and dependants to 60 per cent of insurable earnings. That is up from 57 per cent.

The government is increasing the minimum amount of time a person needs to work to qualify for UI from 10 weeks to 12 weeks. It is allowing more workers who voluntarily quit their jobs or are fired with just cause to collect benefits. Also, the length of time a worker can collect UI in regions with high unemployment has been reduced from a maximum of 32 weeks to a maximum of 26 weeks.

Finally, the length of time a worker can remain on a claim has been reduced. For example, workers who work 20 weeks used to

be able to collect benefits for 17 weeks. Under the new schedule, they will only be able to collect 10 weeks of benefits.

Those are some of the changes. The Reform Party is generally supportive of the changes proposed by the government. However we maintain that the government did not go far enough.

On Tuesday of this week the leader of the Reform Party asked the Prime Minister if there would be additional spending cuts to those outlined in the recent budget and the Prime Minister answered yes. Yesterday in the House of Commons the Prime Minister and a number of his ministers, despite repeated questions from the Reform Party, refused to identify which programs would be cut.

We maintain there are billions of dollars to be saved by returning unemployment insurance to a true insurance program. This means to protect workers who become unemployed through no fault of their own. That is what we mean.

I would like to comment specifically on each of the measures proposed by the government and then put forward some constructive alternatives for the government to consider. We do not just try to criticize, but we also give positive alternatives.

The government is to be commended for reducing premiums to employers and employees. UI premiums are simply payroll taxes and payroll taxes are job killers. This is probably the only thing I have ever heard all economists agree on.

The government is to be commended for reducing these job killing taxes and restoring some confidence in the business community by assuring the rates will not increase for 1995 and 1996. The government says this will create 40,000 more jobs than if it had let the rates rise, proving once again that lowering taxes creates jobs.

In fact the government's own reports show that reducing UI premiums is a cheaper way of creating jobs than its own $6 billion infrastructure program, most of which will be financed by borrowed money. That again will increase the deficit and the national debt and undermine confidence in the economy.

I remind the House this is the same government that increased UI premiums by 7 per cent on January 1, 1994 and less than two months later announced a premium reduction for 1995. Talk about being confused. This also shows the government can and will change the rules anytime it wishes.

• (1305)

The government reports that reducing UI benefits will save $725 million this year and $2.4 billion in each of the next two fiscal years. Again the government is moving in the right direction but not quite fast enough. The government's own budget documents show that the cumulative deficit of the UI account as of December 31 is $6 billion.

The Prime Minister was silent a few weeks ago when asked by some angry fishermen in Atlantic Canada where it was written in the red book that the government would cut UI benefits. At least the Reform Party campaigned on cutting spending on unemployment insurance. The Liberal Party did not campaign on that. The government is finding out how hard it is to say one thing during an election and then to do the exact opposite once elected. Canadians will remember.

Increasing benefits to UI claimants with low earnings and dependants is commendable. It is a recognition of the Reform Party principle that assistance should be targeted to those who need it most.

The Reform Party was vigorously attacked during the election campaign for suggesting that universality was not financially sustainable. Now the government has contravened the sacred principle of universality. Will the government finally admit that universality is dead?

As a final comment, the reduction in the length of time a worker can collect UI benefits in regions with high unemployment is a small admission that the current UI system creates disincentives to work. It reduces worker mobility, discourages self–employment, undermines personal and community initiatives and impedes productivity for employers.

The Reform Party says it is time to use the government's initiative to phase out regionally extended benefits altogether. I would like to put the government's UI reforms to a simple test. I am going to call it the taxpayers' test.

Question No. 1: Do the government's proposals make the UI program financially sustainable? Look at it. No.

Question No. 2: Do the government's proposals help people become less dependent on the system? A little, but how many will return to welfare? The entire income security system is sick and it needs to be fixed.

Question No. 3: Do the government's proposals reduce abuse of the UI system? No. Abuse is still rampant. For example, there are now 43 just cause reasons which will allow job quitters to collect UI. There are 43 different ways.

Question No. 4: Are the government's proposals fair and do they treat all Canadians the same regardless of where they live? No. The UI program still allows people who live in uneconomic regions of the country to become permanent wards of the state.

Question No. 5: Do the employers and employees who pay for the UI program with their premiums have a real say in how their money is spent? Do they have any say in that? No. The government should democratize unemployment insurance. Let the people who pay for it run it. That is the essence of democracy, not this top down bureaucracy.

Question No. 6: Is the UI program a true insurance program? No. Unemployment insurance rewards repeaters and seasonal workers at the expense of permanent full time workers.

In closing, I reiterate that the unemployment insurance program is still being used as a vehicle for social engineering. The UI program still breeds dependence. The UI program is overly generous when compared to other OECD countries.

• (1310)

The Minister of Human Resources Development will soon put forward an action plan for the reform of social programs. This review provides us with a remarkable opportunity to revamp our unemployment insurance program.

I encourage the government to consider the principles the Reform Party has put forward to ensure that any future changes will pass the taxpayers' test.

[*Translation*]

Mrs. Pauline Picard (Drummond): Mr. Speaker, with Bill C–17, the government is asking us to amend 11 different laws to implement certain provisions of the budget tabled in Parliament on February 22, 1994. However, this budget, as could be expected and as was denounced in this House, is making waves in the financial community of this country because it fails to meet either the expectations of the financial community or those of Quebeckers and Canadians.

This government had the opportunity to take some measures to put public finances in order, to put an end to wasting money and to eliminate duplication and unproductive expenditures in programs under both federal and provincial jurisdictions, but it did nothing. This government had the opportunity, as it has promised during the election campaign, to restore some hope among Quebeckers and Canadians, but it did nothing.

Rather, the Chrétien government brought about a budget which deeply affects our economy—and, God knows, it did not need it—and thus deprives us of our hope for economic growth and job creation. Those past two weeks, we have witnessed in the financial community some reactions which clearly reflect the low level of confidence they have in the direction that the government wanted to follow in this budget.

This government did not go in the right direction: the budgeted deficit has never been so high, reaching $40 billion and when they propose to cut back on expenses, they bluntly attack the most disadvantaged, the victims of a recession they are fueling rather than fighting, they go after unemployed men and women.

In the same budget exercise, the Liberal government is asking us to spend every day some $110 million more than the revenues it receives while the unemployed have to bear the largest part—almost 60 per cent—of the new budgetary cuts announced in the Liberal budget. In this regard, this budget is particularly unequitable and unfair, and when the government is asking us, through this omnibus bill, to implement measures so devastating to the unemployed, we must object to it.

The government has announced a comprehensive review of social security, including unemployment insurance, and hopes to present a reform plan to this House next September. It is therefore unacceptable for the government to proceed with such important cuts and such drastic changes in the unemployment insurance program before the necessary consultations have been held and before this whole matter has been thought through.

Whether it be the increase of the premium rate for 1994, the reduction in the length of the benefit period, the longer qualifying period, the two–tier benefit system which will affect 85 per cent of claimants, or the lesser importance attached to regional unemployment levels, these measures have, in our opinion, been taken on the spur of the moment and have only one purpose, to reduce the budget deficit on the backs of the unemployed, in an economy where there are not enough jobs for everyone. Instead of helping to reduce unemployment, these measures only weaken the social safety net. By impoverishing the unemployed, the government promotes the degradation of the entire social environment in Quebec and in Canada and thereby activates all sorts of ripple effects on such things as welfare and health systems.

• (1315)

If the government thought that the social environment in this country was bad enough to require social program reform, why does it further aggravate the situation by improvising such harsh measures for the unemployed? There were many areas where there is fat to be cut, but the victims of the recession have none. The Bloc Quebecois spared neither its suggestions nor its offers of services to identify areas where major savings could be made, and this, through a committee of this House looking at budget spending as a whole.

But no, this government would rather pursue policies it once condemned. I quote: "Conservative fiscal and monetary policies, as we have seen over the past few days, are having disastrous effects on the economy and always ask more of the poorest".

We must not fail to mention one of the adverse effects of the bill: the shifting of a portion of the deficit burden onto Quebec and the provinces. By shortening benefit periods, the federal government will more rapidly divert a greater number of unemployed people towards provincial social security programs. According to three members of the Department of Economics at the Université du Québec à Montréal this new shift from unemployment insurance to the welfare system will cost Quebec an additional $280 million. The provinces as a whole will have to pay an additional $1 billion, approximately.

Considering the government's promise whereby any social program reform affecting provincial finances would take place after due consultation, in order to get their prior approval, here is a good example of a broken promise. First the cuts, and then, the negotiations: what a nice way to instill a climate of confidence in future public debate and negotiations with the provinces!

We must reject Bill C–17 out of hand because it is a rag–bag containing radical amendments to the Unemployment Insurance Act. Those amendments should have been dealt with in a separate piece of legislation in the first place and, most important, they should have been preceded by extensive consultations.

In the present context, the unemployed in Quebec and Canada have enough incentive to find work and they do want to work. They plead for jobs in our ridings every day. Fraud, which we must continue to try to eliminate, accounts for only a very small percentage of costs. The basic problem is that there are not enough jobs for everyone as things now stand, and reducing the amount of benefits and the benefit period will not put more people back to work.

The government has estimated that every one–cent reduction in contributions leads to about 1,300 new jobs. At the same time it maintains an increase of 7 cents in contributions, which rise from $3 to $3.07. In doing so, the government deliberately prevents 9,000 people from going back to work, regaining their dignity and taking part in the economic recovery. Mr. Speaker, I like to use numbers on a smaller scale, those of a riding for instance, since I represent people from a riding in the House of Commons. Therefore, if you reallocate equitably on an individual riding basis the number of jobs lost because of the stubbornness of the government which maintains the contributions at $3.07, 32 people are deprived of a job in every riding.

You might say it is one case among many others. Maybe, but it was not so when we were elected or when our government colleagues got elected by promising jobs, jobs and jobs. Before we vote on Bill C–17, I invite my colleagues to think of those 32 people and of all those who regularly come to our riding offices to tell us about their hardships and their dismay because of the employment situation.

• (1320)

[*English*]

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, while Bill C–17 contains a good number of proposed amendments to statutes with which the Reform Party agrees, we find that the bill covers so many disparate areas that it is very hard to deal with it. It was for that reason that Reform asked the Speaker for a ruling on its status as a bill.

In any event, to the extent that the theme of Bill C–17 is to restrain government spending, we totally agree. Since it is so wide ranging I would like to seize one little area of government spending to prove that the government not only should but could cut back on its spending.

I would like to delve into the area of official languages and the cost of official languages. More specifically I would like to address the issue of bilingual bonuses.

The 1983 annual report from the Commissioner of Official Languages states: "Six years and let us say almost a quarter of a billion dollars into the game any question of the real contribution that the bilingualism bonus might be making to federal language programs has been pretty much lost from view". That is from 1983.

Two days ago in the House was tabled the 1993 report of the Commissioner of Official Languages. Allow me to read very briefly from that: "Unfortunately with regard to the issue of bilingual bonus it is obvious that the commissioner's repeated recommendations still have not been followed. This year approximately $50 million was once again spent without any assurance that the payment of such a sum was necessary to ensure Canadians of the availability of quality service in the official language of their choice. Given the present economic circumstances we are more than ever convinced that the bilingualism bonus should be eliminated gradually by negotiating with the parties concerned. In the interest of public finances, as much as that of the official languages program, it is high time for the government to take this problem in hand".

What does the government need to get the idea that it should take things in hand? I stood in the House two days ago and read from the same report to the Prime Minister. I asked him in effect what his government will do about these continued recommendations on the part of the Commissioner of Official Languages. The Prime Minister's response to me two days ago was: "I do not think that the commissioner has made a strong recommendation. He has recommended we look into that and we will look into that".

Some hon. members: Hear, hear.

Mr. Ringma: I do not say hear, hear. We have been looking into it for 15 years, 10 that the commissioner has put it on record. Where are we? The commissioners have advocated eliminating the bilingual bonus, not reviewing it again and

again. I put the Prime Minister's response equally with the response that I received a few weeks ago from the Minister of Human Resources Development to another question, and I will repeat that.

• (1325)

The response that I get from the Prime Minister and his other minister is, I am afraid to say, irresponsible. It is too vacuous for the circumstances.

There are millions of Canadians out there who are waiting for some sign from the government that the government is serious about its word on cutting back on its spending and getting hold of the deficit, waving the red book.

This is not good enough. We have a tangible right here recommended by the Commissioner of Official Languages saying we can save $51 million in one year alone on this and the government says it will look at it.

I brought up the case in the House of a new government information centre being opened in May in Bathurst, New Brunswick. I suggested to the minister of human resources that instead of employing 65 fully bilingual people at that centre he would give better service and save money in the bargain by employing essentially unilingual people.

The minister did not respond, in my view, properly. He attacked me rather than coping with the problem or taking it as a suggestion well meant. He said instead: "You are lucky that you have a touch–tone phone and are you not privileged". His response I put with the Prime Minister's two days ago. This is part of the problem, I am afraid, that we have not just in this Parliament but in the running of the country. If we cannot stand here as part of the opposition and honestly put forward some ideas that we feel are of merit and have those ideas received in kind then where are we? It is small wonder that the electorate out there is unhappy.

Before we talk a little more on cuts, to shortcut any vehement attack on me or the Reform Party I am going to reiterate that the Reform Party is not against bilingualism. We encourage bilingualism.

[*Translation*]

We encourage everyone to speak French if possible.

[*English*]

Having said that, we are against waste. Let us give bilingual services where they are required but let us also protect the anglophone minority in the province of Quebec at the same time.

In the meantime, let us make cuts and cuts are indeed possible. Let me give a few proposed cuts on the official languages program. This is for one year. If we were to cut one–third of the transfers to provinces for education we would save $80 million in a year. We propose this on the basis that education is a provincial responsibility.

If we also take from the Department of Canadian Heritage transfers to the provinces for special interest advocacy groups for promotion we would save $41 million. If we were to take from the CBC second language broadcasting budget, eliminate it totally, because that service should be market driven rather than driven by Ottawa, we would save $80 million. If we would cut out advertising in minority language newspapers we would save $5 million. If we cut from Canadian Heritage the bilingual bonus we have already mentioned, we would save $50 million to $51 million. On second language training and salaries for replacement workers we would save another $50 million. The total annual savings are $306 million to $307 million. It can be done. Would the government please look at it and do something about it. Do not just study it again.

• (1330)

I will make my concluding remarks short. I implore the government and everyone else to join with us, re–examine the Official Languages Act and look at specific things like bilingual bonuses. We can save money, be more efficient and be happier as a country.

[*Translation*]

Mr. Maurice Godin (Châteauguay): Mr. Speaker, the economic region of the Montérégie is plagued with an unemployment rate that reached 11 per cent during the first quarter of this year, according to Statistics Canada. What would be the impact of Bill C–17 on the unemployment rate? That is what we have to ask ourselves to understand fully why the budget tabled by the Minister of Finance is an insult to all citizens.

The Martin budget is based on bad logic. For example, it establishes a link between the problems related to economic recovery and the labour market, employers and businesspeople, and the contributions which help fund the unemployment insurance system. Furthermore, since the beginning of the 1990s, unemployment insurance has become a program which is supposed to be self–financing. With Bill C–17, the government concludes that we have to bring back the rate of unemployment insurance premiums to 3 per cent. By doing so, they think that it will contribute 125 million dollars towards economic growth and job creation—as shown in Table II of the Budget Speech—and save 725 million dollars just in 1994–95—as it has been written in the backgrounder on the proposed changes to the unemployment insurance program.

Did the government ask itself what contribution it might have done if it had reconsidered other measures? We still do not know why the GST applies to essential commodities and not to stock exchange transactions. What we do know however is that the financing of unemployment insurance has been turned back

twenty years. This program is more and more restrictive and out of reach.

The government is again making the mistake of going after the unemployed instead of unemployment, as if those people had chosen to be without a job. The benefit period for new claimants will be reduced. There is another measure which will transfer to the provinces the cost of the government's inability to strengthen the economy. Where do the unemployed go when they have used up all their benefits and still have no job? They join the ranks of those who are forced to live on welfare. And do not think that these people do not want to work because they do!

The Chrétien government was happy with the last Statistics Canada unemployment figures. However, it overlooked the number of people who have lost hope and have stopped looking for jobs. It also overlooked the figures showing an increase in the number of welfare applications.

Another measure of retaliation against the unemployed is the minimum requirements for benefit entitlement which have been increased from 10 to 12 weeks of insurable employment. The government is really striving to reduce the total number of claimants on the books. Can such a measure help solve the employment problem? Certainly not. The resulting savings will cost a fortune. The Liberal government is only giving us the impression it did something; in reality, it has done nothing at all.

• (1335)

The government said that it wanted to encourage small business by increasing consumer demand. Do you think that the unemployed will be able to contribute to this economic recovery effort when their payments are being reduced to 55 per cent of their average insurable earnings? Even at 60 per cent, for low income earners with children or other dependants such as an elderly parent, people are still below the subsistence level.

The government has made commitments that it is not keeping. Yet, it would be possible to straighten up public finances and the deficit, but it would take a major shake up with a view to establishing a really equitable fiscal policy. According to some experts, it would be possible to find $46.1 billion in additional revenues for the Treasury through fiscal restructuring only, without touching social programs, without attacking the poor who try desperately to make ends meet.

Seventeen separate measures have been identified by economist Léo–Paul Lauzon, from sources as diverse as the Auditor General of Canada, Yves Séguin, Ernst Young, the Liberal Party of Canada, the New Democratic Party, the Bloc Quebecois and the Department of Finance. Among them, the two most important are the closing of fiscal loopholes which would bring $10 billion to the treasury, and the creation of a new tax on securities which would bring in another $10 billion.

But the government did not dare touch anything which could have displeased its rich friends. However, it did not hesitate to do so when it came to the unemployed. That is the main reproach we can direct to the government, and Bill C–17 proves once again the public was misled by enticing election promises.

In the economic region of the Montérégie, an unemployed person coming to an employment centre with 15 weeks of work to his or her credit would currently be entitled to UI benefits for 30 weeks. After Bill C–17 is passed, the same person will be eligible for only 21 weeks of benefits. That is what the Chrétien government just offered. That is their initiative for economic growth and job creation. The government just cut nine weeks of benefits for this unemployed worker.

Do the government realize what they are doing? What they are saying by this is that their management of social problems is a complete failure. They are saying to Canadians that they would be better off if this responsibility was transferred to their provinces. It is proving the Quebec sovereignists right. Should we go as far as to thank the government for doing us this favor?

[*English*]

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, I am speaking today to oppose implementation of the Liberal budget which has and will continue to cause hardship for Canadians and damage to the Canadian economy.

The budget will lead to a deficit of almost $40 billion added to the over $500 billion debt the federal government has already accumulated. The prognosis for ever dealing with this financial mess we are in is becoming increasingly difficult to even comprehend.

It has now reached a critical point. It is not too late. The problem can be dealt with but it has to be done now by making substantial cuts in federal government spending.

• (1340)

Before the federal budget was released, the finance minister travelled across Canada in an attempt to discover how Canadians wanted government overspending to be dealt with in this year's budget. He received excellent advice from Canadians at these conferences. However, in their budget documents the Liberals merely acknowledge the direction that Canadians said they would like the government to follow. Unfortunately they failed to act on this advice.

In the budget debates, Reform MPs clearly laid out their proposals for cuts in federal government spending. These have also been ignored.

One of the first motions that Reformers put forward was for a cap to be placed on federal government spending. This spending cap would at least have given the Liberals a chance to meet their own deficit target of 3 per cent of GDP in three years as outlined

in the red book. This motion was voted down by the Liberal and Bloc members.

During the pre–budget debate Reformers tabled a document that outlines $20 billion in federal government cuts. There has been no indication that any of these proposals were ever examined by the government.

Before, during and after the pre–budget debate Reform MPs have elaborated on our proposals for spending cuts which include approximately $6 billion in cuts to government itself, approximately $4 billion in cuts to business subsidies and about $9 billion in cuts to social program spending.

The government completely ignored the message received from Canadians and Reformers during the budget debate. The early symptoms of the Liberal lack of action are now appearing, for example, the rapidly dropping Canadian dollar and increasing interest rates.

These symptoms alone would not be a cause for great concern. However, what concerns us is the underlying problem of the lack of confidence in the Canadian economy. This lack of confidence has been illustrated clearly by Canadian banks in their hesitation to lend to small business.

Lack of confidence has also been shown by private investors who are taking their capital out of Canada at an ever increasing rate. This is further illustrated by Canadian consumers who, with good reason, are not convinced their jobs are secure enough to spend freely.

A further problem is the reality of the huge government debt which is increasing at an incredibly fast rate. It is quite possible, and many feel even probable, that Canada will hit the wall just like New Zealand did. If that happens the Reform's zero in three plan will be replaced by the Liberal's zero in three plan, but it will not be zero deficit in three years. It will be zero deficit in three months, three weeks, three days.

This kind of concern is no longer just coming from Reform members of Parliament and from the general Canadian population. It is also coming from financial experts across the country. Warren Jestin, chief economist with the Bank of Nova Scotia, states: "The finance department has to revisit its deficit projections and interest rate assumptions before the economy is a mess".

Sherry Cooper, chief economist of Burns Fry Limited, shares this sentiment. "We need a mini budget outlining explicitly the cuts in government spending that will significantly reduce the budget deficit. The financial markets are demanding the cuts. We are talking about averting a currency crisis", said Sherry Cooper. These sentiments reflect clearly what Reformers were saying following the finance minister's feeble attempt at a budget.

The weakness could be due in part to the fact that the Liberals simply did not have time since the election to come up with a real budget. I encourage the finance minister in the strongest way possible to bring forward a mini budget in the next few months. Joshua Mendelsohn of the Canadian Imperial Bank of Commerce stated: "If the rates keep rising, Martin will have no choice but to bring in a minibudget".

In the meantime it is essential that the Prime Minister and each cabinet minister give Canadians at least a hint as to where they will be making further cuts as promised by the Prime Minister. These actions will instil enough confidence in the Canadian economy, in Canadians and in foreign investors to hold off a pending financial crisis.

• (1345)

To allow the Liberal government to make the changes necessary to balance the budget changes must also be made in Liberal philosophy. The Canadian mindset toward government has been changing but government has failed to recognize it. The Liberal philosophy of big government which was fostered in the sixties has changed. The Liberals must recognize this change and deal with the new political and economic realities we are now facing.

This outdated mindset was clearly illustrated to me in a meeting I had yesterday with a Liberal member of Parliament. During the meeting he referred to the relationship between the Canadian government and farmers as a partnership. This is not what Canadian farmers want or expect. This is not a concept Canadians can afford.

The Liberal concept of government so heavily involved with business is not working. Something else has to give. Canadians want government to provide the basic infrastructure that business cannot and the basic social programs and to foster changes which will allow a market economy to work well, nothing more.

Mr. Albert Friedberg, author of *Friedberg's Commodity and Currency*, agrees that government involvement in the Canadian economy is stunting economic growth. He stated: "The major problem is the rising size of the state and in the economy that chases an enormous amount of capital away".

If the government is afraid of making substantial government cuts, take a look at Alberta's current situation. Changes in Alberta did not happen because Ralph Klein and his Conservatives wanted them so desperately. They occurred because Albertans were pushing for these changes. Klein's government recognized that in order to get elected again it would have to make substantial cuts. The people forced their wishes on the Alberta government.

The Klein government would not have been elected in Alberta if it had not promised substantial government cuts. The Liberals will not be re–elected if they do not make substantial spending cuts.

The Alberta experience has demonstrated this move is not only a move that is good for Canadians and is good for the country, but it is also good for the government politically. Recent polls in Alberta verify that Albertans strongly support the Klein government because of tough spending cuts it has made. I certainly have heard this loud and clear in my constituency.

I know the Prime Minister feels that his great political savvy can accomplish almost anything on its own, but I believe the Prime Minister and the Liberal cabinet could learn a lot from Alberta in a political sense.

Alberta is poised to reap the benefits in terms of jobs and in terms of a buoyant economy which will lead it and Canada economically in the future. Alberta's unemployment rate instead of rising during these times of cuts is actually dropping. Its economic growth rate is expected to increase by a full 2 per cent for a projected rate of 5.3 per cent which will lead the country.

The Speaker: I regret to inform the hon. member that his time has elapsed.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, a few days ago I had the privilege to ask this House to accept an amendment to Bill C–17. My hon. colleagues decided otherwise and, as any good democrat, I accept their decision. That does not mean that I agree with this bill, and for the second time, I will try to explain my reservations to this House.

Some of the wording of this bill leads me to believe that it would be premature to pass it. Let us take, for example, the wage freeze. I already said yes to the freeze for certain categories of public servants such as federally–appointed judges, parliamentary agents, the Governor General, lieutenant governors, Parliamentarians, and certain members of the Canadian Forces and the Royal Canadian Mounted Police. But I believe that it is very dangerous to remove any incentive for public servants and to prevent them from climbing the wage ladder.

• (1350)

This bill also caps payments to provinces under the Canada Assistance Plan after the 1994–95 fiscal year. The Canada Assistance Plan cannot be modified without a national consultation and, for this reason, I found it premature, at this point, to cap payments for 1995–96.

I do not agree either with authorizing the Canadian Broadcasting Corporation to borrow money. The CBC is a public corporation and as such should be funded by government grants and advertising revenues. With a deficit of more than $500 billion, this government does not need to authorize public corporations such as the CBC to borrow money, thus adding to the Canadian deficit. Anyhow, if the CBC chalks up a deficit, Canadians will end up paying anyway. So, let the Canadian government give the corporation the necessary budget to promote Canadian culture and inform Canadians but we must not authorize it to borrow money.

Although this bill contains many questionable and premature items, the most questionable of all is the reform of unemployment insurance. The changes proposed in Bill C–17 are unfair and will harm Canadians, especially in Quebec and Atlantic Canada.

The government proudly proclaims that the proposed changes will bring about savings in UI expenditures of $725 million in 1994–95, and of $2.4 billion in 1995–96 and 1996–97. Does the federal government think it is doing Canadians a favour with such a measure? Does it really believe that it will create more jobs by lowering the premium? No, I do not think it will and I am convinced that this government does not think so either. It is just passing its financial problems on to the provinces, as it has been doing for some time. What will Canadians and Quebeckers who will no longer be entitled to unemployment insurance live on? On welfare, which is of provincial jurisdiction.

The results of this decision are twofold. First, the human person, and I often talk about the human person when I address this House, will lose dignity, because in addition to being out of work, they will no longer have the income to which they contributed with their premiums. They will face the problems of welfare recipients, despite the efforts of our provincial governments to make welfare less painful. Mr. Speaker, human dignity means being gainfully employed. As Félix Leclerc, who is from Saint–Pierre on Île d'Orléans in my riding, said, the best way to kill a man is to pay him to do nothing. With this bill, the government is not creating jobs, it is shortening the unemployment insurance benefit periods and forcing people to depend on the state for subsistence.

Secondly, the changes to unemployment insurance will force the provincial governments to increase their welfare budgets and thus increase their deficits. That is what these premature changes will do.

The people of Beauport—Montmorency—Orléans, whom I have the honour to represent in this House, want to have something fine, true and real to hang on to so that they can forget the recession we are going through and the financial difficulties they have had to put up with for several years. The people of Beauport—Montmorency—Orléans are entitled to work so that they can consider themselves full citizens. They are entitled to

believe in their elected representatives. They are entitled to hope that their representatives will find solutions for the current problems and prepare better days for the years to come.

This House where the people of Canada are represented does not have the right for partisan reasons to pass legislation that is premature and unfair to the people of the Atlantic provinces and Quebec.

• (1355)

I therefore ask this House to reject Bill C–17 on second reading and thus permit the House to go more thoroughly into the proposals which were made to us prematurely in this bill.

[*English*]

The Speaker: The hon. member for Wetaskiwin would have the floor if he would care to begin. If not, we can take a minute or two and go on.

Mr. McClelland: Mr. Speaker, if we may, let us go on without the hon. member being here.

The Speaker: This seems to work out well. I ask the hon. member for Trois–Rivières to commence.

[*Translation*]

You can start now for about two or three minutes and then resume later.

Mr. Yves Rocheleau (Trois–Rivières): Mr. Speaker, I appreciate your giving me the floor at this particular time. I feel privileged. I am anxious to discuss this government's lack of vision in greater detail after question period—because I will not have time to do so now, unfortunately. I will tell you about this lack of vision in relation to numerous commitments made by the government in its red book regarding the fight against unemployment.

Last fall, the Liberal Party of Canada seemed aware of the reality facing Canadians and emphasized in a very convincing way—and, in fact, succeeded in fooling a few million Canadians, especially in Ontario and in the Atlantic provinces—that there were 1.6 million unemployed people in Canada, a situation which was unacceptable and attributable to the lack of vision, the lack of competence and the lack of political will of the Conservative government.

Now we can see what kind of innovative solutions the government has come up with. It wants to implement an infrastructure program which will create 45,000 temporary jobs, while there are currently 1.6 million people out of work. Such an initiative requires a lot of imagination indeed. It illustrates how this government, which was wise enough to hire good freelance writers at the right time, does not have the wits to devise innovative solutions which would significantly reduce the number of unemployed. I cannot believe that unemployment will significantly drop in the Atlantic provinces with the creation of 45,000 jobs, nor with 15,000 of these new jobs in Quebec where some 800,000 people are out of work. This shows a lack of vision regarding the unemployment issue.

There is a lack of vision but there is also a lack of consistency, considering what is written in the red book regarding the reconversion of companies from military to civilian production. There again, the Liberals had good intentions, but we have not heard anything since regarding this issue, whether in the Throne Speech, in the Budget, or from the Minister of Industry.

Yet, there are concrete examples such as Oerlikon, Paramax and MIL Davie, which has its own conversion strategy. So far, the government has steadfastly refused to get involved and ensure that MIL Davie, among others, which has its own conversion plan, can get federal support with the ferry to the Magdalen Islands and the smart ship which would be used everywhere.

The Speaker: I am sorry to interrupt, but the hon. member may continue after three o'clock. It being two o'clock, pursuant to Standing Order 30(5), the House will now proceed to statements by members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

GOVERNMENT TRAVEL

Mr. Janko Peric (Cambridge): Mr. Speaker, many of my constituents have expressed their displeasure over recent media accounts of parliamentarians and government officials flying first class when travelling on government business. While business class seating is slightly more comfortable than economy, those wider seats carry a higher price tag.

Given that there is a genuine concern among all Canadians about our nation's financial situation, every penny that is saved on government travel will help to eliminate the burden on our country's finances.

• (1400)

I urge all parliamentarians, all civil servants and all others who are required to travel on government business to fly economy class. Let us all do what we can to save taxpayers' money.

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[*Translation*]

SITUATION IN RWANDA

Mr. Jean H. Leroux (Shefford): Mr. Speaker, the first survivors of the massacre in Rwanda arrived yesterday at Mirabel Airport, leaving behind roads littered with corpses, friends who had been killed and years of work wiped out in only few days by a senseless, murderous rampage.

While not forgetting the suffering of the people of Rwanda, I would like to pay tribute to the various religious communities who work with the poor in Africa.

I was happy to learn that my friend, Brother Irénée d'Amours, who is a member of the Order of the Frères de Sainte–Croix, is safe and sound. Since the end of the war, Rwanda had been the cherished destination of Quebec missionaries. I admire the commitment of the men and women who devote themselves tirelessly to making our world a better place.

* * *

[*English*]

YOUNG OFFENDERS ACT

Mr. Werner Schmidt (Okanagan Centre): Mr. Speaker, Jennifer Schuller and Tammy Carvallo are two grade 10 students from Mount Boucherie Secondary School in Kelowna, B.C., who have organized a petition on their own initiative to demand changes to the Young Offenders Act.

Jennifer and Tammy began the petition out of frustration at the inaction of police in responding to threats from another student. They were told that nothing could be done because the person issuing the threats was a juvenile. To date the students have collected over 950 signatures.

Our children are sending a loud and clear message to the government. It is time to take action and provide a Young Offenders Act that reflects the concerns of every member of our Canadian society.

Despite what the Minister of Justice has said in the House about attaching too much panic to this issue when the very people the act applies to do not think it is working, we have a very grave problem on our hands.

* * *

LAW DAY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I draw the attention of hon. members present to the fact that today is Law Day across Canada. Law Day recognizes the anniversary of the charter. This year is the 12th anniversary.

The theme of Law Day 1994, Access to Justice, is one that I strongly endorse. It reflects the right of every Canadian to have equal access to information about the laws and the legal institutions of Canada.

Information and education activities have been organized across Canada involving the Canadian Bar Association and hundreds of lawyers to make the law more accessible to all Canadians and to expand their knowledge of their rights within Canada's justice system.

As members of the House we should offer our active encouragement to the Canadian Bar Association as well as to the many Canadian groups across Canada in their endeavours on Law Day.

Please join with me in extending best wishes to all involved for a successful Law Day 1994.

* * *

MICHELIN TIRES CANADA LIMITED

Ms. Roseanne Skoke (Central Nova): Mr. Speaker, people are working hard in the province of Nova Scotia and in my riding of Central Nova.

Michelin Tires Canada Limited has provided stable employment for 4,000 Nova Scotians, an annual direct Nova Scotia payroll of over $175 million and spinoff employment for thousands more Nova Scotians.

Congratulations are being extended today to the dedicated Michelin employees for reaching a significant milestone in Nova Scotia.

The Nova Scotia employees are proud to announce that 100 million man–made in Nova Scotia tires have been produced since the first tire rolled off the line in 1971. This achievement is a tribute to the dedication of all Michelin employees and management working together over the past 25 years.

We look forward to Michelin and its employees continuing the tradition of excellence and progress in Nova Scotia for years to come.

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GLOBAL VISION

Mr. Bob Wood (Nipissing): Mr. Speaker, Global Vision is a non–profit organization jointly funded by the private and public sectors.

● (1405)

This organization is dedicated to providing young Canadians with a solid understanding of the international marketplace in order that these future business leaders are able to succeed in the highly competitive global market. This is accomplished through regional seminars which are held across the country. These seminars not only equip the students with a solid educational background in national and international economics. They also provide critical exposure to business and trade practices.

From the regional seminars some students will be selected to participate in the junior trade core program. In addition to more extensive academic training the program also provides participants with the opportunity to visit some of Canada's trading partners in the Pacific rim and in Latin America.

As chairman of Parliamentarians for Global Vision, I invite all members of Parliament to support this worthwhile program and to participate in the cross–country regional seminars that

will be held in their areas. This is a great opportunity for members of Parliament to meet young leaders from their ridings and from across the country.

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[*Translation*]

LABOUR RELATIONS

Mr. Bernard St–Laurent (Manicouagan): Mr. Speaker, in my riding, over 300 employees have been in a lock–out situation since January 14. Under federal legislation, their employer, a mining company, is allowed to hire strike replacements. This way, the company can avoid any form of bargaining with its employees despite the fact they want to bargain.

I wish to give the House notice that I will be tabling a bill similar to Bill C–201 presented by my colleague, the hon. member for Richelieu, a bill which was introduced in first reading on April 1989 and rejected by the Conservative government of the day. The Liberals, including several ministers from the present cabinet, voted for the bill at the time.

Let us hope that I will have the support of this House to pass this important bill to provide a "civilized" framework for labour relations and restore in many cases labour peace.

* * *

[*English*]

COMMUNICATIONS

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, as members of the 35th Parliament entering the merge lane on the information highway, our government vehicle can be fairly compared with the Model T. Offices which are still equipped with the 286–based computers and no modems make for a very slow entry, and slow travellers better get out of the way for surely they will be run over by communicators using more efficient hardware and software.

We are expected to govern in the nineties and into the next century. Using equipment from the eighties makes us less efficient in governing. Rather than becoming road kill I suggest we make the system on the Hill user driven by ensuring that we have the tools to communicate effectively. With more effective communications we can better serve our constituents.

This means a minimum of 486–based modem equipped computers. Let us together make the 35th Parliament one to be remembered for having made smart computer based connections that put us in the passing lane on the super information highway.

OFFICIAL LANGUAGES

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, this week the Commissioner for Official Languages presented his annual report and with it we have heard proposals from the Reform Party and the Bloc Quebecois to cut back provisions in the act or abolish it altogether. The Reform Party is suggesting that official language rights should be put entirely under provincial jurisdiction.

History shows that would be a complete disaster. The Bloc Quebecois supports the act for francophones outside Quebec but not for anglophones in Quebec. In this case there is a double standard.

The purpose of the act is to protect minority language rights in Canada and provide linguistic justice to the more than one million francophones outside Quebec and the more than 800,000 anglophones in Quebec.

As the commissioner points out in his report, the act is not always applied as it should be and there have been some setbacks. Without the act and without the commissioner things would be much worse. We should work to improve the Official Languages Act, not to destroy it.

* * *

MERRITT G. HENDERSON

Mr. Paul Szabo (Mississauga South): Mr. Speaker, from time to time Canadians are fortunate to be served by outstanding leaders who have distinguished themselves through consistent high quality performance over a long period of time. On the occasion of the retirement of one such outstanding Canadian from the city of Mississauga, I am honoured to pay special tribute to him.

Merritt G. Henderson is the president of the Mississauga Hospital and after more than 35 years of dedicated service he will be retiring. The measure of one's success is not a matter of where one is but rather of how far one has come from where one started. Mr. Henderson worked his way up the ranks and earned the respect and recognition of his peers.

• (1410)

Under his leadership the Mississauga Hospital developed into one of the most respected health care institutions in Ontario and in Canada.

He is held in very high esteem by those who know him for consistently providing the necessary guidance, wisdom and knowledge we look for in our leaders.

To Merritt G. Henderson we extend our sincere gratitude for his outstanding contributions to Canadian health care.

S. O. 31

CITIZENSHIP WEEK

Mrs. Anna Terrana (Vancouver East): Mr. Speaker, Canadian citizenship is a very important gift bestowed upon those who live in this country.

Many of us coming from different parts of the world chose to become Canadians and often lost their original citizenship because they felt that Canada had become their country. They wanted to be true citizens of this country. At times it is not easy to deny one's own citizenship but Canada is well worth it.

Canadian citizenship deserves to be celebrated. The week of April 17 to April 22 will be Citizenship Week in Canada. Events will occur all over the country.

I congratulate all those who chose to become Canadians over the years. I also thank all those people and organizations that will contribute to celebrating this important event. All Canadians should participate in the celebration of their own citizenship.

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[*Translation*]

MANPOWER TRAINING

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, yesterday, the Prime Minister and his colleagues from the Liberal Party demonstrated once more that they are incapable of understanding the legitimate aspirations of Quebeckers, when they described as a "whim" the formidable consensus achieved in Quebec around the need to patriate all powers relating to manpower training.

This consensus was achieved among educational networks, labour confederations, the Forum sur l'emploi, the Mouvement Desjardins as well as the Conseil du patronat du Québec, which can hardly be accused of being infiltrated by "big, bad separatists".

Far from being a "whim", this demand is one of the cornerstones of a real employment strategy to finally free Quebec from the state of dependency it is kept in by inefficient federal programs. It is essential to Quebec's development.

* * *

[*English*]

AGRICULTURE

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, farmers have been very disappointed with the performance of the government so far. They have been ignored. There was no mention of agriculture in the throne speech. There was no mention of agriculture in the budget. The Minister of Agriculture and Agri-Food has been a virtual non-participate in the House so far. It is no wonder farmers have grave doubts about the government.

The minister appears to be losing a war of words with the Americans. Farmers are worried and they have good reason to be. The government is giving in to unfounded allegations of unfair trade from our friends to the south. The *Financial Post* reported:

> "Canada to soften position in farm battle with U.S."
>
> In a free trade agreement with a trading partner, we should demand that the principle of free trade be upheld. We shouldn't have to sell out on free trade by imposing quotas on ourselves.

Farmers are not asking for special favours. Farmers are not asking for more programs. Farmers are not even asking for more government money. Farmers simply ask that the government show a little backbone and go to bat for them.

The message from farmers is clear. The government had better not strike out this time.

* * *

CITIZENSHIP WEEK

Mrs. Sue Barnes (London West): Mr. Speaker, with national Citizenship Week starting on April 17, I would like to highlight the important contribution of immigrants to Canadian society.

Canada is a nation of immigrants. The country as we know it would not exist without the struggle and determination of millions of people of diverse origin and background who have landed on Canadian shores in search of a better life.

The bilingual and multicultural character of Canadian society is a source of wealth. Immigrants also contribute to the Canadian economy through the actual inflow of capital investment, the setting up of self-employed businesses and the importation of required skills.

In time many immigrants become Canadian citizens and share willingly the privileges and responsibilities that citizenship bestows. As one immigrant Canadian I am both proud and thankful and I look forward to next week's celebration of Canadian citizenship.

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VIOLENCE

Ms. Jean Augustine (Etobicoke—Lakeshore): Mr. Speaker, I rise today to express my profound concern about the recent shocking crimes of violence that have taken place in both our nation's capital and in metropolitan Toronto.

As the member of Parliament for Etobicoke—Lakeshore, I share the concerns expressed by other hon. members of the House. Violent crime affects us all. Many of my constituents have expressed to me their outrage and their fear of the rise of crime in their neighbourhoods.

• (1415)

We must acknowledge that the incidence of crime, the proliferation of guns, substance abuse and racial intolerance are all related to instances of poverty and the lack of economic opportunity for many in our society.

I therefore urge all the ministers responsible, and in particular the Minister of Justice and the Minister of Human Resources Development, to look at the root causes of this increasingly disturbing phenomenon in Canadian society.

I convey my sincere condolences to the families and many friends of those who have lost their lives through unprovoked—

The Speaker: The hon. member for Regina—Lumsden.

* * *

HEAVY OIL UPGRADER

Mr. John Solomon (Regina—Lumsden): Mr. Speaker, I rise today to request that the Government of Canada do what is right and give urgent and favourable consideration to the financial plight of the NewGrade Heavy Oil Upgrader in Regina.

What is at stake is 500 jobs at the upgrader in the oilfields, plus a $275 million loan guarantee from Canada and a $360 million loan guarantee from the province of Saskatchewan.

An independent commission in 1993 recommended a federal financial contribution of $150 million is needed to save the project from failure. Although negotiations with the federal government continue, no resolution has been reached.

The NewGrade Upgrader is in imminent danger of shutting down if a financial restructuring program is not reached very soon.

I urge the Government of Canada to proceed in all haste to reach an agreement with the province of Saskatchewan and the Federated Co–ops Limited to save these 500 jobs as it promised in its red book.

ORAL QUESTIONS

[*Translation*]

CONFLICT IN FORMER YUGOSLAVIA

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Foreign Affairs. We were shocked to hear that this morning in Sarajevo, 50 UN observers and 16 Canadian peacekeepers belonging to the 12th armoured regiment from Valcartier were taken hostage by Serbian forces. This is indeed alarming news, especially for their families with whom we all sympathize.

Could the minister comment on the hostage situation and the dangers involved, and inform the House whether UN spokespersons have managed to contact the leaders of the Bosnian Serbs to negotiate the release of the hostages within the next few hours?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I want to thank the Leader of the Opposition for his question and for giving me this opportunity to say that we deeply regret what happened a few hours ago.

Apparently, attempts by UN representatives and by the Americans and the Russians to get all parties to the conflict in the former Yugoslavia to agree on a durable peace process has met with a number of problems. Although considerable progress have been made in negotiations between the Croatians and the Muslims, the Bosnian–Serbs apparently refuse to fully commit to this peace process.

According to our information, our peacekeepers are not at risk, at least for the time being. Negotiations for their release are continuing, and we are confident they will be released.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, we know that a total of 150 UN peacekeepers have been taken hostage by the Serbs. I hope the minister is taking seriously the potential risk to our Canadian soldiers.

Could the minister also confirm that negotiations between the Serbs and the UN spokespersons will not start until tomorrow, and could he give the House the assurance that Canada will have a representative on the UN delegations to negotiate the release of the hostages?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, Lord Owen and Mr. Stoltenberg who previously negotiated successfully with the Serbs are now on the spot. We are counting on their good offices to bring these negotiations to a successful conclusion. We believe that reason will prevail. Although the UN representatives are at risk, the Bosnian Serbs are as well, and in this kind of situation, there is no doubt that reason will prevail and that the soldiers and the other UN representatives who are being detained will be released.

• (1420)

[*English*]

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, in so far as this incident underlines the security problems which face the peacemakers, I would like the minister to tell us if he agrees that there is an urgent need for the UN to take more efficient protective measures in order to guarantee the security of the peacemaking personnel while carrying out their duties.

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I certainly echo the view expressed by the Leader of the Opposition that these soldiers who are serving under the UN flag are always in some difficulty and some danger. It is inherent in their responsibilities and their duty as soldiers to risk their lives

or risk their security. It is part of their job. They understand it and they perform it very well, to their credit.

We are very concerned by this incident. We are taking every step possible through the UN and through the negotiation process on the ground to ensure their release and I hope it will be done very soon.

* * *

[*Translation*]

RWANDA

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, my question is also directed to the Minister of Foreign Affairs.

Quebeckers and Canadians were appalled by the scenes of slaughter and barbarism in Rwanda following a coup by the Rwandan army. In fact, the situation continues to deteriorate.

Could the Minister of Foreign Affairs comment on current negotiations between the rebel Rwanda Patriotic Front and government troops on concluding a genuine cease–fire? And is the minister prepared to ask the UN Security Council to help the parties agree on conditions for a cease–fire?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, we deplore these unconscionable acts of barbarism, and we think every attempt should be made to try to restore peace in this country.

Over the years, Canadians who worked in Rwanda have established close ties with the people of that country, and it is clear we cannot let this relationship be compromised by these events. When we are in trouble, we know who our friends are, and I can assure this House that Canada is prepared to continue to support the efforts of those who want to help the Rwandan people develop in peace and harmony.

Finally, I can give the hon. member the assurance that this morning I spoke to our representative at the UN who at this very moment is considering the best way to initiate action with other countries, through the United Nations, to help restore peace and security in Rwanda.

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, in the same vein, will the minister, on behalf of the federal government, make a commitment to participate in much needed efforts to provide humanitarian and medical aid by supporting agencies such as the International Committee of the Red Cross?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, Canada will provide $1 million in aid immediately, including $400,000 to Doctors without Borders Canada, to be used to send surgical teams, including two Canadians, to Rwanda; $300,000 to the International Red Cross Committee to provide emergency assistance, including medical assistance; and finally, $300,000 to the International Red Cross Federation to help neighbouring countries prepare for the arrival of refugees.

* * *

• (1425)

[*English*]

BOSNIA–HERCEGOVINA

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

I think it is evident that the Bosnian Serbs are now retaliating for NATO's bombing raids on Sunday and Monday. What course of action does the Government of Canada propose if this retaliation continues or, worse yet, were to escalate?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I beg to differ with the hon. member. He is drawing a conclusion that is not necessarily the right one.

Quite clearly the bombing and the air strikes that took place were because there was heavy artillery against the city of Gorazde. This city was under heavy artillery bombardment. Indications were given that if it did not stop there would be air strikes. There were air strikes and we now know that the heavy artillery has stopped following the use of air strikes. It stopped the heavy artillery bombardment against the city.

We believe these incidents are regrettable but we do not believe they mean an escalation of the conflict.

We hope that good judgment will prevail and the parties will accept that the only course to be followed is to go to the table to negotiate a lasting peace settlement.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I thank the minister for his answer.

Whether or not these incidents are retaliatory, I wonder if the minister could tell us what specific steps the government has taken to make it clear to the Bosnian Serbs that Canada will use its status as a recognized peacekeeper to marshal world opinion against them and their supporters unless this type of activity is stopped immediately.

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, we will certainly press for this type of message through the UN.

The countries that are involved under the auspices of the United Nations are all concerned by this situation whether they are Canadian soldiers, French soldiers or other soldiers who are victims of this harassment. It is quite clear that we cannot allow it to continue indefinitely.

This is why we have asked Mr. Owen and Mr. Stoltenberg to go there to speak on behalf of the United Nations and to press on the Bosnian Serbs the importance of participating in the peace process.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I have a further supplementary question. Various observers of the Bosnian situation suggest that UN peacekeepers there really have three options.

One is to do nothing different than what has been done in the past and run the risk of the collapse of the peacekeeping effort. The second is to issue the Bosnian Serbs an ultimatum with respect to this form of harassment and be prepared to back it up. The third is to prepare to withdraw.

Would the minister make it clear to the House whether the government favours any of these options or perhaps some other option?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, the Government of Canada has renewed, with the support of Parliament, a further six–month commitment as part of the UN forces.

Second, Canada is very active on the negotiation side and is trying through the diplomatic route to bring the parties to accept a peace settlement. We believe we are getting close to it.

Some of the parties still resist the process of a negotiated settlement but if we pursue it diligently, if we do not lose our cool, at the end there will be a peaceful solution. That is the course we prefer.

* * *

• (1430)

[*Translation*]

JOB TRAINING

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Prime Minister. The Premier of Quebec said yesterday in the National Assembly that job training is, according to Quebec's traditional position, a basic issue of respect for our jurisdiction over what affects us directly.

Given these statements by the Quebec premier, a good federalist, does the Prime Minister still think that Quebec's demands are mere whims?

Right Hon. Jean Chrétien (Prime Minister): As everyone knows, a 1941 constitutional amendment gave the federal government responsibility over an unemployment insurance program. We have jurisdiction in this area. We use the funds we collect for unemployment insurance to help the unemployed receive education and training from provincial governments, which have jurisdiction in these fields.

We want to eliminate overlap and that is why a meeting will be held on Monday. Several meetings have already taken place with Quebec and the other provinces to try to make the system more efficient. That is what we want to do.

Both levels of government have jurisdiction in this area and it is very important to work together to try to find a way to eliminate duplication. As I explained in this House, it must be understood that unemployment insurance programs were put in place in Canada to allow the central government to use the money of those fortunate enough to work and transfer it to the unemployed in the provinces or in some regions. Quebec, unfortunately, is among the provinces that benefited the most, while Maritimers benefited even more. Canada has always operated by ensuring a redistribution of wealth in this country.

Mrs. Francine Lalonde (Mercier): Mr. Speaker, does the Prime Minister realize that, by reviving disputes between Quebec City and Ottawa on an issue that is the subject of unanimous agreement in Quebec, not only does he give his Trudeau–style centralizing vision precedence over the interests of Quebec's unemployed workers, but he also clearly shows to all Quebeckers—federalists and others—that the only federalism possible for them is one of confrontation and scorn for their people?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have been in office for less than six months. We have reached an agreement on the smuggling problem with the Quebec government. We succeeded in setting up with the Quebec government an infrastructure program that works very well. Other agreements have been reached or will be in the coming days.

I am saying there is a problem of jurisdiction in this area and we are looking for a reasonable solution. I know very well that no solution within our system can satisfy people who do not want to be part of Canada.

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[*English*]

GOVERNMENT EXPENDITURES

Mr. Randy White (Fraser Valley West): Mr. Speaker, on Tuesday of this week the Reform Party forced the Prime Minister to admit that further spending cuts are necessary.

The Minister of Finance talks about deep and severe cuts but the Prime Minister talks of millions and not billions. Could the Prime Minister tell the House how cuts as small as millions will resolve a deficit of $40 billion?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, our budget was set out quite clearly on February 22. We set out a plan that would reduce the deficit to 3 per cent of GDP in three years and cut billions of dollars from spending.

The member is quite wrong. We will continue to look for savings in that budget.

• (1435)

Mr. Randy White (Fraser Valley West): Mr. Speaker, the Prime Minister and his colleagues should know you cannot bail out a sinking ship with a thimble.

Will the Prime Minister identify in the House today how many millions or billions he has in mind for these additional expenditure cuts or is this just a stall in the hope that the problem will go away?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, there is no stalling. We have a clear cut plan to bring the deficit down to 3 per cent of GDP. That is our interim target. We are going beyond that after. I think the hon. member knows full well this is the best way to handle our deficit.

* * *

[*Translation*]

YOUTH ACTION PLAN

Mr. Antoine Dubé (Lévis): Mr. Speaker, my question is for the Minister of Human Resources Development.

The apprenticeship program in the government's youth strategy is another federal infringement on Quebec's jurisdiction over education, which is clearly a provincial field. The *Financial Post* reported this morning that national standards will apply to more and more programs.

My question is this: Does the minister recognize that with this new intrusion into provincial jurisdiction, he is going against Quebec's demands and contributing directly to more costly and inefficient duplication in the field of labour?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I still stand in great awe of the hon. member's ability to make judgments about details of programs which have not yet been announced.

I would think as a result he may want to hold his profound analysis until such time as he has the facts before him. I know he does not want to get confused by the facts but sometimes facts are very useful to have.

In that case, I would suggest to the hon. member that he might review this fact. The co–chair of the Council of Ministers of Education, which has made a direct call to the establishment of national standards for things like science and mathematics in English and French the minister of education from Quebec.

[*Translation*]

Mr. Antoine Dubé (Lévis): Mr. Speaker, the youth action plan was announced several times in the media this week, so its contents are an open secret.

Before presenting his youth plan, did the minister at least have the decency to first obtain the agreement of the Government of Quebec, since his apprenticeship program is another offensive in the field of education?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, when there are over 400,000 young people below the age of 24 unemployed, it would seem that rather than being critical and trying to poke holes, the hon. member should be trying to support constructive collaborative partnerships between all levels of government to get young people back to work. That is our intention.

It would seem that he is engaging in the kind of debate which I think many people in the country do not find effective. What they really want is to get their sons and daughters and nieces and nephews back to work. That is what we would like to do in co–operation with the provinces.

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, tomorrow the federal government will announce the youth corps initiative that will provide short term make–work positions this year for less than 1 per cent of Canada's 400,000 unemployed youth.

Could the Minister of Human Resources Development tell us why he is creating false hope by spending so much money on a program of such limited potential?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the hon. member must be drinking from the same speculative cup as the hon. member for Lévis. They are making judgments about programs that have yet to be announced. The details are not there and the money has not been allocated. All that is there is in the fantasies or the nightmares of the hon. member.

I would caution him that before he makes comments about a program he should see what the program is.

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, I think the minister should acknowledge that he has great gaping holes in his own department. That is where this information came from. It is in the media and people have commented on it already.

• (1440)

Will the minister admit that what Canadian youth really want are real jobs, not phoney government created make–work jobs, and that the government's failure to address overspending is the primary cause of chronic high unemployment in the country?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, over the last several months members of Parliament of this caucus, the hon. Secretary of State for Youth and Training and myself have gone across the country and talked to thousands of young people.

They tell us that when they come out of formal education, when they leave high school or community college, the most difficult problem they face is to get into the job market. That problem of making the transition from school to work is one of the most serious, difficult issues that young people face.

Our purpose in putting forward ideas, as we did in the red book, about internship programs, the community youth service corps, is to give young people that first chance into the job market, to get the resumé, to get the experience and to get the work practice. That is what young people were asking us to do.

It would seem to me that the hon. member should be standing on his feet and saying thank God there is a government that finally is going to do something about a real problem.

* * *

[*Translation*]

EMPLOYMENT

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, government ministers and even the Prime Minister were puffing out their chests and bursting their buttons following the release of the latest unemployment figures. Yet, we are still not out of the woods. Taking into account the increase in population, Quebec would need an additional 215,000 jobs today to return to pre–recession employment levels.

Instead of celebrating prematurely, will the Prime Minister not recognize that given the current pace of job creation, Quebec will have to wait at least another three years before employment returns to pre–recession levels?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, our government has been in office for five months and the trend is improving. Last month, unemployment was down 0.8 per cent in Quebec. That is not good enough. More improvement is needed. Nevertheless, we are making progress. We must stay this course and that is why we are trying to introduce job creation programs. Such a high level of unemployment throughout the country is unacceptable and certainly no cause for celebration.

We must never stop working to reduce unemployment. Unfortunately, the rate will not fall overnight. However, the outlook is very good and we must work doubly hard to ensure that we obtain ever better results in the years to come. I am confident that the situation will improve within a few months' time.

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, when I listen to the Prime Minister speak, I get the impression that we are living on different planets. The outlook is not very good. The recovery is more anemic than ever.

Will the Prime Minister not recognize that since he took office, for every two jobs created in Quebec, another depressed, discouraged person has joined the ranks of social assistance recipients? Does he not realize that his outrageous scheme to reform the unemployment insurance system will only make matters worse?

Right Hon. Jean Chrétien (Prime Minister): No, it will not, Mr. Speaker.

* * *

[*English*]

SEXUAL HARASSMENT

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my question is for the Solicitor General.

It has been reported that a woman who was sexually assaulted by a co–worker of the RCMP was unable to receive redress from her employers. Today the victim, a single mother, has been forced to leave the job while the perpetrator of the crime is still employed with the RCMP.

Does the RCMP really believe that it is outside the law? What is being done to redress the job loss and harassment suffered by this woman?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I am deeply concerned about this case and the press reports indicating serious questions about the way the internal investigation was handled.

This morning I spoke about the matter to the commissioner of the RCMP. He assured me that sexual harassment is not tolerated in the force. He went on to say that he has ordered an immediate and thorough review of the matter in order to determine how the case was handled and if remedial action is required.

He assures me that the review is being given top priority and I hope to have further statements, as does the commissioner, before too long.

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AGRICULTURE

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, my question is for the minister of trade, the minister of agriculture, or in this case a substitute.

• (1445)

Today's *Report on Business* states that the Liberal agriculture and trade ministers will sign an agreement today. It will allow an import quota on durum wheat of two million tonnes in exchange for the United States dropping its challenge about the protection of the supply management sector in Canada.

Are the ministers going to cave in to the United States by allowing a quota where none is warranted? Furthermore, are the ministers pitting one sector against another by caving in on durum wheat in order to protect supply management as the report said?

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food): Mr. Speaker, I point out to the hon. member the minister has made it very clear to all the sectors and all Canadians that he is not pitting one sector of the Canadian agri-food industry against the other. He will not be trading one off against the other. Negotiations are going on in Morocco as we speak right now.

The reports the hon. member read in the press are only that. They are reports from the press only and do not necessarily reflect the facts.

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, I thank the parliamentary secretary for the answer.

What specific guarantees could the government give to assure grain farmers that the government will not cave in to the United States and that grain farmers will not be sacrificed in order to achieve a favourable outcome for supply management?

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food): Mr. Speaker, a guarantee that the government and I can give to the hon. member and to the Canadian grain industry is that the minister has not done that to date. He does not intend to do that and he is going to negotiate an agreement with the United States in the best interest of Canadians and Canadian farmers.

* * *

[*Translation*]

FRANCOPHONE MINORITIES OUTSIDE QUEBEC

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, my question is directed to the Prime Minister. The sovereignist option for Quebec includes a firm commitment to recognize and protect the historic rights of Quebec's anglophone minority and to enshrine those rights in the Constitution of a sovereign Quebec. Yesterday in the House, in a disturbing and, I would say, deplorable statement, the Prime Minister mentioned the possibility that francophone minorities outside Quebec would be denied their rights, should Quebec become a sovereign nation.

The Speaker: Order. This is a hypothetical question. I would appreciate it if questions were a little more to the point. If the Right Hon. Prime Minister wishes to respond, he may do so. Otherwise—

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I just want to say that last week, presidents of associations of francophones outside Quebec told a reporter for the *Toronto Star* that considering the difficult circumstances in which they lived, it did not help their cause when francophones in Quebec said they were prepared to separate from Canada.

The French fact has survived in Canada because we francophones have all stood together since 1867, and that is why we are still francophones, not martyrs as members opposite would have people believe. The Leader of the Opposition said that in Washington, and he is a French Canadian francophone, the Prime Minister is a French Canadian francophone and so is our ambassador in Washington. They are telling the world they are martyrs. Let us be serious.

Some hon. members: Hear, hear!

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): If the Prime Minister thinks it is our fault, he is wrong, and the statement he made yesterday in the House was a disgrace, coming from a Prime Minister. If he has any credibility—

[*English*]

The Speaker: I hope all hon. members would address themselves as much as possible to the issue at hand as opposed to in any way impugning any kind of motive by anyone else. I would invite the hon. member to pose her question.

• (1450)

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, my question is quite simple. Is the Prime Minister prepared to make a commitment in this House that he will reverse the budget cuts affecting francophones outside Quebec? That is what people are asking. If he really wants to help francophones, he should stop cutting their funding.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have provided very generous funding for a long time to francophone communities outside Quebec. There may have been a few cuts, but a number of other sectors in our society have seen their funding cut as well. However, that does not mean we are not committed to the survival of these people.

I am glad to see the members of the Bloc want to support francophones outside Quebec. If that is the case, the best way to do it is to work within Canada with all French-speaking Canadians so that we can be strong and proud to be Canadians.

Some hon. members: Hear, hear!

* * *

[*English*]

MÉTIS SOCIETY OF SASKATCHEWAN

Mr. John Duncan (North Island—Powell River): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

Could the minister confirm that the Deloitte & Touche draft audit of the Métis Society of Saskatchewan commissioned by the federal government and the Government of Saskatchewan has revealed fraud and fabrication of documents, a $1 million operating deficit by the society and violation of the funding agreement between the federal government and the society?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, as the question relates to the Métis I think it should be addressed to the interlocutor. He has the wrong minister. I will take it under advisement and bring it to her attention.

Mr. John Duncan (North Island—Powell River): Mr. Speaker, my supplementary question is for the Prime Minister.

Rank and file Métis are concerned about the lack of accountability of funding arrangements by the department of Indian affairs and how it may affect Métis credibility and future funding.

Could the Prime Minister assure the House that all future funding arrangements with aboriginal groups will include publicly disclosed annual audits?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, when we make arrangements with any groups in Canada, we ask them to make their books available for the Auditor General and other officials of the government to see if they have respected the arrangement.

We will do that with the Métis organization and the native organizations as with any other organization. The federal money they receive from us is taxpayers' money and we should make sure we get value for our money.

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FOREIGN AFFAIRS

Mr. Bernard Patry (Pierrefonds—Dollard): Mr. Speaker, my question is for the Minister of Foreign Affairs.

In light of the recent spate of terrorist attacks in Israel and the occupied territories, could the minister report to the House on any Canadian intervention to help keep the peace process on track as well as any communication Canada has had with the stakeholders in the region?

[*Translation*]

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I accept the hon. member's question by recalling that today is the 46th anniversary of Israel's independence. I can tell the hon. member that we are particularly troubled by this act of violence which killed some six people and injured thirty. We expressed our condolences to the Embassy of Israel and offered our heartfelt sympathies to the victims' families.

• (1455)

As for the broader question of the peace process in the Middle East, I am pleased to point out that the chairman of the task force on refugees is a Canadian and that Canada will continue to support the peace process, and we earnestly hope that these acts of violence will not derail the peace process which is well under way.

* * *

INTEGRATION OF IMMIGRANTS

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

The minister wonders whether the teaching material used by the COFIs, centres for the integration of immigrants into the French community, refers enough to Canada. He is reported to be about to intervene, despite the fact that this material has been approved by the Quebec Department of Education.

Should I interpret that as an indication that the minister disputes not only the know–how of Quebec when it comes to the integration of immigrants, but also its exclusive jurisdiction over education?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Not at all, Mr. Speaker. We discussed that yesterday with the standing committee. I made three statements. First, I said that, during the 25 years of the agreement, the government and the province of Quebec had done a good job of integrating immigrants.

Second, I said to the member of the media who made the allegation that it would be a good idea for the committee to review this allegation, not investigate, but talk with officials from Quebec and Canada.

Third, I said that you could be proud of being a Canadian and at the same time be proud of being a Quebecker or the resident of a given region.

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, according to the media the minister said that the COFIs were hiding the Canadian reality. Does he not realize that by saying that he challenges all that had been accepted under the federal–provincial agreement, the Cullen–Couture agreement, signed in 1978, which recognizes the distinctiveness of Quebec and allows it to integrate its immigrants into the French community?

[*English*]

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, that is an absolutely false and inaccurate allegation which the member just made on the floor of this House of Commons. What I said yesterday in the committee was in reaction to what two media reports suggested about somehow low bridging or hiding Canada.

As the Minister of Citizenship and Immigration, on behalf of a national government we ought not to hide whether it is our country called Canada or the loyalty that one feels for one's province or region. Part of my responsibility simply is to promote Canada, east, west and north.

When an immigrant comes to our country, he or she comes to a country and lives in a province and ought to feel loyalty and patriotism to both.

* * *

MEMBERS OF PARLIAMENT

Mr. Bob Mills (Red Deer): Mr. Speaker, my question is for the Minister of Foreign Affairs.

The Prime Minister has indicated he wants us to tell of ways of saving money in our committees. I would like to know from the minister how a cost conscious MP can make a decision on taking an international junket organized by his department unless he has the answers to the following questions. What does it cost? What is the itinerary? How will it benefit the taxpayers of the country?

• (1500)

The Speaker: Just by way of explanation, usually when a committee acts, it acts on its own and the minister per se is not responsible for that committee.

Perhaps if the member could rephrase his question it might be acceptable. I would give him a single question.

Mr. Mills (Red Deer): Mr. Speaker, I would like to ask the minister if he would undertake to provide answers to those questions for upcoming trips.

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I believe there is some difficulty on the part of members of the Reform Party to participate in international visits. I tried to convince their leader to participate in these activities on the grounds that they serve a useful purpose.

I take in good standing the request to submit in advance the cost, the reason for going and the advantage of such a trip. I will do so in the future because there are regular requests for parliamentarians to go abroad to sustain the objectives of the Canadian government or to promote the interests and points of view of Canadians.

For instance, there was a request recently to send a delegation to Washington to impress upon Americans the importance of respecting the steelworkers of Canada. Unfortunately so far we have not been able to convince the Reform Party to join forces with other representatives of Parliament.

I believe there are a number of useful visits abroad. We would like to have the support of that party in joining the two other parties in Parliament to promote Canadian interests abroad.

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval): Mr. Speaker, I would like to ask the Government House Leader what is the planned order of business for the next few days?

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I am pleased to provide the weekly business statement.

Today the House will continue with Bill C–17, the budget implementation bill. When we have completed it we will be debating Bill C–9, implementing some of the provisions of an earlier economic statement.

This will be followed by Motion No. 10, authorizing the procedure committee to provide the basis for legislation to reform the system of adjusting electoral boundaries. If this business is not completed today it will be followed in the same order tomorrow.

Monday shall be an opposition day. I believe it will be the turn of the Reform Party to present the subject for that opposition day.

Next Tuesday the House will resume the business not completed Friday.

This will be followed by consideration of Bill C–7 respecting the control of certain substances, Bill C–11 concerning tobacco, Bill C–4 dealing with the NAFTA side deals, Bill C–2 to reorganize Revenue Canada, Bill C–8 regarding the use of deadly force by police and prison officers, Bill C–13 respecting GST technical amendments, Bill C–15 revising the statutes respecting income tax, and Bill S–2 ratifying certain tax treaties.

* * *

• (1505)

WAYS AND MEANS

NOTICE OF MOTION

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, pursuant to Standing Order 83(1), I wish to table explanatory notes and a notice of a ways and means motion respecting the Excise Tax Act, and I ask that an order of the day be designated to debate the motion.

GOVERNMENT ORDERS

[*Translation*]

BUDGET IMPLEMENTATION ACT, 1994

The House resumed consideration of the motion that Bill C–17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22,

1994, be read the second time and referred to a committee; and of the motion.

Mr. Yves Rocheleau (Trois–Rivières): Madam Speaker, I would like to resume where I left out before Question Period. I said that so far the main characteristic of this government has been its lack of vision. I was talking about the conversion of military industries to civilian production, something we have not heard much about ever since the government wrote about it in its red book, so much so that recently, no later than last week, the Quebec Minister for Industry, Trade and Technology was getting impatient and—no matter how federalist and Liberal he is, just as this government—asked the Canadian government what was implied in the statements made in the red book. And since then, in spite of his influence, this minister has not heard a word regarding three specific matters of some urgency, namely Oerlikon, Paramax and MIL Davie.

There is another issue that brings to mind the notion of vision, if we can use that word, but in this case it is a machiavelic vision; I am referring to the Youth Service Corps. We know that one of the three objectives of this planned corps, which should involve 10,000 participants a year, is to promote a better understanding of Canada, and this, strangely enough, just before the Quebec referendum. We recognize there the consistency and the persistence of these same Liberals who were already very actively involved in the 1980 referendum and who used all means, from Pro Canada to the Council for Canadian Unity, to try to unduly influence the people in Quebec. Next time, they will outdo themselves, for sure!

We find the same lack of vision and political courage when it comes to the information highway. We know that in the United States the whole project is being spearheaded by the Vice–President, whereas here, all we have is a committee in name only which, completely in the dark, is supposed to be advising the government. This exemplifies the kind of political courage and vision this government has.

This is what was written in the red book, but things seem even worse when we look at what was not written down in its pages. The situation is even worse when you consider the actions of this government since the opening of the session, through the budget. I am referring to measures which were not mentioned in the red book. Indeed, when the government uses nice metaphors about modernizing, revitalizing or undertaking major initiatives, such as is currently the case with social programs, we cannot help but wonder about how sincere it is, about its real goals, and about the real motives of the Liberals even before they were elected, considering the measures they are now proposing to correct the situation.

The government targets the unemployed instead of unemployment; it targets the poor instead of poverty. Indeed, the government targets the poor when it decides to lower UI benefits from 57 per cent to 55 per cent, a measure which will affect 85 per cent of claimants.

• (1510)

The government is targeting the unemployed, when it decides they will need 12 weeks instead of 10 to be eligible for unemployment insurance. Does this mean that from now on employers, in a show of social solidarity, will hire five, ten, fifteen, twenty, twenty–four, fifty, eighty, or a hundred employees for an extra two weeks so they can get their unemployment insurance benefits? That is not how it works. An employer needs an employee for a certain period, especially in disadvantaged regions, and unemployment insurance criteria are not a consideration when hiring people.

We should also realize that because of the latest amendments to the Unemployment Insurance Act, people will receive less money for shorter periods of time. So the government is deliberately targeting people who work and often live in unenviable circumstances. The government has decided that from now on, they will receive less and receive it for shorter periods, although they will have to work longer to be eligible. If this is not hitting the unemployed instead of unemployment I would like to know what is.

If we consider the amendments to the Unemployment Insurance Act and if we recall the government's stated intention to modernize and revitalize social programs, is it any wonder we are extremely concerned about the government's underlying motives for making such sweeping changes in the administration of social programs and the whole concept of government intervention in this area, especially when we consider the following. Let me explain. In spite of consultations that were held and others that will be held by the minister on this subject in the months to come, we know, and this was made clear in the Budget speech, that this modernizing and revitalizing will save the public purse $7.5 billion at the expense of the most vulnerable members of our society, with more than $5 billion resulting from amendments to the Unemployment Insurance Act.

When discussing these issues, we must not forget we are talking about fellow citizens and the conditions in which they live. We must realize that across this country, hundreds of thousands of Canadian men and women are living in a state of anxiety and poverty. We know how such conditions can lead to criminal activity, family violence, undue reliance on medication, malnutrition in children, and so forth.

I must say that I deplore the apparent lack of concern shown by many members opposite, including the Prime Minister, about a situation that is so disturbing and I would ask them to make cabinet members realize that something must be done to find intelligent and effective ways to improve the lives of these people. I think we can all say the unemployment rates in our ridings are intolerable, for instance in the Maritimes and Que-

bec, where levels are totally unacceptable, in Ontario, which is experiencing problems, and even in western Canada.

However, we should talk about the causes as well as the effects. In this kind of debate, which is a debate about the kind of society we want, one issue is particular important, and that is that in a few years, our society may start to resemble what we see in other so–called underdeveloped countries, where there are a wealthy few in a sea of poverty and a fast–disappearing middle class. I think that is something we should consider, namely, the kind of social structure we have and the kind of society we can expect in the future.

In concluding, I would like to quote briefly what was said by an economist at the Université du Québec à Trois–Rivières. André Joyal, a resident of my riding whose work I admire, wrote the following in the Catholic magazine RND: "What we have experienced for the past 20 years is probably not, as is often said, just another economic cycle, but a thorough transformation of our society. A transformation as drastic as that caused by the steam engine in the seventeenth and eighteenth centuries or by the agrarian revolution 10,000 years ago when our ancestors realized they could sow and harvest crops, which meant they could have permanent settlements. The society of tomorrow may be totally different from the one we know today".

In the same vein Louis O'Neil, a distinguished professor at Laval University, wrote the following: "There is no reason why we should accept, without further analysis, the disappearance of thousands of jobs, today's exclusion after yesterday's exploitation, job uncertainty, the dismantling of health care services, a return to inequality of access to knowledge, the pauperization of rural areas, and regional population loss. We have the right and the duty to oppose a return to unbridled capitalism, to a system which currently puts 35 million people out of work in industrialized countries and which triggers disintegration and impoverishment.

• (1515)

[*English*]

Mr. Dale Johnston (Wetaskiwin): Madam Speaker, I appreciate the opportunity to speak on Bill C–17 today. I am going to speak for a moment or two on debt.

In 1993–94 we all know that the provincial, federal and municipal debt amounts to some $660 billion. This is an increase of about 11 per cent over last year and it is quite a startling number.

Put another way, this amounts to some $23,000 for every man, woman and child in the country. The net federal public debt amounts to some $500 billion and that is an increase over last year of some $45 billion or again around 10 per cent.

Federal debt divided equally among Canadians comes to some $17,600 per person. The federal debt is increasing at the rate of $123 million a day. This amounts to some $6,200 per year for a family of four. To put this another way, the debt amounts to 93 per cent of our GDP at the present time. Ten years ago it amounted to around 50 per cent. It nearly doubled as a percentage of the GDP in 10 years' time.

As a matter of fact, the Vancouver Board of Trade, which has done a considerable amount to draw the Canadian public's attention to the debt situation, has placed its debt clock to work out that if the debt, rounded off to $.5 billion, were converted to hundred dollar bills there would, believe it or not, be enough to cover the Trans–Canada highway from Vancouver to Ottawa.

If this deficit were reduced to zero, the average employed person in Canada would see their taxes reduced by about $3,000 a year. Bill C–17 deals with budgetary measures and certainly unemployment insurance. To me this reduction in the taxation is one of the best things that we can do to reduce unemployment in Canada.

A recent Canadian Chamber of Commerce survey showed that if the debt and deficit were reduced, payroll taxes and corporate tax rates lowered, government regulatory burdens eased and training and education of the labour force improved, small Canadian businesses, any business under 100 employees, would be able to create jobs at the rate of 14 jobs per firm for the next three years. This is certainly another recipe for the reduction of unemployment in Canada.

The budget has simply nibbled at the edges of the unemployment insurance program. By reducing the generosity of this program, certainly I have to give the government credit for making a step in the right direction. After all, we are aware that over generous unemployment insurance programs do have the effect of increasing the number of people on UI, not decreasing, not putting a lot of people to work. The number of people on UI has increased as the debt ratio has increased.

• (1520)

We all know that the cumulative deficit in the unemployment insurance account is in the neighbourhood of $6 billion. We also know that it is a fallacy to believe that this is an employer–employee funded program and that $6 billion has to be picked up by the taxpayer of Canada. We pay the shortfall.

I have said in the House before that the Canadian unemployment insurance plan has become an inefficient income supplement plan rather than social insurance. We need to take the "un" out of unemployment insurance. We should come up with a scheme of employment insurance with extra emphasis on insurance.

The Reform Party's policy is to make employment insurance a sensible, sustainable program of social insurance which provides compensation for temporary loss of employment. We believe the program should be funded by employers and the employee and the level of premiums and benefits determined by the employer and the employee. This, I am sure, would also go a

long way to reducing the burgeoning underground economy and ultimately relieving the tax burden of Canadians.

Stephen Van Houten, president of the Canadian Manufacturers Association, has extrapolated today's figures to come up with a prediction that if the federal debt continues to grow at the present rate, by the year 2001 and we will hit the $1 trillion mark. He has also predicted that when we hit the $1 trillion mark our deficit will be in the range of $60 billion to $70 billion. Should it remain the same, the interest on that amount of money would amount to some $76 billion, and that is roughly double what we have today. In my opinion that would be extremely crippling to the Canadian economy.

I am convinced that percentage of after tax income has decreased, and yet at the same time the same government that allowed the debt to escalate to half a billion dollars continues along the same path. Really when questioned or pressed on it the Prime Minister even makes remarks about that line of questioning being irrelevant. It is extremely relevant and we look forward to the day when we can reduce taxation and have a stimulative effect on our economy.

Economic growth is hampered by high social spending. As we all know, high social spending is also accompanied by high levels of taxation.

If Canadians were relieved of this burden of high government debt and taxation and government intervention through excessive regulation, I believe Canadians would be motivated to work harder and to save more and invest more and ultimately hire more workers.

Investors would be clamouring to invest in Canada and to set up business here. It is high time that Canada was open for business and took on that posture.

We noticed the other day that when the Prime Minister did announce that he was willing to make further budget cuts there was a dramatic change in the markets. The dollar went up and the interest rate went down. I really felt quite heartened by all this.

• (1525)

Just the other day I noticed in the *Financial Post* the headline: "Deficit rattles investors". To say the least it would rattle them.

In conclusion, it is time to change this budgetary process and admit that we do have a spending problem in Canada. This is not a problem that can be solved strictly by revenue.

[*Translation*]

The Acting Speaker (Mrs. Maheu): The hon. member for Beauport—Montmorency—Orléans.

Mr. François Langlois (Bellechasse): Madam Speaker, I believe that the hon. member for Beauport—Montmorency—Orléans spoke just before Question Period. So, unless an hon. member from the Liberal Party wishes to speak at this time, I would ask that you give me the floor.

The Acting Speaker (Mrs. Maheu): Well then, the Chair recognizes the hon. member for Bellechasse.

Mr. Langlois: Madam Speaker, I would like to thank the hon. member for Wetaskiwin for his remarks on Bill C–17. He made several worthwhile points, some of which I will raise myself in a moment.

Let me just say that today is an historic day because this morning, for the very first time, the Chair was occupied by a sovereignist member of Parliament, namely my hon. colleague from the Bloc Quebecois and member for Chicoutimi. Having said this and extended my congratulations to him, I would like to speak to Bill C–17.

As history has it, Nero played the fiddle while Rome burned. This government is doing the same thing. While the country is crumbling down, while the poor get poorer and the unemployed despair of finding work, while middle–income individuals and families see their tax burden grow heavier and heavier, the government does nothing. Just like the previous government. You would almost think that they fit in the same shoes. This government certainly took no time to adopt the same pattern as its predecessor. My friend the member for Frontenac was mentioning that these shoes are probably Kodiak boots because we are not out of the woods yet with the current policies of this federal Liberal government which acts the same way as the Mulroney–Campbell administration did from 1984. That is to say doing so very little. Words, words, words. They are all words, but no action. None at all! The only movement we see in this House is when the hon. member for Kingston and the Islands walks from the table to his seat once in a while. Very little is actually accomplished.

I agree with the hon. member who spoke before me, the hon. member for Wetaskiwin, when he says that the key to economic recovery in Canada and in Quebec as well is small business. We have relied on big business, like Hyundai in Bromont, for too long. Great hopes had been placed on businesses like this one which is now in a very precarious situation to say the least, on the verge of shutting down and laying off its workers. So, the small and medium–sized businesses responsible for creating 80 to 85 per cent of jobs are really undervalued, underestimated and undersupported in the projects they can initiate.

• (1530)

We see it at our constituency offices when a small businessman or businesswoman comes to us with a proposal to create two, three or four jobs. It is hard to get the government

interested in setting up or improving a small business. It still likes to think big, an approach that harkens back to Mr. Trudeau's era. And look where that Trudeau–style vision got us.

Our economy is in ruins. Our debt currently tops the $500 billion mark. Of course, the Mulroney–Campbell administration has been blamed for the situation, but previous Liberal administrations were responsible for fuelling the debt crisis in the first place. It should be noted that when the Conservatives took office in 1984, the national debt already totalled $189 billion. The red ink was already flowing freely. In fact, several bottles had already been used up.

The budget measures now on the table offer no help to small business, no help to middle income families, no help to individuals as far as housing is concerned. There are no real measures to provide social housing assistance to low income families forced to spend more and more on housing. As Bernard Derome said, if the trend continues, low income families will no longer be able to afford proper housing. What the government needs to do is reintroduce a real social housing policy.

Some hon. members: Hear, hear.

Mr. Langlois: At least I am being applauded by my colleague from Laurentides, as well as my colleagues from Berthier—Montcalm, Lévis, Brome—Missisquoi, Frontenac and Chambly and all those whom I could not see or hear, since we sometimes recognize each other by the way we applaud, Madam Speaker.

What do we see in this budget for housing? The Residential Rehabilitation Assistance Program, RRAP, is back. It is very nice to have such a program, but first you have to have a home to renovate, and there is no measure for home ownership, especially for a first home. There is nothing for single people and young couples, but they are told to improve what they do not have. What a fine philosophy, putting the cart before the horse! That is the finest example we could give. Our grandparents used that expression. It is still current for describing the government's economic policies or lack thereof.

As my colleague from Trois–Rivières just said, the government is attacking the unemployed as if they were responsible for their condition. The unemployed are responsible for the poor state of the Canadian economy; the government is responsible, because of its ineptness and inaction in this area. There is no political will to fight unemployment in Canada.

All they are doing is to go after UI recipients, blaming them for unemployment. They are being penalized. Their benefits are being cut. The length of time they must work to obtain UI benefits is increased. But hitting the unemployed does not affect unemployment. Just as when a mortician does his work, he does not attack death, he deals with someone who is already dead. The government is the big funeral director of this country and it seems it is about to celebrate a funeral mass for the economy. In the next election, voters in Canada, the remaining nine provinces, will decide this government's fate.

• (1535)

Probably our friends in the Reform Party will have alternatives to propose or other parties will come along, because we see some parties appear and grow like mushrooms in this country.

I am glad to see—again you are signaling me that I have one minute left—with just a minute to conclude, I have to choose between the Royal Military College in Saint–Jean, of which we have spoken a lot, and the Prime Minister's statements in this House that there would be more cuts, although no minister wants to cut in his department. We asked questions yesterday; no minister wanted to cut, but the sum of the parts is greater than the whole because the Prime Minister said that he was going to reduce the deficit.

So in closing, I will say a few words about an issue that I care about, MIL Davie in Lauzon, where 400 of my constituents work. It is high time, and in the 30 seconds remaining to me, I will say that it is high time for the government to stop thinking about reviving the MIL Davie shipyard in Lauzon and to immediately give it the contract for the Magdalen Islands ferry to replace the *Lucy Maud Montgomery.*

[*English*]

Mr. Randy White (Fraser Valley West): Madam Speaker, once again it is a pleasure to speak on a bill in the House of Commons but it is not such a pleasure to talk about Bill C–17.

In question period today I mentioned the simile of bailing out a ship with a thimble. That is what we have here, the government trying to deal with the large problem of $40 billion and we are playing around the edges with some of the cuts. Most people in Canada know that just will not work.

I spent some time in Halifax during the spring recess with a number of business groups and a model parliament. It was with enthusiasm that I watched the prime minister of that model parliament and his elected members from the school expressing their views and frustrations about things that are happening in the country; the criminal justice system, parliamentary reform and so on, but expressing long term views of the problems that exist in our economy. I do not think we should take this so lightly. These young people have reason to be concerned.

A lot of people talk about our younger generation today and refer to them as generation *x*, a generation some say that does not have its own identity as far as music and other things. My impression of generation *x* is one of young concerned Canadians, a group that probably will have, very rightly so, very little tolerance with us baby boomers who have managed to spend ourselves into oblivion.

When it comes time for us to have a pension in the next 15, 20, 25 years I somehow think that generation *x* will be very dissatisfied with us and our spending and will have no sympathy

whatsoever. Perhaps it is well deserved by us. The frustration is across the country. I see it in my riding every day in Langley, Aldergrove, and Max Lake.

The budget has created some serious concerns for Canadians and as I travel and talk to people in this fair city of Ottawa you can hear it every day. It is on their minds. The government has not addressed the concerns of the economy.

I sense there are some members on the government side who want to deal with it. I do not know what the problem is. Maybe the cabinet ministers wish to hold them back but I sincerely hope those members will convince their leaders that something more serious has to take place.

I have talked to bankers in the maritimes. They expressed the same concerns as bankers in Fraser Valley West. It is no different. It is not regional. How can any rational person support Bill C–17 which will provide for $3 billion more in expenditures next year than the previous year?

• (1540)

The Liberal government has provided what I referred to some time ago as a flaccid approach to managing Canada. The dictionary definition of flaccid is limp–wristed, lacking vigour and feeble. At the time when I talked about that I put my own definition of the word flaccid. I made it an acronym. Flaccid to me really means the federal Liberals are crafty Conservatives in disguise. I do not see a lot of difference. Now I am getting a rise from the members on the other side of the House so I am starting to hit a few buttons here. I expect that will happen over the next few years.

However, they should not take it so badly because I am going to do my very best in the next 10 minutes to explain why Canadians coast to coast feel this way and are disappointed in the selection of the government in the last election.

Let us compare the short record of this Liberal Party with that of the Conservatives who were annihilated in the last election. It is necessary to make this comparison throughout this speech to understand why we cannot support the Liberal budget and why I predict that party will fail dismally in the next election. That is a pity really but that is the way it is going to go.

I can remember back in 1984 when the Liberals were thrown out and we brought in the Conservatives. Canada had so much hope. What happened? They spent their way into oblivion. Now we are just continuing on with the next generation of traditional politics.

The budget is going to see Liberal spending increase by $3 billion at a time when our national debt is $40 billion.

The financial markets are reacting to it and businessmen have reacted to it for the last 10 years. They are concerned. The only group that is not reacting to it is the government itself. It is ironic.

The government does not have the intestinal fortitude to deal with reality. It indicates also that the government cannot take a tough stand on the big issues and will not. This Liberal government really is a Liberal government. It is not Conservative in nature and it is definitely not Reform in nature. Some of the members are suggesting that is a good idea but we will see in the next election.

Let me take you into some detail that will astound you, Madam Speaker. I want to talk a little bit about just why we get frustrated here and why the people out in all of the communities in Canada get frustrated. I want to talk about a little organization called the Social Sciences and Humanities Research Council.

This council has existed for some years now. I do not know how far back, but it existed in the Conservative reign and it exists here today. I will just run by a couple of bottom line budgets of this organization. In 1991–92 its budget was $90 million. In the next year, 1992–93, its budget was $101 million. The budget has gone up and at one point it was $97.7 million.

One might say: "Well what is wrong with that? It must be a good organization and it must do a lot of good things". I do not doubt that. However, in this budget when we were looking for some cuts there were no cuts to the organization. In fact its budget increased.

Let me give you an idea of some of the expenditures coming from that organization that have not been questioned at all. In fact its budget has been increased. After I read these I think the people watching and listening this afternoon and my colleagues next will ask themselves the question: Why did we not look a little harder at this in the budget? Why did we not take some money out of this budget?

Payments: $15,435 to study eunuchs in Imperial China. Now I ask: Do we have a better way to spend $15,000? The amount of $147,827 was spent to examine lullabies, form and function in infant directed music.

• (1545)

While that may be interesting to some, I doubt very much whether there are many people in this country who have a lot of interest in their tax dollars going this way.

An hon. member: The Liberals have.

Mr. White (Fraser Valley West): The Liberals have made no changes to the budget. In fact they have increased it, so this is the track we are going on.

I will just run by a couple more because there are so many of them. Let me give members the one that might interest a lot of people. There is $21,566 to examine experimental studies of interactive gestures. Let members' minds roll a bit on that one.

I am sorry I am going to run out of time because I do have a bunch of other things to talk about. If members want to look on the bigger scale of things, here is a government that is talking about spending $6 billion of taxpayers' money on infrastructure, another $1.5 billion on child care seats and so on. It is all taxpayers' money. There have been no cuts to the budget. It is a disgrace to put this in front of the people of Canada.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm): Madam Speaker, to start with I would like to tell the member for Saint–Laurent—Cartierville how pleased I was to meet her in my riding before the Easter break, for the handing out of a cheque. I hope that the day I run into difficulties, I will be able to count on the government to help me out. I will be happy to meet you in my riding for less auspicious events than the handing out of a cheque. Madam Speaker, I mean that in a very friendly way.

Having said that, I welcome this opportunity to speak to Bill C–17, an Act to amend certain statutes to implement certain provisions of the Budget tabled in Parliament on February 22, 1994. Under this rather innocuous title, this act has far reaching consequences for nearly everyone in Canada and in Quebec. This bill affects every household, every family and every taxpayer in the country.

When reading this piece of legislation, one can really see how thirsty the government is for money. There is a problem however, the government always digs into the same pockets to take the money it needs. This time, once again, it goes after the unemployed and pensioners and, as I said before, families, more often than not low–income families who can hardly make ends meet as it is.

I think that instead of bringing the unemployed to their knees, the government should have helped them break out of that vicious circle and get back onto the labour market. You do not keep on hitting somebody who has already fallen to the ground, you help him get up. One way to help the unemployed is to agree to Quebec's many requests to decentralize manpower training. This would improve efficiency and help unemployed workers find their way through a maze of 75 programs with different entrance requirements depending on whether they deal with the federal government or Quebec departments. It would also help reduce the cost of overlapping jurisdiction and duplication which is estimated to be around $300,000 in Quebec alone. This figure was not arrived at by the Bloc Quebecois but by a former Quebec minister, a former minister who was a Liberal and a federalist. Three hundred million dollars because of overlapping is not chicken feed, it is a lot of money.

It is mostly because it has been recognized that a greater decentralization, bringing training and re–entry programs closer to the labour force, was more efficient than a strongly centralized policy such as the approach the Canadian government wants to impose on the provinces that the government must meet our expectations regarding manpower training.

According to Statistics Canada and other government bodies such as the Department of Employment and Immigration, each year, there are between 50,000 and 90,000 jobs that go unfilled in Quebec alone. With these figures, it is possible to see that there is a problem with training. Based on these figures alone, in difficult times such as these when everyone is looking for a job and talking about jobs, the need to do something is obvious to anyone who takes a hard look at the situation. In spite of all that, and in spite of the fact that the decentralization of training is unanimously approved in Quebec, we continue to negotiate, to hesitate and to waver, not knowing exactly what to do. As the hon. member for Roberval said yesterday, we discuss and these friendly discussions go on and on between Quebec and Ottawa, but no decision is ever made. I hope that the future will be more promising. I hope that the powers that be in Quebec will wake up and put their foot down once and for all.

• (1550)

Yesterday too, the Leader of the Opposition was right on when he said that in Quebec the issue of training decentralization generates a rare consensus. Indeed, it is not often that you have Gérald Larose and Ghislain Dufour agreeing on something. There is a real consensus and Quebec's position is very clear.

We can never insist too much on the fact that the Martin budget taxes employment and jeopardizes an already weak recovery.

The minister who, not so long ago, so vehemently opposed the Conservative policy, is now pursuing that policy and is doing even more damage than the Conservatives before him. Indeed, the minister pursues the Conservative policy of lowering UI benefits for the vast majority of claimants. To ease its conscience, the government threw in a few goodies in the bill, including the provision concerning low–income earners with dependent children. This is nothing to write home about, but the government put that in the legislation to make it somewhat more palatable. But this is only to save face; this is only to create a diversion.

This policy shifts the emphasis of the problem and makes it worse. I represent the riding of Berthier—Montcalm which extends to Saint–Michel–des–Saints, Saint–Zénon and all the way up to the Indian reserve of Manouane. What did people tell me every time I visited those regions during the election campaign? They said: "Michel, is there a policy to help our young stay here in our regions?" I understand these people because the population of these communities and villages is

dwindling. Those amendments to the Unemployment Insurance Act will not keep the young in the regions. On the contrary, they will leave sooner for the city. The shorter the benefits, the faster they will go in order to find a job. They will try to find a job rather than depend on social welfare, and they will head for the city to do so. The problem is they will not find more jobs in the city than they do at home. And they will end up on welfare. The Minister of Finance will be pleased because they will no longer appear in federal statistics but on provincial social welfare rolls. If that was his goal, he did succeed.

Let met give a few figures on the impact of unemployment insurance reform. Eastern Canada and Quebec will be hit particularly hard by the elimination of regional rates of unemployment beyond 13 per cent. The last word I got from UI officials is that the current rate in my riding of Berthier—Montcalm is about 15 per cent. Those amendments will have a severe impact in my area.

When the regional unemployment rate is higher than 13 per cent, the number of weeks of benefits for people having just a few weeks of insurable work will be greatly affected. The impact on Eastern Quebec, where the needs are most acute, will be severe. According to an internal document of the Department of Human Resources Development, we can expect the following reductions in benefits: Atlantic Canada, $630 million; Quebec, $735 million; Ontario, $560 million; western Canada, $430 million.

The Minister of Finance argued that the cuts were fair, saying that Quebec and the Maritime provinces would still get more, per capita, after the reform. If he meant the benefit to population ratio, his argument does not hold water. It is natural for a province with a high unemployment rate to get more than other provinces.

• (1555)

Since I only have one minute left, I will raise another issue which is very dear to me. As you know, 1994 is the International Year of the Family. I think this should be a golden opportunity for the government to do something to help families.

Let me read you an excerpt of a letter I received from one of my constituents. The subject is "The art of being stupid in the extreme". That person wrote: "You know when the new federal policy regarding help to families was released, I was pleased to see that children's benefits were no longer taxable. Unfortunately, the government announced at the same time that my husband and I were too rich to continue receiving such benefits". With an annual salary of $38,000, once daycare and babysitting costs are paid, as well as other expenses, there is only $11,000 left for the year and for the pension fund. Yet, the minister said that these people were too rich and sent them a notice of assessment for a $63 overpayment.

"I have a cute little case containing exactly $46.09 in pennies and nickels from my little girl's piggy bank. I want to send it to the Minister". The person who wrote asked me to table it in the House, but since this is not possible, I will send it directly to the minister. This is a good example of the lack of policy and will to help families raise children.

Mr. Bernard St–Laurent (Manicouagan): Madam Speaker, Manicouagan, the riding that I represent, is one of the regions most affected by the lack of jobs. Its geography is quite particular. It is so special that to meet all my constituents in the towns and villages where they live, I must often use four different modes of transport—plane, boat, car, of course, and often snowmobile.

Unemployment is particularly high because of the demographics of the constituency. The latest unemployment rate recorded by Statistics Canada, for March, I believe, was 17.8 per cent in my region, compared to 10.6 per cent nationally.

The eastern part of the riding is quite specific, made up mainly of fishermen and/or people who depend on that natural resource; unemployment insurance is a considerable source of income for them. Between 80 and 85 per cent of the people east of Natashquan depend directly on income from fishing. Now it seems that the measures in Bill C–17 will especially affect eastern Canada, including Quebec, and particularly eastern Quebec, including my riding.

That is why I strongly denounce Bill C–17, especially clause 28. This clause will be disastrous for those, like many of my constituents, who depend on fishing.

This is what might happen if Bill C–17 is implemented. For one thing, the Minister of Fisheries and Oceans is reducing fishing in the Gulf of St. Lawrence so that the stocks can recover. That is most commendable and useful too, up to a point. But at the same time, and there is the rub, Bill C–17 will raise the minimum number of weeks of work required from 10 to 12.

So on the one hand people are prevented from accumulating weeks of work and on the other, the number required is increased from 10 to 12. These two measures pull in opposite directions instead of converging.

In March, after the Minister of Finance presented the federal budget, three teachers in the Department of Economics at the Université du Québec à Montréal, UQAM, openly described what they thought of this in the provincial media. They expressed surprise and concern at learning that nearly 60 per cent of the announced federal deficit reduction, namely $2.4 billion out of $4.1 billion, will be supported by unemployed Canadians. Their statement speaks volumes.

• (1600)

It means that, once again, the government goes after the most disadvantaged in our society and asks them to tighten their belts, as if there was fat to be trimmed in the unemployment sector of the economy. It is absolutely unthinkable. The Minister of Human Resources Development himself said some time ago that they wanted to force recipients to work for longer periods to continue to qualify for the same number of weeks of benefits.

I will repeat only the first part of what he said, which is revealing, namely that they want to force recipients to work. To say something like that, they must be a little out of touch with reality.

In Quebec, some 90 per cent of unemployed workers lose their jobs through no fault of their own due to lay–offs, illness or retirement. Most have no control over the duration of their employment and, if they take casual or seasonal jobs, it is not because they do not feel like holding a stable, well–paid job but because they have no choice.

This bill appears to want to protect the country against an attack or an invasion by the nasty hoards of unemployed whose goal is to remain unemployed until they die. And this is not the case at all. No one wants to remain unemployed. In 1987, the Human Resources Directorate announced a competition to staff positions at the Port–Cartier penitentiary in our riding. Many people are familiar with this facility because it made the headlines when it opened.

A total of 250 openings were announced—openings for correctional services officers and for administrative officers. The directorate received no less than 23,000 applications for these 250 positions. Despite the unique aspects of working in a correctional facility, because this is no easy job. There is a certain amount of risk involved. Yet, 23,000 people discounted the risks and applied because they wanted to work. That is what we were told.

It is not that people do not want to work. Rather, the current state of the economy is not conducive to hiring people. Why then take it out on the unemployed?

Pursuant to clause 22 of Bill C–17, certain unemployment insurance claimants will see their benefits increase from 57 per cent to 60 per cent, while others will have their benefit rate reduced from 57 per cent to 55 per cent. By the finance minister's own admission, only 15 per cent of claimants will see their benefits increase, while the remaining 85 per cent will see their benefit rate drop from 57 per cent to 55 per cent. Perhaps we did not say enough about this particular provision when it was announced, but as Official Opposition, we are doing so now. This government is merely cementing the policy of the previous government. Furthermore, it now says that its priority is to reduce the benefit rate, not to reform social programs.

Incredibly, I have only a minute remaining. I was coming to the best part, Madam Speaker. In conclusion, let me just say that in the riding of Manicouagan, just as in other ridings in Quebec and Canada, people want to work. They are tired of being accused of not wanting to work. They want nothing more than to work, Madam Speaker.

• (1605)

I am opposed to this bill because I do not believe for one moment that legislation like this will help to turn the economy around. At best, it will lower the unemployment figures and merely mask the true state of this country's economy.

Mr. Benoît Sauvageau (Terrebonne): Madam Speaker, to begin with, a Canada–wide committee was struck to examine the proposed changes to the UI program, as part of the review of social programs. I have talked many times about the creation of committes up until now.

Even before the conclusion of the study, the Prime Minister refuses to give Quebec what rightly belongs to it. Everybody in Quebec, even the Liberals--and these are the Prime Minister's words—who are not big bad separatists, is demanding it, but the Prime Minister rejects out of hand what he calls the "whims" of Quebec.

They are not whims, but Quebec's most basic demands; they are also a way of asking that the Constitution be respected, as it applies to education, which is explicitly described as an area of provincial jurisdiction.

At this point, I wish to announce to members of the House and to you, Madam Speaker, that this very afternoon, the National Assembly of Quebec voted unanimously in favour of a motion giving Quebec exclusive powers in the area of job training.

Some hon. members: Hear, hear.

An hon. member: Quebeckers are standing up for their rights!

Mr. Sauvageau: Madam Speaker, the party across the way is acting like a parent who does not want to recognize the autonomy of his children who have grown up. The Prime Minister says that he has to maintain control over budgets and decisions related to job training because we have unemployed workers. Are we not big enough and responsible enough to know our needs? Have we not proven our economic know–how and buoyancy over the past 30 years? Let us go back a little to look at the economic expertise of Quebeckers.

There are, for example, the Caisse de dépôt et placement, the Société générale de financement, the REAs, the financial institutions reform, and Hydro–Québec. I would like to point out that these initiatives are mainly the brain–child of a single man, who will most likely become the next Quebec premier in a few months, Mr. Jacques Parizeau.

Some hon. members: Hear, hear.

Mr. Sauvageau: Our expertise in the management of our assets is well established, but given the persistent opposition by the ruling government, I repeat, we have realized that it is only by being sovereign that we will be able to patriate those powers that are essential to Quebec's economic renewal.

We must also ask ourselves the following question: In its deficit reduction plan, did the government opposite do its share? Did it penalize only the unemployed and the old people by taking away their tax deductions?

Here is a long excerpt from an article by reporter Claude Piché which appeared in *La Presse* on February 22 this year. He wrote: "Here are some figures. Let us not forget them when the minister socks it to us while saying he has to put government finances in order".

It seems that the reduction and restriction spectre did not keep our diplomats from sleeping. Last year, and the figures are accurate, they are dated February 22, the Foreign Affairs budget exceeded $3.8 billion, a 13 per cent increase over the $3.4 billion recorded in the previous year, when spending was up 5 per cent as compared to the year before. Alone, spending directly related to representing Canadian interests abroad , such as embassies, high commissions, consulates and other diplomatic activities, including everything that goes with it, planes, trips, and soon, increased by 23 per cent over two years, a figure that does not show an obvious concern for austerity.

• (1610)

The Canadian International Development Agency, CIDA, by far the main agency of this department, spent $2.2 billion last year. CIDA increased its expenditures by $232 million last year and by $133 million the year before, for a 19 per cent increase in two years.

The budget of the Department of Indian Affairs exceeds $4 billion. This is another department where it is obvious that they do not know about making sacrifices. Their expenditures have increased by 7 per cent last year and by 9 per cent the year before for a total of 16 per cent. More than half of their budget, more than half of those $4 billion is made up of grants and contributions to band councils and tribal organizations. These payments have jumped 23 per cent in two years to reach $2.6 billion last year.

The inflation rate in Canada was 1.8 per cent last year and 1.5 per cent the year before. We have to wonder.

Let us now take a look at the Correctional Service of Canada, the very agency which builds for criminals luxurious condos such as the majority of honest workers could not afford. It has spent $876 million last year, an increase of 7 per cent over the previous year.

At Fisheries and Oceans Canada, expenditures took a 30 per cent leap over the previous year to $869 million.

The increase in Communications Canada's budget is close to 10 per cent. This department is spending $2.2 billion of your taxes and mine, nearly half of this amount being allocated to CBC. But the biggest chunk which makes all other expenditures look insignificant by comparison is the debt service. This is when we stop counting in millions and talk about billions of dollars.

Last year, Ottawa spent $39 billion to service its debt. If one were to add all the expenditures, the subsidies, the grants—whether justified or not—and multiply the total by four, the result would be the cost incurred last year by the government only for servicing its debt.

Such is the painful assessment of twenty years of poor public finance management.

This article tells us what is wrong. The government asks Canadians to foot the bill and, at the same time, increases its spending—in that case, by an average of 17.7 per cent in the departments I have just mentioned. While the cost–of–living index rose by 1.7 per cent, government spending increased ten–fold.

It is also important to recall the position of the Liberals when the late Conservatives changed the Unemployment Insurance Program. Remember the shouting and the insults of the Liberals against such changes when they were in the opposition. They changed their tune. Remember the position of the Liberals on the issue of granting more authority to the Auditor General. Now, they are opposing a motion proposed by their own party. Change of side, change of heart.

What consistency! They wonder why there is a lack of confidence on the part of the public. A used–car dealer is more popular than they are! I therefore repeat my position with regard to economic recovery and job creation.

In conclusion, the government is once again trying to fool the public. But this time, it does not work because citizens are much better informed than they used to be and cannot abide trickery.

The government must stop believing that it alone can create jobs. You said it, we said it, we agree on that, small businesses have been the main job creators for many years and they have to keep on playing that job–creating role.

The failure of the previous government and the one foreseen for the liberal government should get them to become a bit more responsible. They have difficulty doing that. An efficient government has to be a custodian of public funds, it has, in principle, to keep its spending under control, to keep the deficit

under control and to restore confidence in the economy. I said so last week.

• (1615)

That confidence is the basis of a healthy economy. The illogical decisions that have been made by governments for too long and that are still made today hinder the establishment of that confidence, which is essential for the economy to recover.

It is not by creating temporary jobs and, while doing so, by ignoring the role played by the small business that the government is going to revitalize the economy, but rather by restoring the climate of confidence which will stimulate investment and, at the same time, will create real jobs, for good.

However, it is not a federal government, with its departmental overlapping and its heavy management, that will meet that simple objective, but a sovereign Quebec, sole master responsible for its decisions and its management, which will inevitably—

The Acting Speaker (Mrs. Maheu): I am sorry, but the hon. member's time is up.

Mrs. Monique Guay (Laurentides): Madam Speaker, I will try to finish on time.

In Laurentides, the riding I proudly represent, the unemployment rate is 18 per cent, a far cry from the national rate that was leaked last week. As I said a far cry from the rate that hon. members opposite are celebrating. A person would have to be terribly naive to believe that your policies were able to bring down the unemployment rate. All your decisions and initiatives since October 25 have been a mere drop in the bucket.

These self–congratulatory statements are just an attempt to mislead the public. You say your policies are working and producing results, but you are just distributing a few crumbs here and there. Your response is band–aid solutions and very short–term planning.

Where is the real vision? Where are the long–term plans that would help us look forward to a stabler economy that would generate more jobs? Instead of taking a serious approach to the problems and the solutions they require, the ministers opposite go on trips and come back with so–called good news. A trip to Korea, and Hyundai will open its doors again. Good news? News without much substance, which has raised a lot of concerns among the public. This strategy, which I say is pathetic, is not a winner, and no wonder.

The people on the government benches are handling problems on a day–to–day basis. They do not know what is going to happen tomorrow. The unemployed in Laurentides know perfectly well nothing has changed. Since you took over the government benches, there have been no more jobs for them.

They do know that after unemployment insurance comes welfare, and that is what really made the unemployment rate go down. It is true! Look at what is really happening in our ridings. The federal government is passing the buck to the provinces. This transfer of the tax burden, which is a disgrace, is a clear sign of the Liberals' inertia and indifference.

Welfare, cuts in unemployment insurance, jobs without a future, tax increases for the middle class and pretty speeches are the only results produced by the government's red book.

People in Laurentides want work. They are willing to train, be retrained and upgrade their skills to acquire the tools they need to meet labour market requirements. The 18 per cent who are unemployed in my riding—I repeat 30 per cent—want to see some light at the end of the tunnel. They want the government to implement programs that will help them go back to work. They want long–term employment, jobs that will give them some security, not the kind of jobs that last only a few weeks, created under programs that are only intended get people the number of weeks they need to go back on unemployment insurance. Workers are caught up in a vicious circle that the government merely encourages through these programs. We must change our way of doing things, change our approach to get results that are more useful and more attractive in the long run, both for workers and employers.

The economy of Laurentides is based mainly on spin–offs generated by the tourism industry and the goods and services sector. Except for greater Saint–Jérôme where you find well–established small and medium–sized businesses that provide good jobs, our economy depends on tourism. Now, the nearly total dependence of jobs on the presence of tourists in our area means that all workers are considerably exposed to uncontrollable elements. As a matter of fact, poor seasons due to low temperatures or a lack of money on the part of vacationers directly affect employment opportunities in the riding of Laurentides.

• (1620)

There is no doubt that the economy in my region needs to be diversified. A few dozen of strong small and medium–sized businesses would be welcome. They would help reduce our dependence on tourism and protect us against elements over which we have no control.

A business that manufactures high technology products, for instance, could certainly, while diversifying our economy, keep it at an acceptable level, guarantee a certain number of jobs and, indirectly, an adequate overall purchasing power.

Unfortunately, we do not have those small and medium–sized businesses in the Laurentians. Moreover, I invite those of the other side, the ministers, to come to my region and meet the

business people in order to develop the whole small and medium–sized business sector.

We must face the facts. The Laurentians depend on tourism for a living, as I have already said. Ski resorts, beaches, campgrounds, summer theatres, hotels, motels, restaurants and shops are the main source of employment for our workers. The level of activity of those employers depends on tourism, which fluctuates a lot, and on the purchasing power of residents, which is linked to the economy of the region.

The results for workers who are concentrated in great numbers in that sector are seasonal and precarious jobs, unsteady and low paid jobs. Our workers are very much affected by the fluctuations of tourism. That is why they must get unemployment insurance benefits between jobs while they are waiting for good seasons. Some wait for summer jobs while others work in the winter.

At the end of every working season, people come in greater numbers to ask for unemployment insurance because there are no other jobs available to them in the near future.

The recent changes to the unemployment insurance system make benefits even more difficult to obtain. In my riding, these changes will affect a great number of workers who cannot accumulate the required 12 weeks for the reasons I have already stated. For them, it means a direct line to welfare. A nice move on the part of the federal government. The decision–makers on the other side have never realized that, given the economic situation in the regions, some workers have a hard time finding work for 12 weeks.

And the Liberals keep at it. You have to work more, but they give you less. Less benefits and for a shorter period. Less money to spend, less purchasing power; the economy cuts jobs and does not create new ones, and so goes the spiral.

The Liberals reduce UI benefits without offering workers alternatives. Their thinking is topsy–turvy on the other side. The liberal processes follow a logic which is contrary to common sense. It is disquieting and discouraging for my constituents. It shows clearly that the Liberals have more consideration for figures than for persons.

Another provision of this reform also seems to be stress–generating. The benefit rate of 60 per cent for low–income persons with dependent children leads us to believe that there will be investigations made in order to confirm their status. In Quebec, we already know the welfare "boubou–macoutes"; we are aware of all the trouble and tension they caused in our province. I hope the federal government will not copy that kind of action which is most aggravating and infringes on people's privacy.

Finally, the impact of these amendments will be disastrous for the people of Laurentides. They prove that the Liberals are disconnected from the grassroots and from the realities of regional economic situations. Together they can shout "Alleluia for welfare" which is an easy and shameful way for them to shirk their duties and responsibilities.

• (1625)

Mr. Ghislain Lebel (Chambly): Madam Speaker, the present government was elected after campaigning on a single theme: "jobs, jobs, jobs". All of us here remember the answers the Prime Minister gave to the questions of his opponents and of the invited guests during the leaders' debate. To all questions the Prime Minister would invariably and tirelessly answer: "jobs, jobs, jobs."

To some of his unemployed constituents who were voicing their disappointment in the riding of Saint–Maurice, the Prime Minister said: "—this was in the red book, they should have read between the lines—" To read between the lines is the role of the opposition, and it will not fail doing so, whether the party opposite likes it or not.

Any budget worthy of that name has to bring, first of all, a degree of confidence into a failing, not to say moribund, economy and to a population also craving security. How do you reconcile the words of the Prime Minister "jobs, jobs, jobs" and the budget of the Minister of Finance? Did the government succeed in giving the degree of confidence it wanted to the financial world, then to investors, and finally to consumers? I doubt it, Madam Speaker.

Considering the figures contained in the budget with regard to social programs, and unemployment insurance in particular, can we say that social demands for security and stability have been met?

The people of Canada and Quebec have the right to expect two things of a social policy with an economic goal: First, job creation and, second, the assurance that the jobs created will be permanent. What kind of jobs were created up to now? The infrastructures program leads to the spending of huge amounts of money for the creation of purely temporary jobs, almost exclusively for men.

I agree that in the short term jobs will be created, but because of the nature of the work being done, this only postpones for a few years the inevitable crisis already obvious. In other words, instead of buying chickens, they prefer to steal them from someone else's henhouse.

What happened to job creation targeting, for example, young people, laid–off workers aged 50 to 65, and young university graduates, to name a few? Madam Speaker, there is absolutely nothing for them in that bill. Instead, the government cut the budget for forestry development by 5 per cent. There is nothing either for young technicians, no structural project to create jobs in companies such as MIL Davie, which could build the ferry-boat people in the Magdalen Islands have been waiting for for so long.

There has been great uncertainty created by clause 25, and the freeze of job–creation programs such as DEPs, which, incidentally, we are told, will be managed by a discretionary fund at the Department of Human Resources Development; it smacks of partisanship. The cut in the unemployment insurance premium is postponed till next year, even though the finance minister claimed that dropping the rate from $3.07 to $3.00 would create 40,000 new jobs. Why not create them right away instead of waiting until next January to effect this much talked about drop?

There is a complete unwillingness to discuss the conversion of the defence industry, the HST, and Oerlikon's low–altitude defence system.

• (1630)

Poor Canadians, poor Quebeckers, poor jobless.

Since troubles never come singly, the brand new budget is in a bad way and was off to a poor start from the very beginning.

Interest rates are rising rapidly, the Canadian dollar is falling, which means our foreign debt will cost us even more, and some plants have closed, like Hyundai, in Bromont.

What does the Minister of Finance have to suggest after the fact, since he is really the one who is involved? Nothing, absolutely nothing except to take it out on the jobless, in two different ways: having them contribute longer by increasing the number of weeks required to be eligible, and reducing the number of weeks of benefits.

That is how the government reacts to the requests of citizens, of Canadian and Quebec workers. For my part, I consider that as killing them slowly.

This government will probably be remembered as the one that did the least with the biggest budget. Let us not forget that we have a projected deficit of $39.4 billion. It is not chicken feed!

There is only one law the government should adopt, because it has been enforcing it since the elections, that is, the law of least action.

It would also seem that the Liberals favourite theme line "jobs, jobs, jobs" was for nobody, especially not the heavyweight ministers of this government who systematically refuse to carry out the job of creating jobs.

The eastern provinces are hit harder than any other by the proposed UI changes, with cuts totalling $1.3 billion, and Quebec in particular, with nearly $800 million in cuts. These cuts hurt. That is why the last time changes were made to the UI system more than 50,000 braved bone–chilling weather in January or February 1993 to demonstrate their opposition to the Valcourt reform.

It is both urgent and imperative for the government to have a vision for the society it is governing and to stop applying poultice on a wooden leg by holding consultations which are pointless because of this lack of a global vision of the society of the future.

It is the Prime Minister's duty to assign to key positions people with a vision, with innovative ideas, and capable of seeing that they are implemented instead of choosing people, as seems to be the case at present, based on their support during a certain leadership race.

Again, the unemployed are going to be the ones to pay for the Prime Minister's political debts.

A poet once said that many have died for their ideas, but many more have died for want of ideas!

For all these reasons, my caucus will not hesitate to vote against the bill before us.

[*English*]

Ms. Maria Minna (Beaches—Woodbine): Madam Speaker, the budget reflects what we said we would do during the election. Let me look at some of the aspects of the budget which I find very, very positive and upon which we have already taken action in the last little while.

Looking at youth for instance, I know that earlier the member opposite from the Reform Party was talking about generation *x*. I have some 20 years of experience working with young people helping them deal with retraining and upgrading. The first aspect of this to look at is apprenticeship.

At a conference recently young people talked about making a decision by the time they hit grade 10. They said that is when they decide whether they are going to continue with post–secondary education or whether they are going to quit school. The latter means dead end jobs and not much of a future.

In this country we have never valued apprenticeships. In other countries apprenticeship is valued. In Germany there are 600,000 graduates a year. In other countries trades are not something blue collar workers do, but trades are considered as careers and professions and are valued by society.

• (1635)

In our culture we have not valued trades. We have not valued tradesmen and people with skills. We have devalued them. Therefore we have not built in infrastructures to be able to assist young people to go into apprenticeship programs or a trade if they choose not to go to an academic program at college or university.

We have built into the budget an apprenticeship program to deal with this very serious problem. It is a serious structural problem in our training and educational programs and affects the future of the young people of the country.

As a country it is time to join the rest of the world in making sure our young people have an option when they leave school. Those who do not want to go on with academic studies at university will have the option to follow a career. It is not just a make–shift program but offers a career in technology, in trades. It gives them the skills not only to get a job today but also to become the employers of tomorrow. In many other countries the artisans are the ones who create jobs in the small businesses.

By announcing an apprenticeship program in our budget we are talking about finally filling the gap and joining the rest of the world in the 21st century.

Another aspect deals with young people who have lost jobs. When the jobs go they are the first to go as they do not have the skills and are the most junior members of a company. There are also those young people who do not have the skills and have already dropped out and need assistance to get back into the labour market. We need to develop training programs and assistance for these young people.

Let us also look at the transition from school to work. Young people who have finished a training program or have obtained a college or university degree are unable to find jobs. Right now a lot of them are looking for work but do not have the experience. Quite often as many of us were told when we were looking for work they cannot get the job because they do not have the experience. They have not yet worked at or practised the trade they studied in school.

The Canada youth corps program which the government mentioned in its budget and which will be announced sometime soon by the Minister of Human Resources Development will try to address that problem. It will try to give young people at least a year of experience in the workplace so they can add those skills to their resumes when they go looking for work. That is very critical.

Traditionally we have not valued young people in the country. I know that sounds like a horrible thing to say and people will say it is not true. We value certain types but not others. In Ontario we have a 30 per cent dropout rate in the school system. That means 30 per cent of our young people after grade 10 have no skills, not much education and no hope of finding a job.

These are the things we are talking about in our budget. It is not just false hope, not just unrealistic plans we are making. The budget is very realistic, very credible and very practical in dealing with the real problems and solutions that today's economy requires and that we should have got into quite some time ago frankly.

The other aspect I want to get into is small businesses. We talk about jobs. All day today many members opposite have been talking about jobs. They do not develop automatically. We are in a recession.

Small businesses create many jobs but they need assistance. The budget directly addresses the problem of funding for small businesses. It addresses directly the problem with banks and the relationship of banks and the lending process. The budget deals with setting up structures to create an environment where the capital needed by small businesses to create jobs and to expand businesses and to invest is there.

The budget deals with innovative industries. It tries to ensure we can develop new technologies and bring them to market in this country making sure that it will also create jobs.

These are infrastructures this country needs badly and we need to work with. The Canadian Federation of Independent Business said that this was a good budget and it was sensitive to the needs of small businesses. That is something we said we would do and something the budget addresses directly.

We have to create jobs but we also have to make sure this country's companies and industries are able to do that. Therefore we have to develop the environment that allows for that.

• (1640)

The infrastructure program has sometimes been reviled and criticized by the opposition. It is not a program that simply allows a few people to dig some ditches; it is a program that creates very serious jobs.

The construction industry has been devastated. Thousands of construction workers have not worked for three or four years at a time and have had to collect assistance. Now they will be able to work. Spinoff jobs will be created as a result of the infrastructure program. This again will stimulate the economy. It will get it going and will create some work and restore hope.

Finally, I want to make a point on some of the criticism I have heard about child care. We talk about jobs. We talk about young people. We talk about economic growth. But then, as some members opposite like to say: "But we must not spend money on child care". How can we assist parents and single parents who work part time or work nights in finding jobs or being retrained to enter the labour market if we do not provide support, subsidize or assist with day care? It is just not possible.

We are being totally unfair and not very honest with ourselves if we do not deal with the realities of the workplace. That demands support and assistance to families and to people who cannot get back into the workforce if they do not have that kind of support. Therefore criticism about additional moneys as was coming from the Reform Party a few minutes ago about child care is not acceptable. The budget tries to deal with that.

We are looking at trying to deal with some very complex problems in a very difficult time in our history but we need to address some of the structural problems. We need to deal with these problems. The budget tries to deal with them in a realistic way, taking into account the fact that there is not a lot of money around. That is true. We also need to deal with the deficit. But we are trying to deal with these things with some very practical solutions.

For my part I hope members opposite will find it important to support our young people, to support the small businesses and to support those parents who need the assistance to get back into the workforce.

[*Translation*]

Mr. Nic Leblanc (Longueuil): Madam Speaker, first of all, I wanted to ask a question at lunch time but I did not have time to do so. I just want to ask it to the Liberal members in power.

The Acting Speaker (Mrs. Maheu): Sir, the question period if over. You have ten minutes for debate.

Mr. Leblanc (Longueuil): Madam Speaker, this is part of my speech and it is also part of the budget. I wonder why the new business centre of the Canadian embassy in Mexico will be built by an American company. I think it is important to talk about this because, if we want to create jobs and reduce the deficit, we must help Canadian businesses to grow instead of asking foreign companies to build our embassies and offices abroad. I put this question to the Liberals listening to my speech today, so that they can ask the Minister of Foreign Affairs to look into it and ensure that Canadian businesses will be approached first when we have to build embassies and offices abroad.

Madam Speaker, I do not know who stole the notes I had in front of me but they are gone. Ah, I just found them.

First I must explain what a budget is. When a family decides to draw up a budget, it starts by calculating its income, just like the federal government must determine how much it collects in revenues. We know that our revenues amount to some $125 billion while our expenditures add up to about $160 billion.

• (1645)

We know that $40 billion go to pay interests on the accumulated debt. We know that; this is easy to figure out. What is more important in making a budget is to establish an order of priority for expenditures. How are we going to spend the money so as to improve our well–being. For example, a family may decide to first spend on a car, on rent, on clothes, on trips or on food. What proportion of our revenue are we going to spend in order to improve our lifestyle, respect our priorities and meet our needs?

It is in that sense that a government must look at its expenditures: It must ensure that spending is done in a way that best serves people, and it must ensure that these benefits are maintained. During the election campaign, it seemed to me, based on the red book, that the Liberals' priority was job creation. Even though we did not have the same vision regarding the country, we fully shared the Liberal's view on job creation.

However, we realized, once they took office, that the Liberals had completely changed their vision. For one thing, as several of my colleagues pointed out, they targeted the unemployed and overlooked manpower training. For five years now, Quebec has been saying that it must absolutely have jurisdiction over manpower training. Again, there is a unanimous motion before Quebec's National Assembly—a motion supported by both the Liberal Party of Quebec and the Official Opposition—asking that jurisdiction over manpower training be delegated to the province by the federal government. As you can see, this is an important issue.

When a government establishes its spending priorities, it should first look at manpower training on a budget level, since we are well aware that overlapping in that sector costs some 300 to 350 million dollars each year. Indeed, 300 to 350 million dollars are spent uselessly because of this overlapping in the manpower training sector. But the inefficiency related to this poor management and this overlapping is also very costly. The result is that we have people who get less training and who are less prepared to face the competition.

I also want to reply to the Reform Party member who made a speech this morning and said that Quebec is favoured in the Canadian federation. He said that we were receiving more than we were giving to Ottawa as regards unemployment insurance. I think the hon. member is partly right, but the question is: Do Quebeckers want to receive more money strictly to help those who are in trouble, or do they want to ensure that they are not in such trouble in the future? This is an important distinction, Madam Speaker.

We know very well that if we managed our own affairs in Quebec, we would recover several billion dollars through increased efficiency. This extra $800 million which the federal government suggests it is paying to Quebec does not mean anything, because this is in the context of the current management structure. The day we run our affairs alone, we will be much more efficient and we are convinced that we can reduce our unemployment more and we will not need that extra money because our economy will grow much faster.

• (1650)

Sometimes we in Quebec feel that the federal government wants Quebeckers to stay unemployed so that it can say that it is giving Quebec more money than Quebeckers pay. We almost feel that they are acting deliberately in a way to keep Quebeckers out of work more and more. So that is sort of an answer to the questions from Reform Party members, who are quite far

from Quebec. They do not seem to understand exactly what is going on in Quebec.

I must also say to the people in the Reform Party that maybe they should take a look at Quebec's economic structure. Quebeckers have had some successes these past few years, although they had to fight incoherent policies that hurt Quebec's development. Despite all that, Quebeckers set up some institutions. For example, on the economic level, we have set up mutual insurance companies, something quite extraordinary. We have the Caisse de dépôt, the Desjardins movement and its credit unions, the FTQ fund, the General Investment Corporation of Quebec. We built some amazing financial institutions.

Of course, every time the federal government changes the laws or regulations, it affects Quebeckers. If we Quebeckers were able to set our own budget priorities and make our own laws and regulations, we are sure that we could grow much faster and solve this unemployment problem that we have to live with and, again, be told by the federal government that we get a little more than we give, especially when it comes to unemployment and welfare.

You know that we Quebeckers have a lot more pride than that. We want to have the honour and the privilege of being able to develop and to earn our living honourably. For that, the only way to succeed is to collect all our own taxes and to make our own laws and in that way we can set our own priorities and develop as we should, Madam Speaker, and the way to do that is sovereignty for Quebec.

Mr. Jean–Guy Chrétien (Frontenac): Madam Speaker, regarding the budget, I would like to discuss two important issues today in the House, namely the proposed changes to the unemployment insurance system and the current state of employment in the country.

I spent the last two weeks in my lovely riding of Frontenac. Not only did I have the chance to bring myself up to speed on certain issues, I also travelled around my riding. My constituents were quite taken aback to see me and questioned my motives. "Is there an election on the horizon?", some asked me. "Is everything all right?", others wondered.

Constituents were surprised that a mere five months after the election, their MP would come and thank them for their support and discuss their problems. It was certainly a politically noteworthy event.

My colleagues opposite in the Liberal government would do well to adopt the same approach. A visit to their ridings without the pressure of an election would open their eyes very quickly to the real concerns of their constituents.

• (1655)

It certainly would have been useful if the Minister of Finance had taken this approach before tabling his budget and especially before introducing changes to the unemployment insurance system. His team of experts, so far removed from the day–to–day world of the unemployed, could have learned a lot.

Madam Speaker, as you know, the unemployed in this country have been left to fend for themselves. While a great deal of lobbying went on in the case of cigarettes and alcohol, no one is lobbying on behalf of the unemployment insurance or any other similar program.

Unemployment insurance reform. There, I have said it. Where do we stand on this issue?

We are struck the most by the lack of respect the Liberals opposite have for the unemployed. Several of the amendments to the Unemployment Insurance Act create inequities between individuals as well as between regions. I will give you three examples of such clauses and provide a brief analysis.

Consider, for example, clause 22. It provides for an increase in the rate of benefit with the introduction of a dual scale. However, according to the Minister of Finance, this increase will affect only 15 per cent of claimants, whereas the remaining 85 per cent will see their benefits reduced to 55 per cent. The Minister of Finance has shown his true colours and we now see where his social program priorities lie.

As for clause 26, it highlights the same kind of contradiction on the part of the government. It repeals section 48 of the Act and reduces the premium from the rate of $3.07 voted by the Liberals in December to $3. This point was made several times over the course of the afternoon, but I must emphasize it again. With this measure, the minister thinks he will be creating 40,000 job in 1995, because clause 26 will take effect only in January 1995. Why did this Liberal government, which is apparently so clever, increase the rate of premiums in 1994? Why not reduce it immediately? This would mean a loss of employment for 1994 due to poor planning or lack of goodwill on the part of the Finance Minister of a government which calls itself a champion of employment and yet jacks up UI premiums. I just cannot understand it! The Minister of Finance himself has recognized, as reported in *Le Soleil* on April 8, that the existing UI premiums constitute a form of taxation that is killing employment.

Coming back to clause 28 now, which provides for the reduction of the benefit period and hits Quebec and the Maritimes particularly hard. I can see several members opposite who represent ridings in the Maritime provinces. The fact of the matter is that any region with a rate of unemployment above 10 per cent will be affected by this measure which, combined with tighter eligibility requirements, is causing serious problems, particularly for young people, and will automatically shift the

load from UI to welfare. That is what we, in Quebec, call shifting responsibility to someone else. And, according to three economists from the Université du Québec à Montréal, it will cost the province the tidy sum of $280 million.

• (1700)

As far as I am concerned, the idea behind all this, the spirit of this reform is more harmful than the measures per se. There is a punitive tinge to it. The Minister of Finance is punishing the unemployed for not having jobs. In his mind, this is a choice they have made. So, their benefit period will be shortened, their cheques chopped, their qualifying period extended, and so on and so forth. It is unfair to ask as much from the unemployed as the Minister of Finance does. And this has prompted Pierre Fortin and his team at the Université du Québec à Montréal to say that, for the sake of equity, the government is actually forcing the unemployed to make an absolutely disproportionate contribution to fiscal consolidation.

This measure is forcing the unemployed in Quebec and Canada to contribute to the government's efforts to put public finances in order and to reduce the deficit. How do you want me to sell that in the region of Thetford when, just a short while ago, an influential minister, namely the hon. member for Hull—Aylmer, was reported to have used a government jet, at a cost of $135,000 or $140,000, to give a short speech on the so–called benefits of sound management? Sorry, but the unemployed in my riding do not buy that.

Furthermore, the UI reform is attacking indiscriminately cheats, profiteers and unemployed men and women acting in good faith. On these words, I will end my short speech on the budget tabled by the Minister of Finance. Of course it is understood that the Bloc Quebecois will not support it.

[*English*]

The Acting Speaker (Mrs. Maheu): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Jonquière—Native Communities; the hon. member for Verchères—Team Canada; the hon. member for Wellington—Grey—Dufferin—Simcoe—Agriculture; the hon. member for Notre–Dame–de–Grâce—Gun control.

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Madam Speaker, I am pleased to have the opportunity to participate this afternoon in the debate on Bill C–17, An Act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994. If we read the explanatory notes, we see that this bill deals with several issues and I would like to mention those that interest me the most, namely the wage freeze, the CBC, of course, and unemployment insurance. I will touch on these issues in my short speech.

This morning while listening to the debates because I was on today, I heard a member opposite give this bill 98 out of one hundred. I have the impression that we did not read the same bill. Although some sections are interesting—we cannot say, even if we are in opposition, that everything is bad—I would find it very hard to give such a high mark to this bill. True, when I was a teacher I had a reputation for giving low marks, but I still learned to read documents and assess their contents.

• (1705)

Wages are frozen for another two years. This time, they add insult to injury by suspending pay increment increases, which is worse as it will reduce even more the purchasing power of all public servants and all those targeted by this bill. I did not take any economics classes but, in my opinion, the more people's purchasing power is reduced, the slower the economy recovers. That is my impression, in any case.

So I do not see how this measure will put people back to work. The government is always talking about job creation. I would very much like to have, outside the Parliament buildings, a thermometer that would allow us to see every morning the number of jobs created by this government. We are used to red mercury, but we would probably see the thermometer dip to the freezing point quite often, without rising again because lost jobs would also be recorded. It would be hard to get the mercury to rise. The exercise could be extremely interesting, given how the government side crows over that project saying it will create 40,000 jobs. They want people to believe them, but they can never tell us how many jobs were really created the day before.

In my region, I hear people say: "Yes, three jobs were created, but yesterday eight jobs were lost. We are still five jobs short, even if we have three new jobs today." I think they should stop trying to convince people that so many jobs have been created. If there were that many new jobs, we would not have such high unemployment levels. This is self–evident, I would say.

With the wage and pay increment freeze, how will the pay equity problem which affects mainly women be resolved? Exceptional measures were adopted to provide for the Civilian Reduction Program. Here again, this could have been handled differently. We could have said: "O.K. We will freeze the pay increments and wages, but at the same time we will resolve the pay equity problem." That would have been a positive measure to take in order to revitalize the economy, since a good segment of the population would have regained some of its purchasing power, which it does not have because of a kind of discrimination that is allowed to go on in the federal system. By the way, the Quebec government was able to put an end to this kind of discrimination, thanks to the settlement it reached with the central labour bodies. In my mind, that would have been a very positive measure to take, but they blew it!

The first time I spoke on the budget, I mentioned that a lot of the workers in my riding have seasonal jobs. Fortunately for all of us and also for the Japanese it would seem, crab fishing has resumed. Some people will now leave the unemployment lines and get back to work. This will make the unemployment rate go up and down. And it is from these monthly figures, which do not reflect the true situation, at least from my point of view, that we are going to decide how many weeks of benefits people will be entitled to or what percentage they will receive, and so on.

So, we are using a measure which is arbitrary and sometimes far–fetched, because if you take the overall number of people fit for work who are between the age of 18 and 55 and compare this real number to the famous rate we hear about all the time, you would be quite surprised.

Now, daycare was mentioned in the red book. But, it was announced that no money would bet set aside in this year's budget for daycare. So, we were not to expect a miracle, because this party only does was it promised to do. Moreover, daycare subsidies were linked to the GDP. However, we do expect families to take care of their children, whether the GDP is rising or over 3 per cent. To my way of thinking, it is important that children be taken care of, whether the gross domestic product stands at 3 per cent, 2 per cent, or 1 per cent. It seems to me that, especially in this International Year of the Family, this shows a severe lack of vision and long–term planning on the part of the government.

• (1710)

So, when it comes to job creation, if we look at Heritage Canada, which is, as you know, my favourite department, we find that the budget of the National Film Board was reduced by $600,000. Why? To prevent independent directors from making movies. They create jobs but we cut there too. We heard this afternoon and yesterday about francophones outside Quebec. When we cut what is set aside for francophones outside Quebec by 5 per cent, we cut jobs. They cannot afford to keep their employees. Thanks to this measure, francophone organizations outside Quebec will undoubtedly disappear and very soon only anglophone members will represent Canada in this House. There will not be francophone members from Canada any more.

So, in my mind, this is also a serious problem. This department is always cutting jobs. In the case of the Canadian Broadcasting Corporation, this great agency which receives $1.2 or $1.3 billion yearly from the government, it has been known for a long time that CBC has a major problem, that is a structural loss of revenue.

In 1990, it was decided to cut the fat and to get rid of the regions so that CBC would have the dough it needed to solve its problems. Madam Speaker, the figures are astounding. This year, that is in 1993–94, CBC will have a $41 million deficit that will be covered by the staff pension fund surplus. Next year, the estimated $31 million deficit will be met the same way.

I can go on and on. In 1998–99, the deficit is going to reach $178 million. To top it all, CBC was just given authority to borrow $25 million in order to unfairly compete against private corporations and buy the broadcasting rights for the Atlanta Games at a cost of $28 million. Obviously, there is something wrong with that. This is a major problem. Assistance to athletes is cut, but we are going to support the Atlanta Games by paying two and a half times more for the broadcasting rights than CTV or Tele–Metropole were ready to pay.

Mr. René Canuel (Matapédia—Matane): Madam Speaker, many of us are newcomers in this House and we are here to try to improve the lot of our constituents. Unfortunately, unemployment plagues our country, especially in rural ridings.

In 1987, a Senate committee published a report containing frightening figures. That was one of the rare occasions in which the Senate was useful. Do you know what they said? They said that keeping someone on unemployment was more expensive for the government than creating a job for him or her. According to this report, in 1985, an unemployed person earned an average of $14,040 a year before losing his job.

Once on unemployment, the same person received more than $14,645 in various benefits from the three levels of government. That means that when a potential unemployed person works, he or she costs $14,040 in salary and produces $14,040 in goods and services.

• (1715)

So, society gets something back for the salary paid to that person. When, on the contrary, we pay that person to produce nothing, there is no benefit for the community. Where is this government's logic? Does it really care about the dignity of men and women?

The recent budget of the Minister of Finance shows that he does not care at all about the reality I just described.

Since 1968, the cost of unemployment has equaled the national debt. None of the measures put forward by previous governments, neither new technologies nor export expansion nor reducting the size of government, could make a dent in the unemployment rate.

There are solutions. It is only by putting the unemployed back to work that we will succeed in reducing the deficit. And it is only by creating jobs that we will stimulate growth without causing inflation to rise.

The solutions are within our grasp, but we must have the will to implement them. This inaction has terrible consequences for the people.

Allowing people to stay idle is to strip them of their dignity, to tie their hands and feet and leave them in the dark, to make them

suffer. Allowing people to stay idle is also to drive them to rebellion, to violence and to suicide.

In my riding, during the election campaign, some people committed suicide because they had been jobless for five years. Two brothers went around and knocked on every door. They were told everywhere that there were no openings. I thought that this would stop with the new government. But in my riding, there are other problems. It is a rural area, an area where unemployment is even higher than elsewhere, and you have no idea of the kinds of problems that unemployment can create in some families.

Finally, forcing people to become unemployed is to force them and their whole family to live in shame. It is not only the unemployed themselves, but their whole family, their whole environment.

Would it not be more profitable for all communities to give work to everybody at a minimum wage? I ask the question. Of course, there are some problems with a minimum wage, but it is a solution that we should consider.

The Economic Council of Canada simulated the implementation of such a program under which, for the production of essential goods and the provision of essential services, unemployed people would get on average as much as they were making when they had a job. The Council even found that not only was this program workable, it would not increase inflation, nor the deficit, nor the tax rate.

• (1720)

Would it not be worth considering? Through such profitable programs, and without hurting organized labour—as everybody has the right to work—and without additional cost to the government, we could use these people to launch a national child care program and a home care service program for the elderly. How many senior citizens are in need of that service? We have nobody to send to help them.

Moreover, we could set up a genuine manpower development program. We could even launch a national program for the revitalization of poor neighbourhoods in our large cities. We could set up a program to help farmers deal with the new realities of the marketplace. As you know, farmers work very hard. They need labourers, but they do not have any.

In my district as elsewhere in the rural world, many people can create jobs. I will conclude with the words of our great poet, Félix Leclerc: "The best way to kill people is to pay them to do nothing". Paying people to do nothing. I think the government opposite is trying to organize something only temporarily because people are being asked to tighten their belts again. They will need twelve weeks of work to be entitled to UI benefits. When they do not receive UI benefits, they live on welfare, and that is how these people are being killed, in the end.

Mr. Osvaldo Nunez (Bourassa): Madam Speaker, Bill C–17, that ill–advised legislation of the Liberal government on unemployment insurance will affect three and a half million Canadians. Workers in Canada and Quebec who lost their jobs may not know it yet, but they also lost up to four months of benefits.

Workers are not and should not be considered as responsible for the lack of jobs and the long unemployment spells before they can find a new job.

By reducing benefits this government will only inflict greater suffering and poverty on the jobless, their families and their communities. Those reductions put the blame and the burden of unemployment on them, and that is unfair and morally unacceptable. Many jobless in my riding in the North End of Montreal, some of whom voted for the Liberals in the last election, are really angry about those kinds of antisocial and cruel policies.

But there is worse. The systematic attack by the Liberal government against the most vulnerable in our society, against the jobless is a disgrace.

• (1725)

Indeed, everybody remembers what the Prime Minister said when he was Leader of the Opposition. Posing as the champion of social rights, he decried the policies of the Conservatives who, with Bill C–105, attacked the unemployed instead of unemployment. Those are the very words of the Prime Minister. It is mind–boggling.

Furthermore, in the red book, which served as bible and election platform for the Liberal Party in the last campaign, we can read word for word on page 74: "The Tories have systematically weakened the social support network that took generations to build. Not only have they taken away billions of dollars from... people who have lost their jobs, but they have set us on a path to becoming a polarized society, divided into rich and poor—"

Seeing how fast the federal government did exactly the opposite of what it promised and went even farther than the Conservatives in its attack on the most disadvantaged, we can rightly say that this government cynically misled the people for the sole purpose of getting elected.

In fact, not only has the government maintained the same immoral and punitive policy that it denounced when the previous government presented Bill C–105, but it has done worse.

Since the UI program was created 54 years ago, no change of this magnitude has ever been made. No government has ever taken such odious, retrograde and unjust measures against the very people this government publicly promised to help.

This project hits hardest regions where jobs are the most difficult to find. Indeed, the deepest cuts will be made in areas where the regional unemployment rate is the highest. So, in a city with a 6 per cent unemployment rate, a worker who is laid off after nine months will lose five weeks of benefits. But in Montreal, where the unemployment rate exceeds 13 per cent,

and also in the Maritimes, the reduction for the same employment period will be twice as big, that is a ten–week reduction.

The government seems to think that the system to which workers are contributing is being systematically abused by those people who most frequently rely on unemployment insurance. Hence, it considers some citizens as being less deserving than others, simply because they live in less fortunate areas of the country or work in seasonal industries. It is as if we were to refuse to give health insurance benefits to chronically ill people because they rely on the system more often than others.

For ten years I was a part–time arbitrator at the unemployment insurance office in Montreal. In that capacity, I witnessed numerous disturbing tragedies suffered by people who were seeing their benefits being cut off for different reasons. These people who were already living under the poverty level were then forced to give up their home because, under these conditions, they were no longer able to pay their mortgage.

These human tragedies have increased and have become even more dramatic since April 1993, when Bill C–113 passed by the Conservative government was implemented.

The government should take into consideration the findings of a recent Gallup poll which sets at 70 per cent the number of people in Quebec who oppose this unemployment insurance reform which will certainly reduce the number of UI beneficiaries, but will increase by the same number the total of welfare recipients.

• (1730)

Reducing unemployment insurance payments, as the government is doing, will not give jobs to the men and women thrown out of the work force, even though the Minister of Finance is claiming that the 2.28 per cent reduction in UI premiums for employers will create 40,000 jobs. If this screwy logic were true, all we would have to do would be to reduce the premiums by another 85 per cent to find jobs for all the unemployed in Canada.

In February 1993 already, 50,000 people braved an Abitibian cold of minus 25 to demonstrate against a similar bill tabled by former minister André Valcourt.

Yesterday, the caucus of the Bloc Quebecois received the major leaders of the FTQ—the Quebec Labour Federation—for which I worked for 19 years. They voiced their strong opposition to the cuts in social programs, and in particular to Bill C–17.

On May 1st of this year, the major Quebec unions will be holding a gigantic demonstration against the neo–conservative policies of the Liberal governments of Canada and Quebec. Rest assured, Madam Speaker, that I will be there.

The Canadian union movement—I conclude, Madam Speaker—is unanimous in its opposition to Bill C–17, and this includes the CLC which has 2.2 million members. For all these reasons, I will vote against the bill.

Mr. Gaston Péloquin (Brome—Missisquoi): Bill C–17 proposes many amendments to the Unemployment Insurance Act. One of the first occurs in clause 21 and aims at defining the word "disentitled", "inadmissible" in the other language. It explains in a very specific and pragmatic way the reasons or conditions why someone could be disentitled to unemployment insurance benefits according to the government. The Minister of Human Resources Development and his advisors have gone to a lot of trouble to define a very simple word.

If the minister had simply looked in the dictionary to find the meaning of the word "inadmissible", he would have recognized the very essence of his bill.

Allow me to quote *Webster's New World Dictionary*, in the hope that this will give the minister the inspiration he needs so badly before his bill is passed. I ask the hon. minister to listen carefully to the universal definition of "inadmissible". In the third edition of the Webster's, they say: "not admissible, not to be allowed, accepted, granted or conceded".

Therefore, that term defines Bill C–17. In drafting the legislation, did the minister wonder about what is really "inadmissible", according to the unemployed of this country?

These people are deprived of one of their most fundamental rights, the right to earn an honest living, the right to contribute proudly to the economic development of their community.

What is "inadmissible" for these people, more than anything else, is their inability to meet the conditions set forth in paragraph B of section 28.3 of the Unemployment Insurance Act. No, what is "inadmissible", what they cannot accept, is that the government, on top of standing idly by as far as job creation is concerned, is once again targeting the disadvantaged as the solution to its debt and deficit problems.

• (1735)

During the election campaign, the Liberals kept promising that they would not touch social programs. The last federal budget contained some surprises in this regard. Of course, old age pensions were left alone, but some tax credits were cleverly eliminated.

The same thing happened to federal transfers for social assistance: transfers were not reduced, but access to the UI program was, which in turn increases the social assistance bill for the provinces. In Quebec, these measures will not only result in a loss of revenues for the unemployed, but also in a series of additional expenses that all Quebeckers will end up paying for sooner or later.

A recent study by the economics department of the Université du Québec à Montréal revealed that the changes the minister intends to make to the Unemployment Insurance Act and the resulting transfer of expenses will cost the Quebec treasury more than $280 million, or 28 per 100 of the $1 billion bill which was dumped on the provinces.

Has the government not yet understood that it will only solve its financial problems by creating permanent jobs? Instead of constantly bearing down on senior citizens and unemployed Canadians, the government should focus its energy on creating jobs that would allow it to increase its revenues in a healthy fashion.

The closure of the Hyundai plant in my riding of Brome—Missisquoi is a good example of the confusion that exists within the government with regard to maintaining stable and high–paying jobs, like those that the Bromont plant offered until recently. We are talking here about 850 jobs that were lost.

The government does not know which way to turn and adds to the confusion since Hyundai has announced that it does not intend to reopen the Bromont plant.

The Minister of International Trade, like a heroic avenger, rushed to Korea to obtain all the details concerning this matter. Upon his return, he made a reassuring announcement, saying that everything was settled and that the Bromont plant would reopen in the not too distant future.

The next day, Hyundai announced that it did not intend to resume its activities in Quebec until 1997–98. Who should we believe? While the government is treading water on this matter, the employees of the plant and their families and the entire population of the Eastern Townships are waiting for real answers about their economic future.

All they have learned until now is that if they manage to find a temporary or seasonal job, it will be more and more difficult for them to get unemployment insurance if Bill C–17 is passed.

In closing, I would like to say to the Minister of Human Resources Development that he should consult the dictionary before asking the House to pass his bill. Maybe he would see that the word "inadmissible" applies to the way his bill is drafted and maybe he would be more inclined to listen to the recommendations put forward by the hon. member for Mercier on behalf of the Official Opposition.

These amendments to Bill C–17 would perhaps help chase the word "inadmissible" from the mind of every unemployed man and woman across Canada.

• (1740)

Mr. Michel Gauthier (Roberval): Madam Speaker, it is an honour to be able to speak in this House and it is a privilege that most of us appreciate. However, it is sad that we sometimes have to speak on a measure that would impose cuts on the most needy in our society.

A few months ago, we would never have thought that we would see the implementation of a budget whose main thrust is to hurt and injure the unemployed. Our hopes were high and we thought that the creative mind of the Minister of Finance would lead him to choose the best mix of solutions to control the deficit and put the government's finances back in order.

Our present finance minister is no better than the Liberal Minister of Finance we had when our Prime Minister was himself Minister of Finance and beat all the records for increased deficits during his term.

One would have thought that a few years of reflection in the opposition, a few new faces, some ideas mentioned in the so–called red book would have given the Liberals a broader and more humane vision of the problems our society is confronted with. But no, the recipes are the same old ones. We blamed the Conservative government for its erroneous forecasts, we said that its finance minister was disconnected from reality, that he did not understand a thing about the workings of the economy, that his measures were counterproductive and that they were wreaking havoc instead of helping put our house back in order.

We went from bad to worse. The last budget was produced by an amateur, who made forecasting errors estimated at several billion dollars. He is an amateur who, oblivious to the influence of a finance minister's statements on financial markets, toyed with the value of our dollar and the nerves of the financial leaders. He is an amateur whose only solution to reducing the deficit was to attack the most needy members of our society.

Some of my colleagues who took part in this debate have given some really pathetic examples. With the human misery we see nowadays, when 20, 22 per cent or more of the population are jobless in some areas, our Minister of Finance, a man of original mind who was promising us the moon, has found a magic solution. He will cut UI benefits and shift the unemployed on to the welfare rolls.

When I asked a question of the Minister of Finance and of the Prime Minister, I was flabbergasted to hear them both candidly tell us: Well, we will cut unemployment insurance and take that money to create jobs, and the unemployed worker, instead of receiving UI benefits, will be going to work. That sort of reasoning does not stand up. If they do believe in their own job creation strategy, we have an alternative formula for them. Why did they not create jobs first and cut unemployment insurance

afterwards? That is what the Minister of Finance should have done but did not do, and that is why we cannot accept these measures attacking the poorest members of our society.

In the exclusive club of the finance minister's friends, it is obvious that the easiest way to get back on the road to prosperity is to slash transfer payments to individuals in the budget. Keep shifting your problems onto the shoulders of the provinces. What a nice federation, really, what a nice confederation this is. Talk about responsible government. Keep unloading your problems onto the provinces, as if provincial deficits did not matter. Some people find this situation funny. But, Madam Speaker, is it not the height of irresponsibility to be laughing and making fun when the House is about to vote a bill that will cut benefits for the poorest in our society. You really have to be irresponsible to keep laughing when the government is about to dump the unemployed onto welfare rolls.

• (1745)

The minister quoted employment statistics. Do you know why unemployment is dropping? Because people are so discouraged they do not even want to say they are looking for a job. There is no hope in this country for the young, for seasonal workers, for people who can usually earn a living by working five or six months a year. There is no hope left for those people. They no longer say that they are looking for a job. The worst part is that the young are the most severely affected by this unfortunate reform by the Minister of Finance and the Liberal government. Those young people have no hope.

Somebody said that the best way to kill a man is to keep him from working. The Minister of Finance is sacrificing future generations because of his lack of originality, his inability to come up with new and dynamic solutions, his inability to attract social activists, entrepreneurs, unions, business people, merchants, people with ideas to develop. The Minister of Finance failed to create consultation forums from which the original ideas he was unable to have could have emerged. It was much too difficult, Madam Speaker.

The Minister of Finance traveled across Canada. He met all his friends, economists, experts, people from different backgrounds, but he was unable to create a dynamic of social consultation which would have helped us find new and original solutions. He wants examples? A simple one springs to mind: it is *Corvée habitation*, a Quebec housing program which lasted a few years. It was a marvellous program which associated unions, entrepreneurs, business people and citizens around one same cause, the pursuit of a noble aim, to put people to work and to stimulate the economy. It was the finest example of a group assuming its responsibilities for the unemployed and people who are suffering. But because he acted irresponsibly, the Minister of Finance did not get to know these original solutions. If he really believes what he says, why did he not create jobs first and reduce UI benefits after? No, Madam Speaker.

Time is a detail for a technocrat like the Minister of Finance. The period of time during which an unemployed 25 year-old man with two children exhausts his UI benefits and has to go on welfare before he finds another job three or four years later is a technical detail for a technocrat like the Minister of Finance. It is an inhuman approach.

We cannot agree with such a piece of legislation. It is immoral to propose such measures in the House. How do you expect us to be able to show our faces in our ridings? How do you expect our fellow citizens to believe in the work that is being done here, when these people opposite promised jobs, jobs and jobs throughout the election campaign? The first steps that were taken were not creating jobs, but creating more poor people. This government will have created the greatest number of poor people; it will win the championship not for creating jobs, but for creating poverty. That is what this government will have done. That is what this minister of Finance will have done, a minister without ideas, without imagination, incapable of consulting people, incapable of taking his role seriously, incapable of estimating his deficit and totally incapable of evaluating the disastrous effects of unemployment insurance cuts on the poor people of Canada.

• (1750)

Madam Speaker, let me say to you that this budget—you are telling me that I have one minute left—will have been a terrible budget in terms of cuts. Working people are facing cuts, people who earn money, even very little, such as old people, are being targeted. The provinces are being targeted because the deficit is being shifted onto their shoulders. Everyone in Canada, all those who deal with the Canadian economy have been wrongly targeted. Here is a man without any imagination, a reform that hurts and an insensitivity that will cost you dearly one day.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Madam Speaker, this budget is an irresponsible budget. It is a budget which does not reflect the promises contained in the red book. Quebeckers knew that very well. They did not buy the promises of the Liberals and did not elect many of them: no more than 19, and mainly in Montreal's West Island. Quebeckers were aware that it was all wind. This is the reason why Quebeckers will soon break with this system. And I am sure the Liberals know that as well.

I see ministers confirming what I am saying. The members on the other side know all about it, really. We can see them even if they try to hide from the camera, but when we talk about that, they are not comfortable. They know that when we go over the commitments of the red book one by one, it is clear that they do not appear in the Budget.

I am thinking of social housing for instance. I have discussed that issue with the Minister of Foreign Affairs, the hon. member for Papineau—Saint–Michel who said again and again during the election campaign: "It's terrible what the Conservatives have done. They have cut social housing but we, the Liberals, will fix that." If you compare the Liberal budget to the Conservative budget, they are the same, they contain the same measures. There is nothing for social housing. So much so that social housing interest groups in Montreal and the mayor of Montreal denounced this week the federal government's lack of action in the social housing sector.

They asked for federal intervention because for years the federal government was active in that sector, investing in it, creating expectations and then it pulls out, as it did in other sectors, leaving all the responsibility to the provincial governments. Now those governments are passing that responsibility to municipal authorities, who pass it on to taxpayers who can no longer afford to pay their taxes.

I know that taxes do not create any hardship for the hon. member for Kingston and the Islands because his way of living in Kingston has nothing to do with the conditions in which the unemployed workers live in Quebec. There may be, of course, a military college where francophones will not feel at home. A city where high schools are not even equipped with toilets for the students. I understand why the member for Kingston and the Islands does not spend much time in the French high school in Kingston. He has natural needs to be satisfied now and then.

As regards POWA, the Program for Older Worker Adjustment, we have seen the whip of the Official Opposition who is now whip of the government, the member for Saint–Léonard, the member for Papineau—Saint–Michel, the member for La-Salle—Émard present a petition of 10,000 signatures denouncing the fact that older workers outside Montreal, Toronto and a few other large centres had no access to programs. They have no access to those programs because a given number of workers must be laid off at the same time.

Everybody was against that! There were demonstrations in Montreal in February, there were promises: when we take office, we will change things. Only to discover that nothing has been done as far as the Program for Older Worker Adjustment, called POWA. Not only that, an MP, parliamentary secretary to Minister of Human Resources Development, has come to justify the position of the government, using word for word the same arguments used by a conservative MP and minister last year. A copy–cat!

Industrial conversion! The last straw! The helicopter program is cancelled. Alright. Quebec was in favour. And this is in Quebec, I remind you. On the other hand, the tank contract in Toronto was left untouched. This is a different matter. The tank contract has been respected. I suggest to you, Madam Speaker, that if necessary rescue operations by helicopter are possible, but rescue operations by tank are rare.

Some hon. members: Hear, hear.

Mr. Duceppe: No cuts were made, but we were told that money was going to be injected in a fund for industrial conversion. However, there is nothing in this program. We are told that there is still the program created a few years ago, a program that the Minister of Finance disapproved, saying that it was totally inadequate. What the Minister of Finance is telling us this year is exactly what the Conservatives were telling us.

As far as women are concerned, the Deputy Prime Minister came to Montreal for a political show, saying that specific measures were going to be taken in favour of women. But what is there in this budget? Social housing is a major concern for women who are single parents. Nothing. When you say that from now on, you will take into account whether or not there is a supplementary revenue in a couple to make it clear as to the unemployment insurance benefits a person will be entitled to receive, that concerns mostly women. Then, you go witch hunting. A bit like the Bourrassa hit squad, the boubou–macoutes, in Quebec, there will be the Martin hit squad—the Rin–Tin–Tin brigade?—which is going to check if a person lives alone and is entitled to 57 or 55 per cent.

In fact, those measures are specifically designed for women. Those measures are reactionary and aggressive. You also promised health care centres for women and day care centres. Then again, we are told that we will have to wait. In three to four years, you will come back promising day care centres. A bit like Duplessis, who said that anyone who promised to build the same bridge at each election would be certain to hold power for ten years or so. Day care centres were promised by the Trudeau Liberals, the Turner Liberals and the Chrétien Liberals. However, as long as the Liberals are in power, our grandchildren and our great–grandchildren will never enjoy day care centres.

Just think of the cuts in the social programs. During three Conservative budgets, all we heard about was cutbacks. Meanwhile, the Liberals, who have sensitive souls, kept on saying that it was terrible and, while referring to the fine words the Prime Minister had on Canada, said that we had to restore the help for assistance to social and minority groups. However, the Prime Minister reduces help for all French–speaking groups. He does not do what he says he is going to do. That is exactly how he behaves.

I believe that my time has expired. I will come back to that later.

[*English*]

The Acting Speaker (Mrs. Maheu): It being 5.58 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

CO–OPERATIVE HOUSING

Mrs. Christiane Gagnon (Quebec) moved:

That, in the opinion of this House, the government should reach agreements with the government of Quebec to reactivate the co–operative housing program, introduce a renovation assistance program for rental housing and reintroduce a social housing program, while leaving complete authority for all these programs in the hands of the government of Quebec.

She said: Madam Speaker, the motion I have the honour to present today in the House is composed of two very distinct parts, the reinstatement of several social housing programs and the transfer of authority for such programs to Quebec. I will first comment on the two parts separately before explaining how they are linked together.

Let us begin with the reactivation of social housing programs. Canada is one of the industrialized countries investing the least in social housing. In fact, in 1990, the national social research institute noted that social housing accounted for only 4 per cent of all housing in Canada, whereas it varied between 15 and 40 per cent in most Western European economies. One can wonder why there is such a difference in housing policies between governments facing the same economic ups and downs.

This government replaced an administration renowned for its weak commitment towards social housing. Nevertheless, if our new government goes on the way it chose in the last budget, its record after one mandate will be even worse than the previous one's.

A review of the social housing situation over the last few years is imperative. In accordance with a 1986 federal–provincial agreement, funding for social housing built in Quebec was shared by Quebec and Ottawa. In the case of low–cost housing, federal funding was at 59 per cent. For housing cooperatives and non–profit housing for low–income persons, it reached 75 per cent. Pierre Graveline, journalist at *Le Devoir*, mentioned in an article published on April 5, 1994 that one out of six households renting their dwelling must spend more than half its income in rent and one out of three spends more than 30 per cent. Since this is too much for some of them, the number of claims presented by owners who want to cancel the leases and recover their rent has increased by 250 per cent between 1990 and 1993. In all, 341,000 households have a core housing need in Quebec and would be admissible to social housing, and I am not counting the 20,000 totally homeless persons.

In fact, between 1989 and 1994, federal expenditures for the building and renovation of housing units have gone from $112 million to zero. As for federal budgets for building new cooperative housing, they went from $7.2 million in 1988 to nothing in 1992.

Therefore, people who need housing in Canada have lost a total of $119.2 million. Even if, during the last campaign, the Liberals committed themselves to unfreeze the CMHC's budget in order to make it possible to build 5,000 new cooperative housing units annually in Canada, they have made no provision for cooperative housing and the building of housing units. On February 16, 1994, when answering a member of the Bloc Quebecois who was asking if the rents of the recipients would in fact increase by 5 per cent of their income, the Minister of Public Works declared, in this House: "One cannot put a hand on one's heart and plead for new social housing for Canadians across this country and only look at one side of the ledger, which is to cut expenditures and duplication, without looking at the other aspect in terms of revenue increases".

How can this government make such statements? How can this government calmly contemplate the idea of charging the population it wants to help for the cost of the assistance it brings? This is what will happen in fact. The government will say to the have–nots of our society: We will help you find housing because you are poor, but you will have to pay an additional 5 per cent of your income for rent to cover the costs of that help.

How can any government look at a social housing program as if it were a business deal meant to bring in profit?

• (1805)

Does the word "social" mean anything to this government? Madam Speaker, the poor should not have to bear the cost of social housing. Governments should cut unnecessary spending and reinvest these amounts in programs for the neediest members of our society.

Different problems require different solutions. People on low incomes who are home–owners need financial help to make repairs. The RRAP program which has just been reinstated can provide a partial response to this kind of situation. Unfortunately, the program has its limitations: income criteria are such that very few people living in urban areas can take advantage of the program.

On the other hand, certain needs are no longer being met. Take, for instance, people who would like to be part of a housing co–operative. This type of housing meets a specific need. Often it may be the only way for low and middle–income families to become home–owners.

In its report released in May 1991, the Conseil de la famille said that "a housing co–operative is an excellent way to help families become acquainted with the responsibilities and advantages of home–ownership".

It is also a fact that housing co–operatives generate employment, whether we are talking about construction or renovation. Furthermore, every new co–operative housing unit that is built provides governments with significant tax revenues, including personal and corporate income tax, contributions to the Canada Pension Plan, sales tax and development tax. Finally, providing access to home ownership makes it possible to free accommodation for other families that are in need.

There are also people on low incomes who want access to low–cost rental housing. As we all know, there is no budget for building new units. According to the FRAPRU, we would need at least 195,000 new social housing units in Canada. In Saint–Sauveur alone, in my riding, an estimated 3,000 new units would be required. However, this government has decided not to build any.

When he appeared before the Standing Committee on Human Resources Development, Mr. Brown, president of the canadian housing coalition, questioned payments made under the Canada Assistance Plan for housing. Like other coalition members, he feels that this money could be better spent. They decry the fact that a good part of this money goes towards paying the rent and ends up in the landlord's pocket. According to Mr. Brown, it is not an investment. Instead of being invested in co–op or non–profit housing programs, this money is just poured down the drain. We agree with Mr. Brown.

Current rehabilitation assistance programs for rental housing are inadequate. As a matter of fact, studies have shown that instead of dealing with things that are important for tenants, such as insulation and soundproofing, renovations are done for purely cosmetic reasons. Between 1990 and 1992, in Quebec alone, $44.84 million went towards painting against $7.31 million for insulation and soundproofing. One will understand that poor insulation affects only tenants since they are the ones who have to pay for their own power and heating bills. It was also noted that there was no systematic control of rent increases after renovations.

A study undertaken by the City of Montreal in 1989 showed that renovations had disastrous consequences for tenants. It was found that the average rent increase was $127 a month. Similarly, a CMHC survey concluded that subsidies benefited landlords, not their tenants.

Indeed, slightly more than half of these tenants stayed in their apartments after the renovations and they experienced an average rent increase of 11 per cent. So, we can draw the conclusion that, in the end, tenants pay for part of the landlord's investments and that rents still keep on increasing.

To remedy such a situation, we believe that the government should implement measures to ensure that subsidies for renovations benefit tenants.

• (1810)

The government could also be in favour of grants being directly paid to tenants, which would allow them to get some decent housing or even buy a house. This would help people who spend more than 25 per cent of their income on rent. As we have seen, the needs are great and the programs are inadequate.

Let us now talk of Quebec's control. The Canadian government stresses the fact that it needs the cooperation of the provinces. In Quebec's case in particular, we believe that this cooperation is unnecessary, since the whole housing assistance budget should be transferred to Quebec, and Quebec should have total control over it.

The federal government entered the social housing field by virtue of its spending power, whereas social housing is first and foremost a provincial jurisdiction. Mr. Justice Duff, on behalf of the Supreme Court of Canada, stated in 1938, in the referral on the Ontario Adoption Act: "Provinces have the responsibility to care for people in need". Nobody will deny the fact that social housing is for people in need.

We demand that the federal government give back to Quebec total control over social housing programs. We demand also that it transfer to Quebec the amounts that are due to it according to the needs of the Quebec people.

As it was said over and over again, 25 per cent of all renting households in Canada that spend more than 30 per cent of their income on rent are in Quebec, and 33 per cent of those which must set aside more than 50 per cent of their income just for rent are also in Quebec. It shows how important social housing is for Quebec. It is important that the Quebec government be able to decide, according to its needs, its organizational structures and its social priorities, where it wants to invest.

For investments to be more efficient, it is important that the decision–making process be exclusively in the hands of provincial and local authorities. It is important that the allocation criteria be based upon the situation in Quebec, and not the situation in other parts of Canada. Also important is the harmonization of the social housing programs with other social programs made for and by Quebec, for and by its citizens. Quebeckers do not want the federal government to interfere in areas of jurisdiction they consider their very own.

Thus, to get better social housing, we need massive investments, under various forms, to meet the needs of all Canadians and Quebeckers. However, Quebec wants these investments to be managed by its own government, according to its needs, its standards and priorities. Social housing is only one component

of social programs, which fall under provincial jurisdiction. Quebec must be put in charge as soon as possible.

[*English*]

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada): Madam Speaker, I am pleased to rise in the House today to address the motion.

Frankly I am dismayed by the apparent substance of the hon. member's motion. From my reading of it, she is in favour of receiving funding for housing but with no strings attached.

Not only does this go against all logic and common sense, it goes against the spirit and the tradition of partnership of governments working together in the Canadian federation.

[*Translation*]

I am sure members in this House will agree that the federal government must ensure equal access to federal programs from coast to coast. Moreover, publics funds must be managed in such a way as to benefit all Canadians.

I would like to stress the fact that the Canadian government has always worked in partnership with Quebec and the other provincial governments. We deal with the various aspects of this very complex housing issue by sharing responsibilities. Why? Because Canadians want the same national standards to prevail throughout Canada so that access to affordable housing does not vary from one jurisdiction to another.

• (1815)

[*English*]

All governments recognize the need to find creative solutions to facilitate the provision of affordable and accessible housing because housing involves various levels of government, all of which must be working in partnership to achieve progress. The federal government believes in the need to adopt a comprehensive and co–ordinated approach in this sphere.

[*Translation*]

This being said, the governments of Canada and Quebec have a long tradition of working together in the area of housing. We intend to maintain that strong co–operation for the good of all Canadians. This co–operation has a name, we call it compassion. This means that Canadians care for their fellow Canadians, and the government will not abandon that compassion.

Abandon is, in my opinion, something to keep in mind. I would like to remind the hon. member that it is the leader of her party, when he was a member of the previous Cabinet, who oversaw the abolition of all social housing programs, including those for housing co–ops, for non–profit housing, and for owners, whether they be occupants or leasers. The people who used to benefit from these programs are the same the hon. member seeks to help with this motion.

Madam Speaker, the government is presently reviewing these programs to make them more responsive to the needs of the people who were abandoned by the previous government and the present leader of the Official Opposition.

[*English*]

In contrast to the actions of the previous government, I would like to make known to the House some of the initiatives of the Liberal government. The major effort on the part of the federal–provincial–territorial partnership in the delivery of social housing funds has been to meet core housing needs. The objective is to assist families or individuals most in need, those who would have to spend more than 30 per cent of their income for suitable, adequate accommodation on the private market.

[*Translation*]

The latest figures, for December 31, 1993, show that there are more than 140,000 family units administered in Quebec and in 1992–93, the Government of Canada spent over $318 million on affordable housing in Quebec alone.

I am thinking, for example, of the Creesom housing initiative which helps disadvantaged people in southwestern Montreal. Madam Speaker, despite the cuts that governments must make, the federal government will give this original and innovative program $5.1 million in financial aid over a four–year period so that it can continue to help people on low and moderate incomes own property, individually or collectively. In co–operation with the City of Montreal, the Government of Canada will commit to 100 co–op housing units as part of the Creesom program in southwestern Montreal.

[*English*]

As well, the Government of Quebec recently announced a renovation program for low income home owners, Réparaction. In light of the reinstatement and provincial renovation program the federal government will be working with the province of Quebec to put in place cost sharing agreements.

[*Translation*]

In addition, the Canada Mortgage and Housing Corporation offers financial assistance for victims of violence. The Project Haven and Next Step programs provide emergency and long–term shelter for victims and their children.

Under Project Haven, which expired on March 21, 1992, commitments were made for 458 emergency shelters in 78 municipalities. The second phase of the family violence initiative, Next Step, expires on March 31, 1995. This phase provides for 150 independent housing units and 100 emergency shelters, with a budget of $20.6 million. By January 31, 1994, 46

independent units and 53 emergency shelters had been completed, at a cost of $4.5 million. That is far from nothing, Madam Speaker.

• (1820)

As for Quebec, the Canada Mortgage and Housing Corporation is working in collaboration with the Government of Quebec to create eight new shelters which will be completed by the end of March 1995. Three are already in service and the others are either under construction or at the design stage.

[*English*]

As I am sure members can appreciate, the demand for this type of facility far exceeds the level of resources that we have been able to direct for the establishment of new shelters and the funds to March 31, 1995 have already been committed.

I think we all understand that the fiscal capacity of all governments is extremely limited, and that includes the Government of Quebec. However I believe we must also take into account societal problems and priorities, and not simply focus strictly on fiscal solutions.

[*Translation*]

To conclude, I will say that in this area it is difficult to have a perfect balance, but the Government of Canada is trying very hard and is having good results thanks to a close partnership with all Canadian provinces, including Quebec.

[*English*]

Mrs. Jan Brown (Calgary Southeast): Madam Speaker, this is the second time that the Bloc Quebecois has put forward a motion on social housing. This is the second time that I have risen to speak against it.

The first motion deplored the fact that the government had not increased or re–established funding for social housing construction programs. However this time its concern is more emotional.

In the first motion debated on February 16, the Bloc declared that it was interested in social housing support for all Canadians. Let me be clear, the Bloc carries a singular agenda. The only care that the Bloc has for Canada is to take what it can and separate post haste.

The motion before us is terribly wrong minded. It fails to appreciate the economic reality our country faces today. The taxpayers of Canada, you and I, Madam Speaker, my children and my grandchildren will pay for this folly of overspending.

The combined debt is now over $600 billion and the federal deficit is predicted to be about $40 billion. Despite this colossal financial lodestone, the Bloc Quebecois is saying the government has not yet spent enough. It is urging the government to spend more, to increase the deficit and the debt, to climb aboard this runaway debt train, giving no thought to fixing its brakes.

It is important to clearly establish what is needed before we blindly commit to throwing around millions of dollars.

A 1992 study stated that the majority of people on welfare received adequate support to meet their basic housing needs. It stated that the traditional solution has been to spend a fortune on these programs and if things are not improving, throw more money at them.

In its 1991 annual report the CMHC agrees that social housing needs can be met under the existing funding plan. The report states that more of an effort must be made to achieve greater cost effectiveness so that more can be done with the available budgets.

I recognize that we need a major social revenue in Canada. However, throwing money at a singular and specific problem is not a good resolution. We need to assess what the problem is and then address it specifically.

The clamour for federal funding support is not decreasing. The demand is there but there are fewer dollars to spread around. Given this, new innovative ideas are needed to ensure sound fiscal management at all levels of government.

In 1988 all three levels of government spent under $3 billion on housing or $114 for every person in Canada. That is up from just $366 million or $17 per capital in 1970. Yet poverty advocates claim the housing problem is as acute as ever.

Given that this funding spiral cannot continue unabated, it is more important than ever that housing subsidies, like other forms of assistance—and we said this over and over again—be targeted to those in need. The Canada Mortgage and Housing Corporation ensures that all Canadians, regardless of who they are and where they live in Canada, have equal access to federal resources allocated for housing. CMHC currently administers more than 652,000 units.

• (1825)

Despite these enormous holdings, my hon. colleague would have us believe that more money yet needs to be spent on social housing programs in Quebec. In the fiscal year 1994–95, according to the main estimates for public works and government services, CMHC will receive $2,033,779,000 for social housing alone. Of this approximately $366 million will be going to the province of Quebec. That represents about 18 per cent of CMHC's total budget for social housing.

In comparison, Alberta, my province will receive approximately $150 million. For every dollar that Alberta receives, Quebec gets $2.25.

Believe me, Albertans question this transfer payment ratio even more so as they work through a seriously difficult time, difficult days of deep, deep cuts to our provincial programs.

While we are doing comparisons, let us take a quick look at the United States provision for social housing. When the leader of the Queen's Loyal Opposition visited the U.S. I wonder if he discussed social housing spending habits with the Americans. Canada may not yet be a paradise of social housing but we are sure not doing too badly in comparison with the U.S.

We spend approximately $114 a year per capita on social housing while in the U.S. that expenditure is about $40 per year per capita. We spend almost three times as much right now.

Therefore Canada is not facing serious social housing problems. It is facing serious economic problems. This government fails to recognize that we are facing a financial crisis. This motion shows that the Bloc also fails to recognize it.

Canadian and international money markets are hugely unstable because this government cannot keep its spending under control and shows scant interest in doing so. The Canadian dollar is in a sinkhole, interest rates are rising and despite a decrease in the unemployment rate the dollar remains unstable, an indicator that investors have lost faith in our economy.

In principle the solution to the problem is simple. The government needs to put a cap on spending. The government needs to clearly demonstrate to the financial communities both within and without Canada that it is serious about reducing the deficit.

I can assure the government that if it introduced measures of this kind it would find support from my side of the House. All members of this Parliament should be mindful that we cannot spend ourselves out of a recession. Governments have tried this for 15 years and it has not worked.

It is for these economic reasons that Gordon Thiessen, the head of the Bank of Canada, stated on April 5 that to inspire consumer and market confidence this government will have to address its debt and deficit situation by cutting spending.

Given this, when members in this House put forward matters for debate, especially when those matters involve the spending of taxpayers dollars which are at a premium, they must ask themselves: Who will pay? Where will the money come from? Could this be done better and more cheaply?

I see no indication that the Bloc either heard what Mr. Thiessen said last week or that it considered even asking questions such as these. It must be too busy figuring out strategies for separation.

We cannot condone yet more money being siphoned off by Quebec. Constituents from my riding are getting very tired of seeing their tax dollars inequitably flushed into the province of Quebec, especially given the Bloc's mandate for separation.

Alberta's transfer payments have been capped and the need to cut spending has been recognized there. But here is the Bloc yet again with its hand out asking for extra money.

In its strategic plan for 1992 through to 1996 CMHC does not mention a need for increased funding nor a need to increase programs in Quebec. However, in a businesslike move in keeping with the private sector, the CMHC is promoting cost effective programming and management.

• (1830)

Finally, this demand for social housing support is an indicator of a larger economic problem. Simply spending more money to alleviate social housing problems is like trying to tend to a fever of 105 by rolling someone in the snow. You may cool the body for a short period of time but surely you have not found out why that body is sick.

Quebec needs to look more closely at this problem. The Bloc Quebecois is showing that as a province said to be on the verge of separation, it clearly lacks an appreciation for its own economic, social and political upheaval.

[*Translation*]

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle): Madam Speaker, I am pleased to participate in the debate on this motion that raises important issues. However, since this is the first time that I rise in the House, I would like to take this opportunity to thank all the constituents of Pontiac—Gatineau—Labelle for the vote of confidence they gave me last October.

I am pleased to address the House in reply to a motion that raises very important issues. Our country benefits from a shared heritage based on compassion. We do care about the well–being of our neighbours. We help them when they are in need and this government is not about to end that tradition.

I am convinced that hon. members in this House agree with me when I say that the federal government must be at the forefront, along with the provinces, to ensure that poor Canadians can live in adequate dwellings.

This government's vision of Canada includes all Canadians, regardless of their income, their language or their social condition. Our vision is that of a country where everyone can enjoy a quality of life, where we are responsible for the well–being of each other, and where people remain optimistic about their future and that of their children.

There is no doubt in my mind that this vision includes the provision of adequate dwellings to all Canadians. It is absolute-

ly out of the question to exclude people merely because they need help to meet their basic need for shelter.

Our support is necessary and we have found ways to help these people. I am referring to the Residential Rehabilitation Assistance Program, or RRAP, and to the Emergency Repair Program, or EARP.

[*English*]

In his recent budget the Minister of Finance has struck a balance between the need for fiscal restraint and the need for social responsibility.

By reinstating RRAP including RRAP for the disabled and EARP the government is making a real difference in the lives of low income Canadians, families, seniors, people with disabilities, aboriginals. Through this program with a total of $100 million, $50 million over each of the next two years, we are helping these people make basic repairs to their homes.

[*Translation*]

We know, however, that these public funds are insufficient. To put an end to poverty, we must eliminate restrictive policies which prevent innovative solutions.

Given the budget constraints, we will look for available resources and tools to invest in Canadians, and to create a climate allowing native peoples to develop their potential and progress towards economic and social self–determination.

[*English*]

We are not alone in thinking that these programs are important to the people of Canada. We have approached the provinces about cost sharing to maximize the impact of these programs. We have received favourable responses. With the provinces contributing to RRAP and EARP, with the provinces working in partnership with the federal government, we will be able to help even more people than we expected.

• (1835)

The social impact of these programs is not to be overstated. My colleagues need to be aware of an important element to these programs. It is an element I should think they would appreciate for not only is this government introducing programs to help house Canadians. It is also providing a much needed economic boost to the Canadian economy. There is economic stimulus. Yes, RRAP and EARP will create thousands of jobs in communities across the country.

It goes without saying that investment in renovating housing enhances older modest income communities and encourages other forms of neighbourhood improvement. What we are talking about here is an investment in the physical and social fabric of our communities, providing more affordable housing of adequate quality with a relatively small investment per unit.

[*Translation*]

The RRAP and ERP funds are smart expenditures that will pay off economically by stimulating the renovation sector and creating much needed jobs and, at the human level, by helping people repair their homes to bring them up to minimum health and safety standards. That is the purpose of these programs.

We are talking about minimum standards and not luxury; basic requirements for the health and safety of occupants and for energy efficiency. What every Canadian expects. Something the government should not have to justify.

[*English*]

I am proud of the fact that my government made a firm commitment in its red book to reinstate the residential rehabilitation assistance program. I am proud the Minister of Finance included RRAP and EARP in his recent budget. How many other programs do we know of that help low income families, seniors, people with disabilities and aboriginals all at the same time?

We believe we are making the right fiscal decisions and we intend to continue to do more. We intend to stretch our social housing dollars as far as possible.

The federal government currently provides approximately $2 billion in assistance to over 659,000 households across the country. We know that the need is greater than our ability to meet it. We know we have to find creative and innovative ways to make our social housing dollars work better.

One way we intend to achieve this is by identifying savings and efficiencies. Taxpayers have a right to expect an efficient government. I have agreed with my provincial and territorial colleagues that we will work together to ensure efficient delivery of housing programs. We will continue to provide an acceptable level of service and we will do it while making the best use of taxpayers' dollars.

[*Translation*]

We are already moving in that direction. Last August, Canada Mortgage and Housing Corporation started making loans to finance and refinance social housing units to better use available resources and reduce expenditures. Through direct loans, CMHC will refinance social housing units at balanced rates, thus reducing the cost of housing assistance.

We are talking about improving social housing efficiency. CMHC will save about $120 million in grants over the next four years, out of an $11 billion budget. CMHC will lend directly to qualified social housing borrowers when loans come due or when advances are required for new commitments.

This is only one measure, one case of using resources more efficiently and reducing expenditures. I made a commitment to work with my provincial and territorial colleagues to reduce administration costs and make program delivery more efficient.

• (1840)

[*English*]

At the end of the day we expect to identify savings that can be reinvested in social housing, to keep the existing social housing stock in good repair and to allow for new commitments. Our commitment to social housing must not simply be measured in terms of public expenditure. We have to look at housing within the broader and more comprehensive context of market forces and overall economic and social policy.

Along with the provinces, territories and interested stakeholders, we will be taking action to ensure that rules and regulations do not impede the creation of affordable housing. We will ensure that housing policies and programs encourage people to seek new opportunities to break out of the poverty cycle.

We want to ensure that the private market is able to provide affordable housing for Canadians. We are currently looking into new financial instruments which will increase access to housing for Canadians. We are also considering reintroducing indexed link mortgages for co–operatives.

[*Translation*]

Mrs. Monique Guay (Laurentides): Madam Speaker, again today, I have the opportunity to rise to ask the Liberal government to act quickly to respond to the pressing housing needs of 1,200,000 Canadians.

So far, the representations and lobbying by community organizations, by members of the Official Opposition and even by some members across the floor who have shown a little interest and resolve, have yielded nothing. Zero, zilch. Since January of this year, the government has invested nothing at all in social housing programs. Low–cost housing, non–profit organizations, co–operative housing were completely neglected and forgotten by the Liberals. In fact, the members opposite do nothing else but close their eyes and renew the policies of the Conservatives. This attitude on the part of the Liberals is shameful and totally unacceptable. Do they not remember that, not so long ago, when they were the Official Opposition, they spent a lot of time condemning the Conservative government for withdrawing funding for social housing? Do they not remember that?

And that is not all. The Liberals said that they wanted to work together with housing organizations in order to establish a national policy on social housing. They even promised to fully restore all programs. The Minister of Finance even wrote this in a letter to various organizations dated September 22, 1993, and I quote: "There is no doubt that a Liberal government will ensure funding for these sectors. We think that the state must adopt a positive and dynamic national policy in this area. It is incumbent on general management to ensure that over one million Canadian families are provided with decent and affordable housing".

The minister ended that letter by stating, and again I quote: "to that end, we wish to establish new partnerships with your organizations. I believe that over the past three years, our leader, our members of Parliament as well as our official critic for social housing, Joe Fontana, have consistently showed our commitment to social housing. We therefore rely on your co–operation on this socio–economic issue, which is of the highest importance", and I stress "of the highest importance". The letter is signed Paul Martin. Those are the words our dear Minister of Finance wrote on September 22 last.

Where are they today, those members of Parliament, this leader and this official critic, to show their commitment to social housing? They have vanished! Gone too are all those lovely speeches and the will to provide decent housing to needy families.

But what happened since then? Why did the members opposite completely change their mind? It is unacceptable and dishonest for elected and accountable people to alter their course in mid–stream. How can the population now seriously believe the Minister of Finance? How can he live with the words he wrote without feeling shame, without feeling any remorse? The minister looks a bit silly today and his credibility is no better than his social housing programs which deserve a big zero. They call him the sinister Minister of Finance.

• (1845)

And yet, the needs are obviously huge and urgent. The Canada, I repeat, Canada Mortgage and Housing Corporation estimates that 1,200,000 families are in urgent need of housing. How can you ignore this reality? How can you ignore such glaring statistics? The members opposite so free with their promises have no vision. All they are good at is damage control. They are unable to plan for the long term. They do not manage anything, they only hope and wait for things to get better on their own.

They put nothing on the table, no plan, no policy to deal with the housing crisis. In the meantime, people in substandard housing are waiting. They are hoping that the Liberal government will be true to its promises and will immediately provide funds to build low–rent housing, as well as non–profit and co–op housing. Hundreds of thousands of families find this wait increasingly hard to take. Several of them spend more than 50 per cent of their income on rent. Such poverty has devastating effects.

Every month, these poor families living in substandard housing have to make inhuman choices. Every month, in order to pay for their rent, they have to deprive their children of such essentials as food. Children go hungry and live in substandard housing because the government is not acting responsibly. This projects a very bad image in a society as affluent and developed as ours.

The government's lack of action is indecent. The minister in charge of social housing is telling us his cupboard is bare and that we must wait for savings that the CMHC could manage over the next few years. The Liberals keep us waiting and waiting. They are in favour of a wait–and–see policy. They sit back and wait for some heaven–sent manna. We must admire the strength, courage and inventiveness of this new government.

It is not ten years from now that we need social housing, Madam Speaker, it is right now. All the organizations, all the municipalities, all the big cities are asking tthe government to reinstate and increase funding for social housing. The Liberals are deaf and blind. They have been in place for six months now, and they still ask the people to be patient.

We on this side of the House want the government to release public funds immediately so that we can start projects now. You do not have the money? Well, cut the fat, put public finances on a sound footing and get rid of tax shelters for the wealthy. If you had any guts, if you had the political will, you would do your homework and find the money.

In Quebec, the situation is more problematic because more people live in rental accommodation. The problem is more acute, more urgent. The federal government is reneging on its commitments and the provincial Liberals are not putting up much of a fight.

Nevertheless, the federal government still has a role to play in this area. We in Quebec pay federal taxes and we are entitled to our fair share. We want the government to give Quebec its share of those taxes and we will take care of our own social housing. The Société d'habitation du Québec has all the tools and expertise it needs to develop its own programs.

Soon Quebeckers will decide what their future will be. We will then be able to administer our own social and economic development. Meanwhile, give us our share and stop ignoring the demands of the poor and people living in substandard housing across this country. Patience may be a virtue, but enough is enough.

• (1850)

[*English*]

Mrs. Georgette Sheridan (Saskatoon—Humboldt): Madam Speaker, I am proud to rise in the House today on behalf of the Government of Canada to speak to this motion.

[*Translation*]

I am pleased to have an opportunity to stress the commitment of this government in the area of housing. This government acknowledges the right to adequate and affordable housing for all Canadians, not only in Quebec but all over Canada. This is a most important commitment for this government.

I am sure every single member in this House thinks housing is important for our quality of life and for the prosperity of our communities.

Our government intends to keep contributing to housing and working hand in hand with its various partners so that as many Canadians as possible can find adequate and affordable housing.

This government also strongly supports social housing and keeps its promises but it has to consider the present fiscal situation.

[*English*]

Our approach balances the need to pursue fiscal restraint with the need to recognize and respond to the social needs of the more vulnerable members of our society.

The federal government is committed to a national co–ordinated approach to ensure that Canadians are well housed. The federal government has maintained its commitment of approximately $2 billion in annual expenditures on social housing assistance. Through this funding we are able to provide support to some 659,000 low income households across the country. These include singles, families, seniors, persons with disabilities, aboriginals and fellow citizens who are unable to meet their basic housing needs on their own.

Given the difficulties presented by the deficit, this is a serious commitment that reflects the concern of the government for the plight of society's most vulnerable citizens.

Let me underline as well that these expenditures provide a powerful economic stimulus, generating considerable employment in communities across the country year after year.

As my colleagues know, we have taken immediate action to reinstate the residential rehabilitation assistance program. Again this is a program that helps low income Canadians meet their basic housing needs. RRAP grants are used to help people bring their homes up to minimum standards of health and safety.

The federal contribution of $100 million over two years will go a long way toward helping low income Canadians make basic repairs to their homes.

This significant commitment of resources will also generate a much needed economic stimulus by creating thousands of jobs both directly and indirectly in the construction industry, real estate, manufacturing and related services.

[*Translation*]

However, to meet the challenges we are faced with in the area of housing, we need more than mere financial assistance. We need a commitment from all levels of government and from all stakeholders in the housing sector.

With everyone's co–operation, we will be able to reach our goals. To meet the challenges, we must first create solid partnerships.

The minister responsible for housing has met with many of our partners in that area. In fact, he held two meetings with some associations in order to better understand the problems facing this sector and to invite them to suggest improvements in some areas. Given the current financial situation in Canada, all levels of government must co–operate more and focus their efforts on protecting the social fabric of this country, which greatly depends on the housing sector. We can reach this goal by helping Canadians find good, affordable housing of the right size.

[*English*]

We have a long tradition of partnership in the country. Federal and provincial governments have long worked together to create cost share and deliver social housing to needy Canadians.

In this era of fiscal restraint we no longer have the funding levels of the past. Just because our funds are limited it does not mean that our imaginations need to be limited or our efforts cut short. Partnership has brought us success in the past. It will help us to achieve further success today and in the future.

• (1855)

Federal–provincial relations with respect to social housing have long been defined by a set of principles. National standards are the cornerstone of these principles. Productive partnerships through which consensus is achieved have always been an important part of relations between the different levels of government. This must continue.

In an effort to consolidate partnership among levels of government the minister responsible for housing met with his federal, provincial and territorial colleagues last January. At that meeting all ministers agreed on the need to work together on behalf of those in need of social housing assistance. They also agreed to undertake a concerted effort to identify program efficiencies that will lead to savings and ultimately enable us to do more with our social housing budgets.

The federal government's commitment to housing for Canadians recognizes there are groups who have special needs to meet. We must strive to meet their needs.

Coming from Saskatchewan as I do, I cannot help but think of the aboriginal community. The plight of this particular sector of society needs to be addressed. CMHC has a long tradition of working in partnership with the aboriginal community to work out solutions to housing issues. The government is focusing its attention on supporting the native community in the goal of achieving greater self–sufficiency and control over their lives.

Another sector are the victims of family violence. As members of the House well know the rate of family violence continues to increase. It is my fervent hope the day will come when we no longer need to build and maintain shelters for women and children who are fleeing domestic violence.

In the meantime however the government will continue to address these issues in the best way it can by providing financial assistance for Project Haven and Project Next Step. These two programs provide emergency shelter and long term housing for victims of family violence and their children.

The government is well aware there is still much work to do to ensure all Canadians have access to decent, affordable housing. We believe we are on the right track and that we are taking positive steps and making a real difference in the lives of many Canadians. We are committed to working in partnership with housing groups and stakeholders in Canada to pursue our objective of providing decent, adequate and affordable housing for Canadians.

The Acting Speaker (Mrs. Maheu): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1) the order is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

TEAM CANADA

Mr. Stéphane Bergeron (Verchères): Madam Speaker, on January 20 and 21 last, my colleague from Rimouski—Témiscouata and myself questioned the Minister of Canadian Heritage about the ever–present discrimination faced by Quebeckers in amateur sport in Canada.

Just days before the Olympic Games opened in Lillehammer, Hockey Team Canada still had not recruited a single player from Quebec. We deplored at the time that the team setting out to represent Canada in the Olympics in our national sport did not reflect more accurately the complex make–up of the Canadian society.

Shortly after the Official Opposition had raised this issue in the House of Commons, one player from Quebec was added in extremis to Team Canada's lineup. I think that the contemptuous attitude displayed at the time toward Quebeckers by Team Canada officials must be deplored. It is appalling and it was not

the first, nor the last, time this kind of thing happened, as we can well imagine.

In Canada, amateur sport is a real breeding ground of discrimination against Quebeckers, yet the minister seems to be indifferently washing his hands of the matter. In such instances, far from expressing our collective pride, sport breeds nothing but spite and injustice. What is the minister waiting for to realize there is a problem and to take steps to remedy the situation? Is he waiting for more cases of discrimination to occur in the amateur sport?

Let us take the case of Myriam Bédard, twice a gold medal winner, who was harassed and suspended by unilingual English–speaking bureaucrats of Biathlon Canada who threatened to throw her out of the national team of "her" country because she refused to obey unjust orders of a federation that wanted to break its sole star. Mr. Réjean Tremblay, reporter of the daily newspaper *La Presse* wrote an article on that.

There is also the case of the Quebecker figure skaters Paul and Isabelle Duchesnay, bronze medallists in dance at the Albertville Olympic Games, who were forced to wear the colours of France because of the intransigence of the Canadian Figure Skating Association.

Following the Lillehammer Games, Canada as a whole had to acknowledge and appreciate the merits of athletes from Quebec who had distinguished themselves by their talent but also by their tenacity and determination. And God knows they need a lot of tenacity and determination to overcome all the obstacles put on their way by the Canadian amateur sport system.

Nevertheless, nine of the thirteen Canadian medals were won by Quebec athletes. Is it not a clear illustration of a fundamental lesson of life, that one should not be afraid to forge ahead and have self–confidence?

One of the many problems in the amateur sport in Canada is that the distribution of powers between the national and provincial sports organizations makes the Quebec amateur sport system literally dependent on the Canadian system.

For sports events outside Canada, the selection of athletes, coaches, officials, volunteers and other sports professionals depends nearly exclusively on policies developed by the national sports associations with the result we know. Unilingual francophone athletes have an additional obstacle to overcome, in particular at the national selection stages since they cannot communicate in their own language with the coaches and people in charge of the selection and training of athletes who are unilingual anglophones in the majority of cases.

Sports professionals who are unilingual francophones face the same problem. They have less of a chance of getting a job in a Canadian sports organization.

In fact, as Sport Quebec was stressing in its submission to the Commission on the Political and Constitutional Future of Quebec, commonly known as the Bélanger–Campeau Commission, on November 2, 1986, and I quote: "Because it is directly related to Quebec's identity, the most fundamental problem is that the present system considerably limits the assertion of Quebec's policies in the field of sports, since all management is directly governed by the Canadian associations' policies".

That is another one of the many deep–rooted problems of Canadian federalism, a chronic inability to respond to Quebec's development conditions, an over–centralization aimed at imposing uniformity at all costs. I think that it is a failure, nothing less. Will the minister of Canadian Heritage finally realize that?

• (1900)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, it is with pleasure that, on behalf of the Minister of Canadian Heritage, I will answer to the question raised by my colleague from Verchères. He knows very well that his arguments are unfounded.

First, I would like to make a point: the selection of athletes for the Canadian Olympic Hockey Team is ultimately the responsibility of Hockey Canada, not that of the federal government.

Hockey Canada has a very vast network of connections which allows it to be aware of the availability of players. The organization is in constant contact with coaches, scouts, league managers, agents and player representatives, team owners and managers. It consults these resource–persons regularly in order to stay aware of the schedule and the hours to which the players must conform.

[*English*]

The majority of the players are professional and Hockey Canada had the task of dealing with numerous National Hockey League clubs, European hockey leagues, and universities and colleges in Canada and the United States for the services of the players, not always an easy task.

[*Translation*]

The Olympic hockey team that played at the winter games in Lillehammer had 23 players, including two francophones from outside Quebec, Adrian Aucoin and Chris Thérien. Jean–Yves Roy, from Rosemère in Quebec, presently with the New York Rangers, was also a member of that team.

• (1905)

It is not true that there were no Quebeckers on Canada's Olympic hockey team. Many Quebec players were considered for the team, but were not retained, primarily because they simply were not available.

[*English*]

A number of factors influence the formation of the Olympic team. Certainly the team rose to the occasion meeting the challenge imposed by the Olympics.

[*Translation*]

The players showed great determination and unparalleled team spirit. Throughout the country, their achievements were a source of pride and admiration. That is what is most important, in my opinion, for Canadians.

[*English*]

AGRICULTURE

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Madam Speaker, on March 18 I asked a question of the Minister of Agriculture and Agri–Food regarding comments made by the American Secretary of Agriculture. Secretary Espy wanted a cap on wheat exports to the U.S. and zero tariffs on poultry, dairy and eggs. I asked the minister for his assurance that Canadian farmers would be protected.

Reports in the media are stating that Canada has softened its position in the farm trade battle with the U.S. because of strong American pressure. The fact is Canada is not the only country that is suspect of its relationship with the United States. There is a growing resentment about American bullying tactics from several other nations at the same time.

What work is the government undertaking to establish stronger world trading rules to ensure that we are not subject to the continuing American harassment?

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food): Madam Speaker, in response to my colleague who raised that question earlier, I would like to emphasize to my colleague, to the House and to all Canadians in the industry that the minister certainly has not softened his position.

This is emphasized by the fact that the negotiations have been completed in Marrakech and Morocco for today. They will continue tomorrow. I spoke to the minister about 4.30 this afternoon and our position there and his position there is still firm, clear and forceful to the United States.

Let us not be fooled. We are in the midst of some very serious and tough negotiations on bilateral issues with the United States. We have a large two–way trade with the United States in agriculture and agri–food. It is about $11.5 billion so it is important that what we get a deal, a negotiated deal with the United States, that is in the best interest of Canadians and in the best interest of the agri–food industry in Canada. The minister will accept nothing less than that.

These negotiations were going on before the settlement in Geneva on GATT. Canada plays by the rules. Every country in the world does not always play by the rules. We will be signing on to the GATT rules. We have signed on to the NAFTA rules and those negotiations will continue. I want to make that very clear to the member and to everyone.

Our officials have been meeting over the last number of weeks with the Americans and we are not going to roll over and play dead. We have been firm. We will continue to be firm and get the best deal for the Canadian industry and for Canadian national interest.

GUN CONTROL

Hon. Warren Allmand (Notre–Dame–de–Grâce): Madam Speaker, on March 24 the member of Parliament for Saint–Hubert and I presented a petition in Parliament with over 200,000 signatures asking that handguns be banned for private use.

This petition was sponsored by Concordia University following the murders with a handgun of four professors at the university in 1992. The murderer, who was also a professor, was able to acquire three handguns legally without much difficulty, indicating a serious weakness in the law. Later on March 24, I asked the Minister of Justice if he would give serious attention to the demands in the petitions. I asked that same question again today.

Handguns are not used for hunting and have no other legitimate use by ordinary citizens. Some members of the House and some Canadians allege that the present gun laws are not effective because we still have crimes with guns.

No laws are 100 per cent effective. On the other hand, there is no doubt that without our present laws the situation would be much worse. It has been proven over and over again that where guns are less available and more difficult to obtain, there is less crime with guns. That is an indisputable fact.

The simplistic slogan spread about by the gun lobby that if one bans guns only criminals will have guns is total nonsense. The professor murderer at Concordia University was not a criminal until he easily and legally acquired his guns and carried out his killings.

Marc Lépine, who killed 14 women at the École Polytechnique, had no criminal record before he easily and legally acquired his automatic rifle and carried out his massacre. When guns are easily and legally available some, perhaps the majority, will obtain them and use them legally. Unfortunately some will obtain them and use them criminally.

The only logical action if we are truly interested in reducing crime with guns is to make them and ammunition more difficult to obtain. This means a total ban on handguns for private use.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I thank the hon. member for Notre–Dame–de–Grâce for the opportunity to reply on behalf of the Minister of Justice to this most important question that he raised.

Canadians are very concerned about violence and especially about violence involving firearms. They have every right to be so concerned. As recent incidents have shown there is a need for

strict gun control in Canada. I am sure hon. members of the House share this worry.

After the tragic deaths of 14 young engineering students in 1989, almost 600,000 Canadians signed a petition calling for stronger legislation controlling firearms. Now the House has been presented with another petition in response to yet another tragedy.

I join with all members of the House in sorrow and sympathy. Our sorrow is not just for the victims of these tragic incidents and their families but for the victims of violence everywhere. We share their grief because in many ways it is our own. Violence in society is a tragedy not only for the victims but for all of us. It affects the quality of our lives and the way in which we live them.

Canadians expect more than sympathy from the government on the matter. They expect us to take measures to address their legitimate concerns. It is a tall order but one which we must take very seriously. As hon. members already know, the Minister of Justice is aware of the problem and is looking at ways to address it.

In addition to specific changes, the government is also looking at longer term crime prevention strategies. It is the view of the government that reacting to crime with harsher punishments will not serve to eliminate crime. We must try to address the root causes and to respond to crime as a social problem rather than on a case by case basis.

Finally, the voices of those Canadians who signed the petitions calling for strict controls on firearms and other weapons will be heard. We must be willing to look at any gun control option if it will improve safety and help prevent the kind of tragedies we have seen recently.

Every option should be carefully considered and decisions will be made. That is the obligation of the government and I want to assure the House that the government will take its responsibilities very seriously.

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted.

[*Translation*]

This House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 7.14 p.m.)

HOUSE OF COMMONS

Friday, April 15, 1994

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT, 1994

The House resumed from April 14 consideration of the motion that Bill C–17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994, be read the second time and referred to a committee; and of the motion.

The Acting Speaker (Mrs. Maheu): Resuming debate. The hon. member for New Westminster—Burnaby.

Is the House ready for the question? The question is on the motion of Mr. Milliken. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Maheu): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Maheu): In my opinion the yeas have it.

And more than five members having risen:

Mr. Milliken: Madam Speaker, in case a vote is called for, I wonder if there would be unanimous consent of the House to defer the taking of the vote until 5.30 p.m. on Tuesday next.

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies): Madam Speaker, on a point of order. We were supposed to have a debate today on Bill C–17.

An hon. member: You were not there.

Mr. Pomerleau: We are now.

The Acting Speaker (Mrs. Maheu): When I called the debate, not a single member rose to take the floor, and in that case, the question is put. Members who wish to speak in debate must be in the House and rise in their seat.

Some hon. members: Hear, hear.

The Acting Speaker (Mrs. Maheu): Order, please.

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, if I am not mistaken, I believe you gave everyone plenty of time. Personally, I said "question" more than five times. You looked around the House. You even asked members whether they wanted to speak. When no one rose, you rose yourself to put the question. Everyone was given plenty of time. I am sorry. We were prepared to have a debate, but now the question has been put. That is how it is.

The Acting Speaker (Mrs. Maheu): A motion has been moved to defer the taking of the division until 6.30 p.m. next Tuesday.

Is there unanimous consent for deferring the division?

Some hon. members: Yes.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 45(6), a recorded division on the motion stands deferred until 6.30 p.m. on Monday, April 18, 1994.

* * *

INCOME TAX ACT

On the Order: Government Orders: Bill C–9, an act to amend the Income Tax Act, reported by a committee without amendment.

An hon. member: Point of order, Madam Speaker.

The Acting Speaker (Mrs. Maheu): The hon. member for Richmond—Wolfe, on a point of order.

Mr. Gaston Leroux (Richmond—Wolfe): Madam Speaker, I told you, and I want to make it clear, that my colleagues and I did not hear the request for debate. We simply heard a question, not that debate was being called.

Madam Speaker, I would ask you to please reconsider your decision.

The Acting Speaker (Mrs. Maheu): I called debate after the clerk read the Orders of the Day.

• (1010)

Mr. Réal Ménard (Hochelaga—Maisonneuve): On a point of order, Madam Speaker. We were both in our seats when you asked if we wished to proceed with the debate. We answered by saying "*débat*", because we do want to speak on this bill. I do not understand—

The Acting Speaker (Mrs. Maheu): I would point out to the hon. member that when the Chair calls for the debate to begin, a member must rise in his place. No member did in fact rise when I called for debate.

[*English*]

Mrs. Diane Ablonczy (Calgary North): On a point of order, Madam Speaker. I would like to support the comments on the point of order made by my other colleagues on this side of the House. Our members also were here prepared to debate. We did not hear the Chair indicate that this was an appropriate time to begin the debate. We believe this debate should go forward this morning as we have clearly indicated we are prepared to do. We have submitted speakers to the Chair. It was obvious that we were ready to go ahead and we think that the process should have allowed us to hear and realize that this was the time to do that.

The Acting Speaker (Mrs. Maheu): In response to the point of order by the hon. member for Calgary North, I called the debate, I named one of the ridings on the member's list effectively. That member was not in his place and did not rise. The question was called for and once I have called the question it is too late to go back to debate unless we have unanimous consent of the House.

[*Translation*]

Mr. Michel Gauthier (Roberval): Madam Speaker, on a point of order. It has always been my impression that the goal of this House is to allow members to speak on issues put before Parliament by the government. In this particular instance, I would point out that in order for the debate to flow smoothly, insofar as the translation in both official languages is concerned, the Chair must co–operate with members and show considerable understanding, and vice–versa.

As far as this particular debate is concerned, members were prepared to speak. That includes members of our party and of the other party as well. My colleagues indicated to me that they were somewhat unclear on the approach taken to this debate. They did not understand exactly at what point in the proceedings the Chair was and they wonder if perhaps the Chair could not have been a little more tolerant toward the members who wanted to speak on this subject, in particular the member for Anjou—Rivière–des–Prairies, even though apparently they had missed their opportunity to do so.

I think one thing should be made clear. We need your co–operation to ensure that the proceedings flow smoothly, as the government needs ours. The smooth running of Parliament depends on this mutual trust. Tricks should not be played on members and the Chair should not move hastily to ask if someone wishes to speak and when no member rises immediately, move on to something else. We know that the Standing Orders require that we ask for the floor. We have an agreement which works very well for Question Period. Members do not have to clamour to be recognized. The Speaker proceeds in a specific order. Some customs in this House cannot be overlooked. If my colleagues were to understand from your decision that they must now rise and shout in order to be recognized, then the complexion of this House could change rather dramatically.

• (1015)

Madam Speaker, I respectfully ask that you reconsider your decision and allow our colleagues to speak. Our goal is not to muzzle members, but to give them an opportunity to speak.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, there is obviously a problem here this morning but, in my opinion, the problem is not on the government side.

When the House met, you called for debate on the question before the House, on this bill at second reading, twice. Yes, you called for debate twice and you even called on a member who was not in the House to start the debate. The member was not here. Only two Bloc members were here in the House. And I am sure that these two members could not have participated in the debate because the member for Richmond—Wolfe has already delivered his speech on this bill; he cannot make another one.

Mr. Leroux (Richmond—Wolfe): I was here. I rise on a point of order, Madam Speaker.

Mr. Milliken: No. I am on a point of order. Wait for your turn.

May I refer all members and you, Madam Speaker, to Standing Order 17:

> Every Member desiring to speak is to rise in his or her place, uncovered, and address the Speaker.

[*English*]

It is vital that members rise. No one rose to debate. We sat here and called for the question and finally after a lengthy delay—I submit a more than adequate delay—Your Honour put the question to the House. The question was put, the votes were called for, and then members realized after the vote had been called for that there was a problem because they wanted to debate.

There is a third reading on this bill. Members will have ample opportunity to debate the bill at third reading. We have had three days on the bill already. I do not understand why there is an objection now, after the vote has been taken, when none of them

was here ready to debate when the order was called at ten o'clock.

It is not the responsibility of the government to do more than make the opportunity available. It was available. The members failed to show up and now they are complaining about it. Madam Speaker, you cannot be responsible for their tardiness.

[*Translation*]

The Acting Speaker (Mrs. Maheu): The hon. member for Richmond—Wolfe has risen. Does he want to speak to the same point of order?

Mr. Gaston Leroux (Richmond—Wolfe): Yes, Madam Speaker. First, I would like to set the record straight. I was in this House and I did not speak in this debate.

Second, I think you were aware, as you were given the names of the speakers in this debate, that we were going to rise. Reform members had also given notice that they would rise.

I do not intend to continue and stir up a dispute. What you must realize, regarding our mutual co–operation in this debate, is that we in the Bloc did not quite understand the meaning of your announcement. This is why we are asking you to exercise your authority and your good judgment. We misinterpreted your remarks.

So if in the future we in the Bloc must alter our relationship regarding this co–operation, you must tell us clearly that sometimes you cannot make use of your good judgment to allow the debate to go on. And I think the party in power should consider that what is important in this part of House proceedings is to allow members to speak to get through the whole process in a democratic fashion. That is basically why we make speeches. It is a matter of democracy.

And if the party in power wants to muzzle us this morning, knowing full well that we had members ready to speak, Madam Speaker, I call on your good judgment and ask you for a ruling.

The Acting Speaker (Mrs. Maheu): The hon. member for Charlevoix on the same point of order.

• (1020)

Mr. Gérard Asselin (Charlevoix): Madam Speaker, with all due respect I think that the authority over this House rests with the person occupying the Chair; you are vested with that authority.

Earlier, at the opening of the sitting, to make the Chair's job easier, I tabled on behalf of the Bloc Quebecois the complete list of our members who wished to speak. Two of my colleagues from the Bloc Quebecois had taken their seats when I handed in my list at the Clerk's table. At the same time, you asked: "Are there hon. members who wish to ask questions?" At that precise moment, I was at the Clerk's table dropping off my list in duplicate, with one copy for the Clerk and one for the Chair, to help identify those members who were to speak.

When you called a member from the Reform Party to speak, if he was not here at the time, you should have called the next speaker, namely Gérard Asselin, member for Charlevoix, the first name on that list. I was right here, at the Clerk's table.

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Madam Speaker, I could not agree more with the hon. member for Roberval when he says that co–operation from all hon. members in all parties and from the Chair is essential to the proper operation of this House. But I would like to add that the same kind of co–operation must be shown by members in debate, when we have to rise to indicate to the Chair our desire to speak.

That did not happen, and seeing that no one was rising in his or her place, you simply put the question, which was perfectly in order. Madam Speaker, for the sake of preserving the good will prevailing in this House, we would be prepared, on this side, to consent to revert to debate and give these people the chance to speak. We are prepared to do this to accommodate you as well as the hon. members opposite.

The Acting Speaker (Mrs. Maheu): I just want to remind hon. members of this House that the orders of the day had been called and that I had called for debate. Not one single member rose in his or her place, as required for debate. Furthermore, the government side asked for the question to be put. As no hon. member indicated a desire to speak, I then put the question.

I would have a question for the government whip. Could the unanimous consent of the House be sought to revert to debate?

The hon. member for Roberval has the floor, on a point of order.

Mr. Gauthier (Roberval): Madam Speaker, I understood the Secretary of State to say that he allowed the debate to resume. So, quite simply, that means the government no longer objects.

The Acting Speaker (Mrs. Maheu): Order! I am sorry to interrupt the hon. member, but his microphone is not on. The whip's mike was not on.

So let us go back. Is there unanimous consent of the House to revert to the debate on Bill C–17?

[*English*]

Mr. Milliken: Madam Speaker, we will give unanimous consent to the proposition on the understanding that the question will be put on the motions by the conclusion of the time allotted for government orders this day.

[*Translation*]

The Acting Speaker (Mrs. Maheu): Is there unanimous consent?

Some hon. members: Agreed.

Mr. Gauthier (Roberval): I would have a question for you, Madam Speaker.

We are satisfied with the decision just rendered and the agreement just made in this House. Nevertheless, for our future guidance, I gather from your decision that the indicative lists of speakers that we provide you are no longer useful and are worthless. We have always been opposed to providing the Chair with a list of members who should speak in the question period during debate.

• (1025)

I must conclude from your decision that these lists are no longer useful in our work and that members will have to ask for the floor as the debate proceeds. That is how I understand your decision. I would like you to enlighten me on that, because we will not make a list just for the fun of it. We will proceed differently in future.

The Acting Speaker (Mrs. Maheu): The lists are still very useful, but they are to be seen only as a guide. Members must rise in their place to be recognized.

[*English*]

Mrs. Ablonczy: I rise on a point of order, Madam Speaker. I would like to clarify events. We too are happy that the debate can go forward as it ought to so that everyone can be heard on the matter. However, when one of our members was recognized who was not present—

The Acting Speaker (Mrs. Maheu): I am sorry to interrupt the hon. member. We have responded many times that you are just as essential but it is more essential that the member called be seated in his or her seat.

We have resolved the question and I resume debate with the hon. member for Charlevoix.

* * *

[*Translation*]

BUDGET IMPLEMENTATION ACT, 1994

The House resumed consideration of the motion that Bill C–17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994, be read the second time and referred to a committee; and of the motion.

Mr. Gérard Asselin (Charlevoix): Madam Speaker, I am pleased to participate this morning in the debate at second reading of Bill C–17, which deals with the budget.

Let me give a little background on Canada's budget, debt and deficit. In 1980—when the Liberals were in office—a debt was generated, as well as a deficit which set the first record. Four years later, in 1984, the debt had climbed to $187 billion with Prime Minister Pierre Elliott Trudeau in charge, and the current Prime Minister, Mr. Chrétien, as his Minister of Finance.

From 1980 to 1984, 74 of the 75 members representing Quebec in this House were Liberals. There was only one Conservative MP in the province, namely Roch LaSalle from Joliette. What did the Liberal members representing Quebec do in this House? Were they muzzled by MPs from English Canada?

The debt of $187 billion which the Conservatives inherited from the Liberals in 1984 had grown to $500 billion by 1993. In 1988, the riding of Charlevoix was represented by a Conservative member; however, it was represented by a Liberal from 1980 to 1984.

Between 1984 and 1993, the member for Charlevoix and Prime Minister of Canada, Brian Mulroney, was at the helm and left a debt of $500 billion, which costs Canadians $108 million every day in interest charges. Six months later, Canada's debt stands at $525 billion, costs $110 million a day in interest, and the Liberal government is proud of the Minister of Finance's budget. A deficit of $39.7 billion—which sets the second record in this House—is something unheard of until now. The government wants to reduce the deficit by creating deficits. Many Liberal MPs are uncomfortable with this $39.7–billion deficit but, unfortunately, when the vote is taken in this House, the Liberals, who are too uncomfortable to discuss this issue, will prove us right and vote for their budget because they are once again muzzled by the government.

• (1030)

Madam Speaker, you cannot gag members for years and years. If you do, they will try to speak from the side of their mouths and those who enjoy a long career in this House might end up with a crooked mouth. Liberal members must have the opportunity to vote freely on the budget, which will then undoubtedly be rejected.

There is no light at the end of the tunnel. This budget contains a lot of increases. People in Charlevoix will be affected by all these measures, since the government has increased unemployment insurance premiums for workers and taxes for the elderly. It has increased the deficit as well as the number of unemployed Canadians and helped to create a feeling of social insecurity in this country. Unfortunately, all of this will have a negative impact on my constituents in Charlevoix.

The budget does not only include increases, it also contains cuts that we have to mention here, if only to be honest. Social programs are cut by $7.5 billion over three years. Instead of dealing with unemployment, the government has chosen to go after the unemployed. The government also cut social housing and daycare programs, as well as assistance to low–income families, job training, post–secondary education, assistance to single–parent families, help for families with handicapped people and programs to help the handicapped re–enter the labour force. All this in the International Year of the Family.

The government did not take its responsibilities. It has no backbone. It should have cut where cuts are needed. It should have cut the Senate budget, ministers' expenses and pension funds of members of Parliament. It should also have set the age of pension eligibility at 60. People in Charlevoix, in Quebec and in Canada are being hurt and this budget will only increase the poverty level. This week, the Prime Minister was pleased to tell us that the unemployment rate was down, but when unemployment decreases by 2 per cent in Quebec, welfare increases by 2 per cent.

I want to remind members that the Bloc Quebecois tabled a motion in this House to set up a committee to examine all government expenditures, item by item, department by department, to review the Auditor General's recommendations and to report on these issues. Auditors General, past and present, have always done a good job. Unfortunately, their reports have always been overlooked.

The government is seeking additional revenues. In the red book, the Liberal government said it would abolish the GST. Why do they want to do so? Because this tax is visible and the Liberals want a hidden tax. Why? So they can raise the GST from 7 to 12 per cent. They want to broaden the tax base to be able to tax food products, drugs, education, volunteer organizations and charities. Who will pay and suffer? Not the senators, but workers and consumers, low-income families, seniors, single-parent families, the unemployed, students, the handicapped—of which I have many in my riding of Charlevoix. They are the ones who elected me to represent them and defend their interests. That is why I speak today, to defend their interests.

There are too many welfare recipients and UI beneficiaries in Charlevoix. Once these people have paid for rent, food, clothing and hydro, which are necessities, they cannot afford to buy medication for their children or for themselves.

• (1035)

Let us look at what the government has spent. According to an old saying, money cannot buy happiness. That may well be true, but money sure helps to pay the bills. The government spent $800 million to implement the GST, but it cost small businesses $6.4 billion. Yes, the GST needs to be improved. Canada is going deeper and deeper into the red, the budget is in the red and the deficit is not getting any smaller under this Liberal government.

The message is clear: Quebecers do not trust the federal system anymore. The people of Charlevoix proved it on October 25. Quebecers from 54 ridings proved that they have finally understood that the federal government is no longer effective. Liberal or Conservative, it is all the same.

I have to thank the people of Charlevoix, both the sovereignists and the disenchanted federalists, who voted for me and sent me here to protect their interests in this House today.

It was Paul Martin, the minister, who said that the House of Commons is a theatre. On October 25, the people of Quebec tried to change the actors in this House. If the House of Commons is a theatre, it is important also to change the horror movie that is playing here, the one about social insecurity in Quebec and in Canada.

Is it the politicians who spend too much or the bureaucrats who are guilty of mismanagement? I asked the Minister of Finance this question. His answer was: the politicians, of course, because we lack control mechanisms.

In closing, I would like to leave a clear message with the people of Charlevoix and of Quebec. Tomorrow's generation will have to foot the bill. I hope that Quebecers will choose the only solution that will enable us to help them. They will very soon be given another option, namely Quebec's sovereignty.

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Madam Speaker, I listened to the member from the Bloc Quebecois and I have to ask myself whether or not I have been working in the same Chamber, in the same Parliament of Canada, as he has this week.

I must say that even when one is in government there are many days when one shares the opposition's frustration with the speed with which things happen around here. We know that the private sector moves much more quickly than we do. It is just a fact of life.

The rules are different. The systems of checks and balances are not as rigorous as the checks and balances in Parliament but those checks and balances are here for accountability. We do not have the luxury that the private sector has of making decisions arbitrarily and flying them through the system in 24 hours.

I know there are many Canadians who would like to see it happen that way. There are days when I feel that is the way it should happen, but that is not the reality. We have accomplished some things in the last few weeks that were related to the economy of his community, my community, our country.

Look at the work that members of the Bloc, members of the Reform Party and our members have done. Look at the work that we have done in the industry committee on accessing capital to small business. It is important that members tell their constituents that the financial institutions of Canada are beginning to move. They are beginning to respond.

Look at the tremendous announcement that we received this week from the Royal Bank of Canada on its new $125 million venture capital fund for knowledge based industries. That is a first.

• (1040)

I know it is not the be all and end all but our responsibility, and I say this to the Bloc through you, Madam Speaker, is not to just talk about the frustrations that we all go through in this institution. It is also to talk about some of the real meaningful things that we have accomplished here and we have accomplished some good things this week.

I would suggest that access to capital for small and medium sized businesses is beginning to happen and in a better way. We know we have a long way to go but members should tell their constituents about that. Part of our responsibility here is to deal in hope.

There is a second matter that I have to remind the members of the Bloc of because they are always questioning this: "What is in Canada for Quebecers? What is in Canada? Why should we be here? It is not working". I have repeated this message several times, and I am going to say it over and over: I cannot understand why the members of the Bloc refuse to talk about the announcement of the Minister of Finance on January 21, that is how far back it goes, when he announced the terms of the five year equalization renewal.

The minister announced that under the equalization act, an act of Confederation, over the next five years Quebec would receive $70 billion over and above the other basic allocations on programs and services. That additional $70 billion being transferred to the province of Quebec over the next five years is an unfettered, unguided, no strings attached entitlement.

Does that not mean anything to their constituents? Through Confederation, this federation of Canada, in the name of fairness—and in no way, shape or form am I questioning this—there is a $70 billion transfer under equalization from the have provinces to the have not provinces.

By the way, for the previous five years there was about $58 billion. We are talking over the last five years and the next five years about $130 billion being transferred to Quebec under the equalization entitlement.

In my community no one questions that, but they think that is a meaningful amount of money. I have never heard a member of the Bloc say yes, equalization is a good thing, and they do in fact recognize it. They always stand up and say: "We are entitled to that because of the personal and corporate income taxes that we put into the treasury. We are just getting back what we put in". That is not the case. This is $70 billion over and above that.

My point today in responding to the member for Charlevoix is that yes, there are many areas in this government where there is room for improvement and efficiency. There are some duplications that we must figure out and correct.

Of course I take an opposite position from the Bloc. If we want to talk about eliminating duplications, let us take in the area of small business programs. I would not suggest that we eliminate the duplication by just handing over all the small business programs to the province of Quebec and cancelling the national government's small business programs. I would say the reverse. Have the province of Quebec cancel theirs and let the national government operate them.

I am a traditional Trudeau trained centralist and I believe that we must have a strong national government. We must have a strong national government in order to create national programs. National programs are where we create national will. That is where we get the spirit that holds the whole country together.

• (1045)

The standards whether they be in education, environment or health care should be the same whether someone gets sick in Newfoundland, downtown Toronto, Quebec City or northern Saskatchewan.

This whole notion members of the Bloc Quebecois have of wanting to destabilize and dismantle the national government ultimately works against the citizens not only of Quebec but also of every region of our country.

I just wanted to take a moment to try and convince the Bloc Quebecois members that yes, we too are not satisfied with the speed with which things are happening here. We are trying to move as fast and as aggressively as we can. However, they should not forget to tell their constituents about some of the good things we manage to get done in the House and in committees day to day.

Mr. Paul E. Forseth (New Westminster—Burnaby): Madam Speaker, this is the last opportunity I have during these scheduled debates to speak specifically on the budget.

The budget document outlines the Liberal version of national priorities. It certainly has now been widely accepted that this year's budget lacked courage and does not sufficiently respond to the new realities we are facing in international finance, where money and wealth have no loyalties. At the mere touch of a key on a terminal, disgruntled or nervous investors representing large blocks of funds can turn against an economy when the wrong signals are sent.

We must not forget that much of what is done in investing and international finance is in the realm of what is believed may happen in the future, what is being speculated on.

The range of options a government has in order to perform for the international audience is becoming smaller. At this point the Canadian government still has a few choices left but these in themselves may not be available for long.

Specifically, the enactment of this bill implements various parts of the February 22, 1994 budget. It affects persons employed in the public service as well as federally appointed judges, parliamentary agents, the Governor General, Lieutenant Governors, parliamentarians and members of the Canadian Armed Forces and the RCMP.

This law extends the freeze for two years, suspends the upward movement within salary scales for a two year period and enables incentive payments to be made to indeterminate employees of National Defence, Emergency Preparedness and the Communications Security Establishment under the civilian reduction program.

It also fixes a maximum on contributions to provinces under the Canada assistance plan. It extends restrictions on the payment to provinces under the Public Utilities Income Tax Transfer Act.

It makes permanent the 10 per cent reduction in payments to railways under the Atlantic Regions Freight Assistance Act. It increases the reduction in the government share of freight rates under the Western Grain Transportation Act.

The act also allows the CBC to borrow money.

The act establishes a two tier benefit rate in unemployment insurance at 60 per cent for low earners and a basic rate of 55 per cent. It reduces employee premiums to 3 per cent of insurable earnings in 1995. There is also a new benefit entitlement schedule which addresses the link between work history and duration of entitlement. The minimum entrance requirement is increased from 10 to 12 weeks of work.

It provides that workers suspended for misconduct, who take a leave of absence or quit their jobs for a few weeks before the end of their employment will no longer be disqualified from receiving benefits for their entire entitlement period. They will not be entitled to benefits while suspended or on leave or while their contract of employment continues. The benefit of the doubt will be given to claimants on these and other issues related to just cause or misconduct where the evidence is equally balanced.

The act also authorizes the establishment and operation of pilot projects to study ways to make unemployment insurance more efficient.

That is the general description of this bill. However, it really falls short of what the country needs. I am sure the finance minister and members of the cabinet are reasonable people who realize what must be done. The problem is they do not have the political courage to do the right thing for the long term benefit of the nation, compared to the leadership it will demand in the short term to get everyone on side, the vested interests, the self–centred thinkers, the politicians who seek to please for the short term at all costs.

That is what is represented by this bill: a government that is only beginning to say it hears what the majority are saying, rather than being prepared to act on what the majority are saying.

• (1050)

The budget in general terms sounded as if it came from the Reform Party book but when one checked the numbers against the rhetoric all credibility was lost. That is why I say this bill before us today falls so short.

I am not opposing just for the sake of opposing. I truly believe that under the guise of being lean and not mean the government is discovered to be weak in what it perceives is the prescription necessary to be a manager of the national economic climate.

Compared with either the experience of other countries or with our own history, the four decades between the end of World War II and the mid–1980s were a period of some measure of economic success for Canada. The Canadian economy grew to be one of the strongest in the world. The lot in life of the average Canadian greatly improved during that period.

The basic reason was the development of our resource base. We traded our way to prosperity. However the traditional advantages that Canada has had are disappearing and we are being eclipsed. The resource sector will always be important but the rate of growth we have known because of it is gone.

We expect to enjoy continued improvement in our standard of living. If we expect to engage in the kind of public programs at home and abroad that we like then we are going to have to find a new economic vocation and vision.

Canadians are beginning to realize what is needed is a vision of a new Canada and that is coming from this corner of the House. The ethical, democratic and economic visions Reformers have developed in close dialogue with communities outline the prescription of required action, not the timid measures in this bill, but bold efficacious governance that leads with courage and compassion.

The very last thing we should do about our situation is nothing. We cannot afford to assume, like this government, that things would work out for themselves in our favour without much adaptation, without much effort or without using our creative minds. Change begins with the recognition that a problem exists.

I am encouraged that government members are increasingly sounding like Reformers. They are getting the talk. We on this side are getting through to many on the other side. Many more know in their hearts that we are right but they are part of a club, a gang that plays the political game as if it were politics as usual in Canada and that if they just talk nice and do lots of opinion polling they will keep power. Others appear to have a sincere desire to do what is right for the nation but have not yet gathered

the courage to make a difference, to say no to what they rationally know is the wrong course for Canada.

I invite them for once in the history of Canada to vote against this bill, vote against their club. Say to history and to all time there were members with courage and principle who acted for the national interests rather than self interests.

We must secure our economic base as a nation. As a trading nation we must be in the international trading game with courage and vigour and not shrink from trading arrangements that foster openness, yet strongly monitor the international rules, and without fear holds other players to account.

We must restructure our income security to ensure that in providing assistance from public funds those who are given priority are those who need assistance the most. We have built a comprehensive set of programs but these efforts do not adequately meet the requirements of those who should have first call on our national resources, those most in need. We will be forced to do it. We will do it ourselves in a compassionate manner or we will have it done for us in blunt terms from outside forces.

Education at all levels must have a greater level of proportion of resources. Our emphasis in education must not be just to train for a specific task but to prepare the workforce to adapt to changing opportunities. A commitment to education goes with a commitment to research. Enhancing the Canadian capacity to do the basic work of discovery and our ability to apply the results in the marketplace will also be keys to future economic success.

We have another basic economic question in Canada that is not solved by the budget. We must address interprovincial and interregional conflict. Canada must become an open market within its borders. The free movement of goods, capital, labour and cultural pursuits is fundamental.

One of the past strengths of Confederation has been that we have found ways in our political system to accommodate regional differences. Indeed Canadians are generous and tolerant of difference, but we bridle and chafe at the prospect of preference. Therefore we need a new set of institutions which can aid in bringing about a better reconciliation of regional differences.

Finally we have come to expect that we will play a positive role in the world. Attempting to help others is not a Canadian service that is new to this generation. Missionaries from Canadian churches began to play a significant role in other countries in the last century and continue to do so, as our soldiers have done in this one.

• (1055)

We have a proud history of making the world a more stable place and we have been prepared to pay the price. The great powers have their role. Because we are not one of them we can more uniquely play a positive role in international economic and political affairs. We can ensure that the interests of the small as well as the great are taken into account within the community of nations.

While we cast our vision afar, we must also do some repairs at home. We must erase the consequences of our misguided political ideologies and economic policies of the last decade.

In closing, for government to be effective we must be open and honest with Canadians. This will be politically hazardous for some but it will be necessary if the Canadian people are to be involved in charting Canada's course. The more we can bring democracy into this House and involve Canadians in the decision making process we will realize our potential for the 21st century.

[*Translation*]

Mr. Antoine Dubé (Lévis): Madam Speaker, Bill C–17 is meant to implement several provisions of the budget but the main ones are those concerning unemployment insurance.

Even though several members spoke on the subject, I think that it is worth repeating the three main changes in the House. First is the increase in the number of weeks of work required to qualify for unemployment insurance. I stress this point first because, as the opposition critic for training and youth, it is clear that the future of our young people is my top priority. Now, one of the measures that will hit young Canadians who are excluded from the workforce the hardest is the increase in the number of work weeks needed to qualify for benefits. The first job that those young people can find is often precarious and very temporary and, in my opinion, the government's measure will hit them particularly hard.

The second change is the reduction in the number of benefit weeks according to the regional unemployment rate. That kind of attack began under the Tories, with Minister Valcourt, and continues with the present Minister of Human Resources Development, even though members of the present government condemned the Conservative policy. Today, the government wants to go even further by reducing the number of benefit weeks.

The third change is the decrease in the benefit rate, which once again goes in the same direction as the change brought about by the Conservative government, by lowering the rate from 57 per cent to 55 per cent of the salary previously earned. This will affect over 85 per cent of claimants.

I would now like to mention some statistics published in today's *La Presse*; the source is none other than the Department of Human Resources Development. We learn that the changes brought about today will result in 44,000 people being deprived of UI benefits.

Is my time up, Mr. Speaker?

The Speaker: You still have about thirty seconds.

Mr. Dubé: So, this concerns every province. For instance, and members from Newfoundland will surely be interested by this, 1,635 people in that province will be affected by the increase in the entrance requirement and 1,370 will be affected by the reduction in the maximum benefit period.

Prince Edward Island is also hit hard. And so is New Brunswick, with particularly striking effects. In that province, 1,155 people will be affected by the first measure and 1,335 by the second. In the case of Quebec, 4,880 people will be affected by the reduction in the maximum benefit period.

You can thus understand that, under the circumstances, I am indignant about these changes we are asked to approve for the unemployment insurance program. I am thinking of the MIL Davie workers, whose numbers dropped from 3,000 to about 1,500 in six months. Six months from now, only 300 will remain employed; all the others will have to live on unemployment insurance benefits, which will have been reduced by these changes.

The Speaker: I am not sure if the hon. member has used all the time allowed; if not, he can resume after question period.

It being eleven o'clock, pursuant to Standing Order 30(5), the House will now proceed to Statements by Members, pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

RAIL SERVICE

Mr. Harold Culbert (Carleton—Charlotte): Mr. Speaker, rail service, both passenger and freight, has played an important historical role in Canada. It is an integral part of our transportation system.

Most industrialized countries have modern, efficient rail systems. In Canada we appear to be closing them down. Instead we should be modernizing them with new technologies to make them efficient and effective for the future benefit of our transportation system.

Effective and efficient rail systems are most important to the future transportation needs of all Canadians. We must review all

opportunities for the future advancement of our rail systems instead of closing rail lines and losing them forever.

This is an important issue in my Carleton—Charlotte constituency and indeed in all of Canada.

* * *

[*Translation*]

HYDRO–QUEBEC

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies): Mr. Speaker, I would like to point out that today is the 50th anniversary of Hydro–Quebec, a Quebec company whose skills and expertise are now recognized throughout the world.

Remember that it was René Lévesque who gave Hydro–Quebec the impetus to become an essential tool for Quebec's economic development by providing work for thousands of Quebecers and generating billions of dollars in economic benefits.

Keep in mind as well that the energy produced by Hydro–Quebec is renewable and much cleaner than coal or nuclear power. The new challenges facing society today are soft energies and energy efficiency. We must encourage this option.

In closing, I would like to mention the historic agreement in principle reached yesterday between Hydro–Quebec and the Inuit of northern Quebec. We hope that this agreement marks a new partnership between the government owned corporation and native peoples.

* * *

[*English*]

PEARSON AIRPORT

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, with regard to the Pearson airport development deal I am happy to see the Liberals are honestly attempting to sweep away this tainted plan signed hastily in the dying days of the last Tory government.

The Pearson fiasco was clearly an example of unfair lobbying tactics and shady backroom dealings so typical of the Mulroney era.

I have only one real concern with the government's handling of the aborted airport deal. I believe in no uncertain terms that no compensation whatsoever should be provided to the consortium responsible for whipping up the Pearson privatization plan and then pushing it through the Tory cabinet like a knife through butter.

These people know full well any controversial contract signed during an election campaign would never hold water if the Tories were not re–elected. I ask, compensation for what? For abusing the public trust?

I say tough luck if they lost money putting their shady plan together. I call on the government not to extend a single dime in so–called compensation payments.

* * *

VANCOUVER MUSEUM

Ms. Hedy Fry (Vancouver Centre): Mr. Speaker, today it is an honour for me to recognize the achievements of one of the great museums of Canada.

The Vancouver Museum, Canada's largest civic museum, celebrates its 100th birthday this Sunday, April 17. To celebrate and commemorate its first century the museum is presenting the exhibition, "100 years, a million stories".

One artefact or set of artefacts from each year of the museum's history will be displayed in chronological order. Viewers will see a wing from Vancouver's first plane crash and the city's first gas pump. They will learn about a medicine woman's outfit and hear the story of outlaw Soapy Smith.

This will be an exhibition of tales untold and mysteries yet unsolved. It will amaze visitors with a century's worth of treasures bestowed by citizens and friends who cared enough to create and sustain the Vancouver Museum.

* * *

CYPRUS

Mrs. Eleni Bakopanos (Saint–Denis): Mr. Speaker, this year marks the 20th anniversary of the illegal occupation of nearly 40 per cent of the island of Cyprus by Turkish military forces.

Canada has played an important peacekeeping role in helping to bring about a solution to the Cyprus issue. Unfortunately, the problem continues to this day.

• (1105)

[*Translation*]

This week, I participated with three fellow members of this House in the 5th international conference of PSEKA Cyprus in Washington, D.C. For those three days, we had the opportunity to talk about Cyprus with several senators and members of the U.S. Congress. As we did 20 years ago, we all agreed that the problem of Cyprus has gone unresolved for too long.

[*English*]

To this day, 35,000 Turkish troops continue to occupy the island. Thousands remain displaced from their homes. Over 1,500 people are missing. Rights of free movement and ownership have yet to be re–established on the entire island.

I call upon the government to continue to support the UN resolutions and help to bring about a final resolution to this problem. It is time the human rights and freedoms of all citizens of Cyprus were guaranteed and respected. Enough is enough, thank you.

The Speaker: That was a good statement right at the end.

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[*Translation*]

WOMEN'S SPIRIT OF ENTREPRENEURSHIP

Mr. Alfonso Gagliano (Saint–Léonard): Mr. Speaker, I would like to take this opportunity to draw the attention of the House to the outstanding contribution made by Canadian women to job creation and to the important role they play in the development of our economy.

The Montreal region has been well served by their spirit of entrepreneurship. Women understood the importance and potential of small businesses. The women of Montreal realize that small business are responsible for 85 per cent of the new jobs created in this country and that they need better access to capital.

Last year, 35 per cent of small businesses started in Montreal were headed by women. Furthermore, the five–year survival rate of small businesses headed by women is twice as high as the survival rate of those headed by men.

I want to congratulate these women on their courage and entrepreneurial spirit and wish them every success in the future.

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QUEBEC CULTURE

Mrs. Madeleine Dalphond–Guiral (Laval–Centre): Mr. Speaker, culture is the living memory of nations. On April 9 this year, Laval, Quebec's second largest city, wanted to draw attention to the exceptional way in which the people of Laval have contributed through their art to Quebec culture.

The entire community joins the *Académie des Arts de Laval* in congratulating Sylvie Samson, Joanne Pontbriand, Violaine Poirier, Sylvia Daoust, Michel Cailloux and Joël Des Rosiers, as well as the members of the *Théâtre d'Art Lyrique* in Laval. We also want to thank Bell Quebec for its financial support to the arts community in Laval.

I am proud and delighted to have this opportunity to say thank you for expressing so well what we are.

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[*English*]

GUN CONTROL

Mr. Jay Hill (Prince George—Peace River): Mr. Speaker, I would like to commend the justice minister for responding to the two recent slayings in Ottawa and Toronto by calling for tougher laws for violent young offenders.

It has been far too long in coming but people back home in northern B.C. are gravely concerned over other statements by the minister. He has been quoted as saying that he came to Ottawa with the firm belief that the only people in this country who should have guns are police officers and soldiers.

This is a sobering thought for millions of responsible gun owners in Canada. Why is the focus on disarming citizens because criminals continuously misuse guns?

While people in Ottawa and Toronto mourn the loss of these latest victims, one of our elderly was murdered in Val Belair in yet another senseless home invasion.

Only the criminals would have guns in the minister's city of the future and they would not have to guess, they would know that Canadians would be defenceless in their homes.

* * *

UKRAINIAN ELECTIONS

Mr. Walt Lastewka (St. Catharines): Mr. Speaker, Ukraine has just completed the first and second rounds of its first democratic elections.

It has been more than 70 years since Ukraine has had democratic elections, but its people are rich in patience and tolerance.

They have waited very long for this day and they have worked hard to ensure the success of their democracy. They are proud to have achieved a Parliament without bloodshed and extremism during the election process.

I would like to extend congratulations to Elections Canada, especially to Andre Bouchard and Ambassador Francois Mathys for their excellent work in assisting the Ukrainian election committee during the past several months.

The Canadian government and the Canadian people have played a very significant role in Ukraine's search for democracy, its search for hope and its search for peace and a better way of life.

I congratulate Ukraine for having earned the respect of people throughout the world. May Canada and Ukraine continue to work together to make both countries prosperous.

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ETHANOL INDUSTRY

Mr. Roger Gallaway (Sarnia—Lambton): Mr. Speaker, there is considerable pressure being mounted within and outside this Chamber to persuade the finance and natural resources departments to grant sizeable tax concessions to artificially create the ethanol facility proposed for southern Ontario.

• (1110)

Certainly the creation of new industry is always welcome news but industry must be based on economics and not agrohysteria. Let us remember that this ethanol project is premised on cash infusions from government, a principle which should be disavowed.

Ethanol in jurisdictions with very high taxation can be a competitively priced fuel in relation to ordinary fossil fuels. However, such is not the case in Canada. Our refining industry provides a quality Canadian product at a competitive price.

If the proposed ethanol industry could compete on a level playing field then it will proceed successfully. Conversely, if the ethanol industry as proposed will only be viable as a result of artificial means, that is, long term tax concessions and cash donations from taxpayers totalling close to 600 million Ontario and federal dollars over 12 years, we could conclude that it is still the fuel of the future, but not that of the present.

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THE BAHA'IS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, the Baha'is are the largest religious minority in Iran, totalling 350,000 people. Religious beliefs are the only thing that differentiate the Baha'i from the rest of the Iranian population. Iran has classified these people as unprotected infidels and has engaged in their systematic persecution on the basis of religion.

Because of their religion Baha'is are denied basic human rights, including the right of redress or protection against assault, murder or other forms of persecution. Since 1979 there have been 201 Baha'i killed and 15 are missing and presumed dead. Baha'is are denied access to education and employment. Many have also lost their homes and savings. All of this persecution is designed to force the Baha'i to recant their faith.

Canada and the international community must continue to scrutinize the human rights situation in Iran and make every effort to encourage the full recognition of religious and human rights for the Baha'i in that country.

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[*Translation*]

MANPOWER TRAINING

Mr. Gérard Asselin (Charlevoix): Mr. Speaker, the Bloc Quebecois deplores the fact that the Liberal government is dragging its feet on a number of issues, including MIL Davie, Hyundai and Oerlikon. The government's inertia will be very costly to Quebec in terms of lost jobs. This is happening at a time when Quebec would need an additional 215,000 jobs to bring employment back to pre–recession levels.

Unfortunately, the many instances of federal intrusion in provincial jurisdiction indicate that the government is anxious to extend its influence, thus creating the usual duplication and overlap. We saw this recently in the manpower training question. The federal government's desire to intervene in this field in provincial jurisdiction is a blatant contradiction of the consensus reached by all social and economic partners in Quebec.

In a nutshell, the federal government intervenes where it should not and does not intervene where it should.

* * *

[*English*]

JUSTICE

Mr. Randy White (Fraser Valley West): Mr. Speaker, I would like to bring to the attention of the House a deplorable excuse that is being used by murderers in our country in order to receive lighter sentences. It is called cocaine psychosis and has affected yet another court case in British Columbia.

Dale Hicks was convicted for manslaughter, not murder, in the brutal killings of two women in their home. One of his victims was pregnant and was stabbed 17 times.

The judge ruled that the deaths are considered manslaughter because Hicks, who was high on cocaine at the time, was afflicted with cocaine psychosis and was unaware of his actions.

He was sentenced to 10 years but could be out in three and half years if he behaves in prison; three and a half years for taking the lives of two innocent people. To top it off, his lawyers have appealed the sentence, calling it excessive.

By taking an illegal drug this killer has been allowed to get away with murder. It is time justice is served by making criminals accountable for their actions—no excuses any more.

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RAIL SERVICE

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, Canada's economic and social development as a nation was and is based on the strong west–east link created by our national rail lines. New Canadians and goods travelled on these rails to bring prosperity to our young nation. Now this vital part of our heritage is being ripped from the ground forever.

In my riding of Wellington—Grey—Dufferin—Simcoe the NTA is to rule on CN's application for abandonment of the Collingwood to Barrie line. This subdivision could be saved if the premier of Ontario would grant an exemption to Bill 40 so that short line operators would purchase the line.

I implore the premier of Ontario to act now and grant an exemption to Bill 40 to save this important business and historic link.

* * *

• (1115)

PETERBOROUGH PAPER CONVERTERS

Mr. Peter Adams (Peterborough): Mr. Speaker, time was when things like world–wide trading, industrial R and D, and innovation in management–worker relations were entirely in the hands of large multinational corporations.

Today increasingly we have the extraordinary phenomenon of tiny local companies working in the global marketpiace living off their own technological innovations and developing creative and productive worker relations programs.

Peterborough Paper Converters is one of those. It has made great technological contributions to the coating of paper used for labels and postage stamps. Its employees are fully involved in company affairs and have developed their own systems software. Their products are exported around the world.

I know members of the House join me in congratulating the 100 or so employees of Peterborough Paper Converters on their 10th anniversary on 10 difficult but productive years. We wish these fine Canadians all the success they have earned in the years ahead.

ORAL QUESTION PERIOD

[*Translation*]

SOCIAL PROGRAM REFORM

Mr. Michel Gauthier (Roberval): Mr. Speaker, yesterday we learned that several provinces were joining forces to defeat Ottawa's plans to centralize social program reform.

In light of this revelation and further to the insulting comments of the Prime Minister who, on Wednesday, described traditional demands as whims, the National Assembly passed a unanimous motion yesterday confirming Quebec's position, on which all sides agree, to the effect that exclusive jurisdiction over manpower training should be transferred to Quebec.

Does the Deputy Prime Minister recognize that the decision to cancel the meeting is a step backward and a sign of bad faith as well as a reflection of the serious unease between the provincial and federal governments, all because of Ottawa's centralizing aims?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, what I find somewhat regrettable about the opposition party's stand is that right now,

there are 400,000 unemployed workers in Quebec. The federal government is working with the provinces to find a way that would enable the unemployed to receive training that would lead to employment.

Instead of complaining that we are trying to achieve a consensus, instead of criticizing us for our decision to take some more time in order to make the best possible decisions, the spokesperson for the opposition should be congratulating us for seeking the co–operation of all provinces. That is why we have decided, not to cancel the meeting, but only to postpone it until we are certain that we have achieved this consensus.

Mr. Michel Gauthier (Roberval): Mr. Speaker, yesterday the National Assembly unanimously rejected the federal government's package. Maybe the Deputy Prime Minister should take this fact into account.

My supplementary question is directed to her colleague responsible for Human Resources Development. Can the Minister of Human Resources Development give us his assurance that the decision to cancel the meeting is not simply a strategic withdrawal, that he will review his centralizing strategy and take Quebec's demands into account and that he will get back on the right track?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the Government of Canada is committed to overhauling the social security system. We want the process to be open and we want to work in co–operation with the provinces.

In this regard, the government has a role to play in manpower training and in the labour market. To carry out its role, it must consult with all groups and governments to find ways of making the system as effective and as beneficial as possible for all Canadians.

• (1120)

Mr. Michel Gauthier (Roberval): Mr. Speaker, the Minister of Human Resources Development confirmed yesterday that he intended to keep to his schedule and make his reform initiatives public before the end of June. Will he not admit that his bulldozing operation flies in the face of the unanimous consensus that emerged yesterday in the National Assembly and is nothing short of a constitutional incursion into the field of manpower and social programs?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the hon. member doth protest too much.

The fact of the matter is that in the last two months we have had two major rounds of consultations with the provinces, unprecedented during that period of time. Agreements were reached in a number of areas of joint collaboration, particularly to go forward and look at ways in which we can reduce waste and duplication, where we can begin to examine a variety of initiatives we can take together. Just a week ago my deputy minister travelled throughout all provinces to discuss with them the nature of the agenda.

The hon. member says this is bulldozing. I say it is the most active process of consultation and co–operation that has been seen because we want to make this an open process.

Let us be fair about one thing. The hon. member opposite and his colleagues have no interest in this process of reform. They have no interest in co–operation. All they want to do is destroy this process because they want to destroy the country along with it.

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[*Translation*]

CONFLICT IN FORMER YUGOSLAVIA

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, yesterday, the Minister of Foreign Affairs, accompanied by the Minister of National Defence, minimized the seriousness of the situation in Bosnia by comparing it to "a last–minute glitch"; in addition, he expected a quick settlement for the 16 Canadian peacekeepers held hostage by the Serbian armed forces. We know that the situation has degenerated since then, because the Serbian forces have taken other UN troops and observers hostage, bringing the total number to 155.

Can the Minister of Defence report on the negotiations which were to begin this morning between UN representatives and the Serbian military forces for the release of the hostages?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, this morning, our people in Bosnia were able to contact our soldiers; the situation is calm, and I must add that the soldiers are not being mistreated.

[*English*]

We hope to have some resolution of this situation soon. There was a meeting this morning between Mr. Akashi, the representative of the Secretary–General of the United Nations, and the Serb leader Karadzic. I think that meeting is still going on. As soon as we have any results of that we will let members know.

I do resent somewhat the assertion of the hon. member that we are trying to minimize this. We find this situation completely unacceptable and we are very concerned.

Given the delicacy of the problem in the former Yugoslav republic of Bosnia it is wise for everyone to be rational at this particular stage because the lives of Canadians and others are at stake.

[*Translation*]

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, I agree with the minister that the situation is sensitive and cause for great concern. That is why my second question is for the minister.

Can the minister enlighten us on Canada's role in the present negotiations involving the UN, the United States and Russia, among others, as the Minister of Foreign Affairs mentioned yesterday in a press conference?

[*English*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I should point out the Minister of Foreign Affairs is in Montreal today. However he has been holding discussions throughout the early hours of this morning and right now with his various counterparts in the NATO countries. I believe he talked with Mr. Hurd a few moments ago. These discussions are going on at the highest levels with our NATO allies and with a representative at the United Nations.

* * *

• (1125)

SOCIAL PROGRAMS

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, I would like to ask the Minister of Human Resources Development how long the cancellation of Monday's federal–provincial meeting will delay the minister's social reform program?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I do not believe it will have a major impact on the timing.

In the very delicate and complicated negotiations that must go on not only with provinces but with a number of groups of Canadians of course we are going to have to make adjustments. However I still believe we can meet a timetable of bringing in major changes by the end of this year provided we have the goodwill and collaboration. After all, there are millions of Canadians who want a change, who need change and are concerned about change. It is too bad a few individuals are attempting to put a road block in it like the hon. member who just spoke earlier.

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, if the government of Quebec did not want to participate in Monday's meeting, that is Quebec's business but other provinces were prepared to attend.

Why is the minister allowing the Quebec government to delay not only the federal government's planning but that of the nine other provinces as well?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, it was my decision to postpone the meeting. It was not dictated by any province. I just felt if we are going to reach agreements and if we are going to have a good climate of co–operation then we should give one province, several provinces or whatever the time they feel is necessary.

We had a useful agenda in front of us. We were going to be meeting with the aboriginal groups. We were going to be looking at some of the strategic initiatives. We were going to put in place an agenda for the reform of the child care system and get those started. However, those are all items we can continue.

As I said yesterday, I will be recommending that we have a meeting of senior officials within the next week or so. We can discuss how a further ministerial meeting can get the process under way and we can make sure that all the provinces feel they can be a full part of the process.

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, what Canadians really want to know is whether the minister is allowing the Government of Quebec to drive the agenda of the Government of Canada.

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the conclusions or the implications drawn by the hon. member are wrong. Let us try and put this thing into perspective.

We are doing social reform review for one simple reason. We want to get people in this country back to work. We want to give people a greater sense of income security. We want to help a lot of very poor children who are not being nurtured properly. Those are the reasons we are doing it.

We recognize in a federal system like this that we must also work carefully with all our partners. I will do everything I can to make sure all the partners feel comfortable within that process, that they are a part of that process and that it is not being dictated by one government or by one group but is an attempt to find a consensus.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, my question is for the Minister of Human Resources Development.

According to an internal report of the Department of Human Resources Development, the unemployment insurance changes announced in the last budget will deprive some 44,000 people of UI benefits and put 19,000 on welfare.

How can the minister justify his changes to the unemployment insurance program when they clearly restrict access to UI benefits and increase welfare rolls, without offering these thousands of people any job creation alternative?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the first thing I would like to point out in that analysis is that the numbers are far, far smaller than the members of the opposition were claiming during budget time. In fact, they were making claims that hundreds of thousands of people would be thrown on to the welfare rolls. In fact, the best estimate we have is that it is only 19,000.

We do not take that lightly. That is the reason in the budget by the Minister of Finance we have initiated a $6 billion infrastructure development program that according to the President of the Treasury Board will create close to 100,000 new jobs across the country. We will be putting in place a number of new employment training programs for these people. We will be stimulating small business.

The hon. member forgets that one of the real results of the budget is that by reducing the UI premiums we will in fact be creating a climate where 60,000 to 70,000 jobs will be provided. All those jobs will be available.

• (1130)

It would seem to me the hon. member should be looking at how we create jobs and create growth rather than simply at how we keep a system that is not working.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): The minister seems to have no idea what it is like when 44,000 people lose their UI benefits. Does he admit that, in addition to offloading major expenditures onto the provinces, his reform excludes 44,000 people from training programs that would have helped them to find jobs?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I will say one thing to the hon. member. If he can get the co-operation of his colleagues, and perhaps some of his colleagues in the opposition party in the province of Quebec, we would be able in the next several months to create new programs to help deal with unemployment and to revise our social security network so we could put far more people back to work.

The purpose of our reform is to put in place systems so that people do not have to be on social assistance and do not have to be on UI but get the chance to go back to work. We want to help them to do it.

* * *

YOUTH EMPLOYMENT

Mr. Jay Hill (Prince George—Peace River): Mr. Speaker, my question is for the Minister of Human Resources Development.

Yesterday the minister suggested that one of my colleagues should not question the youth employment strategy because it had not yet been released. However yesterday's *Financial Post* carried a detailed description of the program, complete with direct quotes from the minister.

Why does the minister feel that he can comment on information leaked from his department when asked by the media, but members on this side of the House cannot even comment or ask questions?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the youth employment strategy is still not released, contrary to all leaks by whomever.

The fact of the matter is that if the hon. member has an iota of patience, if he can wait perhaps an hour or two, he will be in full possession of exactly what we intend to do to give hope and opportunity to the young people of the country.

Mr. Jay Hill (Prince George—Peace River): Mr. Speaker, I thank the minister for the answer.

I have learned that he has planned a news conference for later today to release the details of the program. I may be new to Parliament but I hear that holding Friday afternoon press conferences is an old Ottawa trick. Apparently the idea is to get the information out without any chance for opposition MPs to question or criticize before the following week.

It is obvious the announcement has been ready for several days. Why is the minister trying to sneak it out the back door on a Friday afternoon?

The Speaker: I would caution all hon. members please not to give motive to any action by any other member. The final question is in order, but the preamble was a bit off. I would ask hon. members to consider that.

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I will make my answer short.

We work Friday afternoons. Maybe the Reform does not. We want to work Friday afternoons. Not only that, I am going to be working Saturday and Sunday as well. If the hon. member can

get back here in time on Monday I will be happy to answer his questions.

The Speaker: We are all hard at work today.

* * *

[*Translation*]

ACTION PLAN FOR YOUNG PEOPLE

Mr. Antoine Dubé (Lévis): Mr. Speaker, my question is for the Minister of Human Resources Development. The minister has just informed us today that he will be holding a press conference to announce, with great pomp I imagine, his apprenticeship plan for Canadian youth.

But this plan implies an obvious infringement on the provinces' jurisdiction over education. One simple question: Did the minister make a point, before announcing this plan, of securing the support of the Quebec government?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I met with all the ministers of education and labour a month ago in Toronto where we outlined the directions of the program.

• (1135)

We indicated at that time we would be working in co–operation with the provinces, as we presently do, on the existing co–op education program which the provinces utilize at the moment. We have agreed to establish working groups of officials in each province so that we can ensure the programs are totally harmonized and there is no overlap or duplication.

Again I come back to one central fact. It strikes me as exceedingly strange, when there are 400,000 young people in the country desperate to go back to work, wanting to find a place where they can get serious training in the workplace, that the only question the hon. member has is how do we stop the program rather than how do we go ahead with it.

[*Translation*]

Mr. Antoine Dubé (Lévis): Madam Speaker, normally the Minister of Human Resources Development should have taken a lesson in humility from the National Assembly, yesterday, but that does not seem to have been the case. Is the minister prepared to postpone the implementation of his apprenticeship plan until such time as he has secured the co–operation of the provinces and of Quebec?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, once again he is asking us to stop a program that will put young people back to work.

I am not in the business of stopping programs to put young people back to work. I am in the business of helping them get to work. As a result I will never listen to that kind of advice.

* * *

YOUTH EMPLOYMENT

Mr. Dale Johnston (Wetaskiwin): Mr. Speaker, my question is for the Minister of Human Resources Development.

He referred to the 400,000 young Canadians actively seeking work in the country. Leaked information implies that the program would help about 1 per cent of those 400,000 young Canadians.

Why is the minister playing politics with such a serious problem as this one? Why is he cruelly creating false hope for so many young Canadians?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, once again the Reform Party is working on the basis of leaks.

I would suggest that Reform members get themselves a proper research department so that they can start basing their questions on facts rather than on rumour and speculation. The only thing I take great comfort from in the hon. member's question is that for the first time in the history of the Reform Party's presence in the House we now have Reform members saying to the Liberal government: "Spend more money".

Mr. Dale Johnston (Wetaskiwin): Mr. Speaker, I did not say to spend more money. As a matter of fact these programs have an effect of costing taxpayers more money.

I have a supplementary question. Recently the government has begun the very difficult job of trying to reduce the dependency cycle of thousands of east coast fishermen. The history of these make–work projects in Canada has been a series of failures. I had hoped that the 1970 tactics had gone out with the last election.

Why is the minister now planning to introduce thousands more young Canadians to a dependency cycle with yet another make–work program?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, that is a very cruel statement.

There are over 40,000 people on the east coast of Canada who have been deprived of a way of life and a way of making a living through no fault of their own. Their families for generations have fished honestly. The fish have disappeared.

It is the responsibility of the Government of Canada, along with others, to give every support and assistance to enable those people to find new hope, to find new choices and to find new careers. We will be basing a program on giving people who have had their way of life and their livelihood disappear a new way of

finding the chance to make a good living for themselves and their families.

The cruel and insensitive remarks by the hon. member are not acceptable because we will be giving, as the hon. member will see next week, a real chance or a real platform for those people to find once again real hope that the country cares about their plight.

* * *

[*Translation*]

IMMIGRATION

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, my question is for the Minister of Citizenship and Immigration. Yesterday, the ultrafederalist Quebec Minister of International Affairs, Cultural Communities and Immigration, Mr. John Ciaccia, made the following statement: "COFIs teach immigrants to cope with problems of daily life. They are told how schools and institutions work in Quebec. They are given tips on food and housing."

• (1140)

Is the Minister of Citizenship and Immigration, whom the Quebec government has called to order along with his colleague, the Minister of Human Resources Development, prepared to mind his own business from now on and to apologize to the Quebec government?

[*English*]

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, no Government of Quebec official has called me to order. Quite the contrary. I spoke to the Quebec minister responsible for immigration and he said very clearly what I told the member yesterday on the floor of the House of Commons.

First, he says that Quebec has nurtured a settlement process that clearly is at the top of the list after a 20–25 year agreement with the federal government.

Second, he has no problem that the committee overseeing the Canada–Quebec accord regularly meets with federal and provincial officials to discuss what there is for public debate.

Third, he confirms to me that there is no incompatibility with promoting strong, exciting patriotism and love of Canada and one's fierce loyalty to one's province or region. One either lives in a province in a country or one lives in a country and in a province.

Quebec has jurisdiction over independent immigration that comes to Quebec, but as far as I know Quebec is still in Canada.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, now the minister is backpedalling. Does he not realize that his clumsy action calls into question Quebec's jurisdiction for integrating its immigrants into the French community?

[*English*]

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, I think clumsiness is in the eye of the beholder. Quite frankly the hon. member is trying to make an issue of a non–issue. No one is calling the Quebec government or the province of Quebec into question on its resettlement and settlement programs.

I told the hon. member in committee two days ago. I told the hon. member yesterday. I repeat for him again that my government and I believe Quebec has done a yeoman's job and service on settlement.

Second, the hon. member intentionally confuses what I said on the settlement issue with citizenship materials to try to standardize citizenship materials from one coast to the other. That is citizenship, settlement is immigration, and the member knows it.

* * *

OLD AGE SECURITY

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Human Resources Development.

The government recently announced the preparation of a broad discussion paper on Canada's programs for seniors. The minister clearly stated that the objective was to define a set of efficient and compassionate programs to meet our future needs.

Could the minister clarify whether this means that the review of seniors' programs is part of social security reform? Could the minister give his assurance that old age security pensions will be protected?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I can certainly give the hon. member that assurance.

Nobody in the government has ever said in any way, shape or form that we would be making changes to the fundamental protection of seniors through the OAS. The social review that we presently have under way is primarily designed to deal with questions of employability and with questions of security for families and children. That is our real commitment.

The Minister of Finance indicated in the budget that we would be preparing a paper on the long term issues and implications of what happens to a society that is aging and what that means for some of the long term security benefits 20 to 30 years ahead. We

must address those matters because of the changing age of the population and what that would do in terms of premiums and so on.

That is a discussion paper looking at the long term. We have no intention of making any changes whatsoever at this time in existing security programs for seniors.

* * *

• (1145)

IMMIGRATION

Mr. Art Hanger (Calgary Northeast): Yesterday, while the Minister of Citizenship and Immigration was busy briefing the press, some real news was revealed by his deputy minister. Apparently no HIV test is required as a part of the routine medical testing for immigration to Canada. This is despite the fact the Immigration Act reads that:

> No person who is a danger to public health or who would create excessive demands on health services should be allowed into the country.

That is the law. Why is the minister's department not testing each and every immigration applicant for HIV and why are we letting these people into Canada?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, that is only news to the hon. member because as my colleague mentioned earlier, they clearly have a vacuum in their research capacity.

The fact is there is not mandatory HIV testing. However, if in their routine checks they find traces of HIV, our doctors throughout the world are allowed to ask applicants to have that test. In the majority of cases they have been refused.

There is not mandatory testing yet for HIV. Many applicants are tested and many are not permitted to come not only with the perspective of problems for other Canadians but also with respect to the effect and impact it would have on our health care system in Canada.

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, I do not think the Canadian people are going to be satisfied with that kind of an answer.

The minister has been aware for some time that HIV testing is not done. Not only that, but if an applicant admits being positive to HIV he or she still can be admitted to Canada. This is outrageous. Surely the minister cannot deny that HIV infected immigrants are a threat to our already overburdened health care system.

Does the minister have statistics on how many AIDS infected immigrants or refugees have been admitted to Canada to date?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, I caution the member to try to curtail the kind of fishing expedition he wants to engage in.

I would point out that that mandatory testing has not taken place. Second, where those individuals exhibit traces of HIV they are asked to be tested. Third, most of those individuals are not permitted into the country. Fourth, the whole question of medical inadmissibility is now being reviewed as a result of some of the charter cases that have happened in the last number of months.

I will be happy to provide the hon. member with some answers to questions that he asked with respect to specific statistics, which I do not have at my fingertips today.

* * *

[*Translation*]

PURCHASE OF INFLUENZA VACCINE

Mrs. Madeleine Dalphond–Guiral (Laval Centre): Mr. Speaker, my question is for the Minister of Public Works.

On Wednesday, the minister announced to the Government Operations Committee that a memorandum of agreement had been signed with BioVac of Laval and Connaught in Ontario for the purchase of influenza vaccine by the federal government for the provinces. This agreement is the direct result of an intervention by the Minister of Public Works.

Can the minister confirm that his intervention resulted in the division of the contract in two equal parts between BioVac and Connaught, whereas before BioVac held an exclusive contract?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I thank the hon. member for raising the question which is indeed important to all Canadians.

The member may not be aware, but the Government of Canada purchases approximately 1 per cent of the vaccine in question. Ninety–nine per cent is purchased by the provinces. We act as a facilitator for the provinces. The member is quite correct that yesterday I did announce at committee that there was an agreement in principle between the participants and that the details of that particular agreement will be announced very shortly.

• (1150)

[*Translation*]

Mrs. Madeleine Dalphond–Guiral (Laval Centre): Mr. Speaker, I am not very patient. Could the minister tell us today what reasons led him to intervene personally so that the government would circumvent the normal contracting process?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the hon. member raises a question which is quite contradictory to a previous question one of her colleagues raised on the floor of the House.

The primary concern of the Government of Canada, as I am sure it is of all hon. members despite political differences, is obviously to protect the health of Canadians.

There are Canadian companies which wanted a Canadian solution to a particular problem. I think we have arrived at that. We have an agreement in principle which I think will satisfy all of the participants. At the same time the primary concern is to provide a quality product for those individuals across the country who have to use it, namely the children.

* * *

ENVIRONMENTAL SECRETARIAT

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, my question based on fact is for the Deputy Prime Minister and Minister for the Environment.

On January 24 the minister told the House that the decision to locate the NAFTA environmental secretariat would be public and transparent throughout and that the decision would be made free of politics based on an independent consultant's report of the competing bids.

The minister said that for the first time in the history of government the decision would be based on the environmental record of the competing cities. When the minister announced that Montreal was to be the site of the secretariat, the minister admitted the decision was political.

When the government made the political decision to locate the environmental secretariat in Montreal, was the minister aware that of the competing cities Montreal has about the worst environmental record? Therefore, based on the minister's own words will the minister reconsider her decision?

The Speaker: I know that hon. members will want to make their questions quite succinct and specific. I would invite the hon. Minister of the Environment to answer the question.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, first of all the statement by the member is absolutely false.

I invited him last Monday along with any other colleague in the House to come to my office and personally review every single one of the applicant cities. There were 25 cities that applied, 25 cities that had applications based on five criteria which were public criteria, which I released with all relevant documents.

I invited the member last Monday to come and review the applications from his city and from the other cities. Unfortunately, he and his colleagues have not shown any interest in actually seeing the documents.

I have released in this House, publicly, every single document on that issue that was reviewed by me. I have invited the member and his colleagues to come and personally review the approximately 15,000 pages of documents that came from the cities. I would ask him to come over and review the facts and I think when he sees the facts he will agree with me that among 25 very good applicant cities, Montreal was the best choice.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, given the fact that the decision to place the environmental secretariat in Montreal appears to have been made before the phoney competition began, will the minister tell the House if it is the intention of the government to buy the affection of the separatists in Quebec at the expense of federalists in the rest of the country?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I think the tone of the hon. member's question is a very good indication of how he and his party do not understand that this party believes that Canadians belong in every part of this country. My brother living in the city of Montreal is every bit as Canadian as anybody living in his city. One thing that is going to be very important for the future of this country is if Canadians from Edmonton, Montreal, Vancouver, Dartmouth, St. John's and Hamilton begin to understand that we are all in this together.

• (1155)

If the member is really interested in moving the environmental agenda forward, I would ask him to participate in the conference on environmental technologies. I would ask him to put his mind to new and innovative ideas for future technology.

The reality is that environmental technologies are the cutting edge of jobs for—

The Speaker: The hon. member for Madawaska—Victoria.

* * *

[*Translation*]

EDUCATION

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria): Mr. Speaker, I promise that my question will be short and to the point. For a while now, Bloc members have been having fun, scaring francophones outside Quebec by saying that our government is cutting funds for francophones. In view of the importance of education for francophones outside Quebec, could the Minister of Canadian Heritage tell us if the education budget for francophone communities will be cut?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, there will be no cut in education support for francophones outside Quebec. For fiscal years 1993–94 to 1998–99, we will commit $112 million in new funds. The budget cuts announced last February 22 do not apply to these contributions.

CANADIAN MUSEUM OF NATURE

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, my question is for the Minister of Canadian Heritage. In answer to questions from the Official Opposition during committee hearings, the Director of the Canadian Museum of Nature acknowledged that the museum suffered from serious mismanagement. Disturbing facts, especially concerning the awarding and managing of contracts for consultants and the hiring of museum executives, were confirmed in the committee.

In view of the seriousness of these disturbing examples of mismanagement, is the minister ready to place the museum under administrative supervision and allow the committee to proceed with an in–depth review of the museum's management?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I thank my colleague for her question. I am myself extremely concerned about situations like this one. The person who is most suited to carry out such a review is the Auditor General of Canada, who will do just that.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, can the minister confirm that the museum director is not waiting for the Auditor General and has already hired a firm to conduct an investigation?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, we can have both. It is quite natural for the managers of an institution such as the museum to be concerned about the quality of their own management. They carry on their affairs at arm's length, and I respect this relationship between the institution and the minister responsible for its operations.

* * *

[*English*]

GUN CONTROL

Mr. Jim Abbott (Kootenay East): Mr. Speaker, yesterday the Parliamentary Secretary to the Minister of Justice said that for the next few weeks the Minister of Justice and the department will be studying very closely the possibility of making changes to gun control laws. We know that in the 1993 Auditor General's report it was said that we must have evaluation of the existing laws before we even know if they are currently being effective.

• (1200)

When is this evaluation going to take place, for surely it must before we proceed with any changes to the existing laws?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the effectiveness of the laws at present are being evaluated on a continuing basis and we will continue that effort.

I want to make it clear however, in terms of what the parliamentary secretary may have said, as I have said earlier this week I am studying a broad range of options to bring forward to caucus and to cabinet for consideration, and that process is under way.

As to the effectiveness of the present laws, we simply have to look at the evidence all around us, the increasing availability of guns for people with criminal intent, to know that we have a long way to go before being as effective as many of us want to be on this subject.

Mr. Jim Abbott (Kootenay East): Mr. Speaker, does the Minister of Justice really feel there is any point in spending $60 million on the Auditor General's department which said that an evaluation should take place and then possibly, as he has done here, come to the House and say it is fine to do the evaluation within the Department of Justice?

Should these evaluations not be made public, should they not be made transparent so that the people of Canada know whether the laws are presently working?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. member has made a point that is very fair but I think we are talking about two different things.

First, the Auditor General was speaking about evaluating the effect of the laws that were put on the books in recent years. That is an ongoing process. All of that will be made public. We will be determining the effect of Bill C–17 and its implementation. That is one thing and it is fully public.

The second thing, and I think evaluation is not a good word for the second subject, is this government, Bill C–17 now being behind us, is looking at other steps we might take for more effective gun control.

On that subject, what the parliamentary secretary said is that I and my colleagues in justice are putting together a list of options for further steps that can be taken. We are going to go to caucus and cabinet with that list. We are going to select a strategy we think is in the public interest and then bring it forward as proposals to this House.

The Speaker: Colleagues will have heard a few seconds ago something new we have instituted. I have ordered that the cannon be fired on Fridays at 12 noon.

Some hon. members: Hear, hear.

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of His Excellency Kim Doo–Hee, Minister of Justice, Republic of Korea.

Some hon. members: Hear, hear.

* * *

POINTS OF ORDER

CLERK OF THE PRIVY COUNCIL

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I know all members join with the Prime Minister and the government in welcoming the arrival of the new Clerk of the Privy Council. It is the first time a woman has held the most senior position in the bureaucracy in the Government of Canada.

I rise on a point of order because as she is a public servant she cannot defend herself. Clearly in the press reports this morning there are claims that the Clerk of the Privy Council in some way misrepresented her educational and academic credentials.

The company that published the academic credentials was the Financial Post company, a private corporation. I took the opportunity of reviewing three other so–called résumés in this particular document—

The Speaker: With all respect to the hon. member, perhaps she could find another avenue than a point of order to raise this. I invite her to terminate in the next few seconds.

• (1205)

Ms. Copps: Mr. Speaker, with respect, I asked to rise on a point of order because only the Government of Canada can act to defend the credentials of the Clerk of the Privy Council if they are challenged. I wanted to point out for the benefit of all members that in the alleged document that claims to be the accurate credentials of every member, I took the opportunity of reviewing the credentials of myself, the member for Glengarry—Prescott—Russell and the member for Cochrane—Superior.

The Speaker: With all respect to the hon. member, there must be another avenue for her to bring forward this information to the House. I would invite her to seek these channels perhaps at the next sitting of the House or even a little later today.

I would like to put an end that point of order now. We will continue with the business of the House. Is there other business?

ROUTINE PROCEEDINGS

[*Translation*]

IMMIGRATION AND REFUGEE BOARD

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Madam Speaker, I have the honour to table, in both official languages, the 1993 Report of the Immigration and Refugee Board.

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[*English*]

STATUTES OF CANADA

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Madam Speaker, pursuant to Standing Order 32(2), I am pleased to table, in both official languages, proposals to correct anomalies, inconsistencies and errors in the Statutes of Canada, to deal with other matters of a non–controversial and uncomplicated nature in those statutes and to repeal certain provisions of those statutes that have expired, lapsed or have otherwise ceased to have effect.

* * *

ORDER IN COUNCIL APPOINTMENTS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments made by the government.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

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[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to four petitions.

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, I have the honour to present the 16th Report of the Standing Committee on Procedure and House Affairs, on committee membership. With the House's consent, I intend to propose that the 16th Report be concurred in later today.

[*English*]

Mr. Milliken: Madam Speaker, if the House gives its consent, I move that the 16th report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

(Motion agreed to.)

* * *

• (1210)

BUSINESS OF THE HOUSE

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, I think you will find there is unanimous consent for the following motion:

That, any division or divisions on matters relating to government legislation requested this day be deferred to Tuesday, April 19, 1994 at 5.30 p.m.

(Motion agreed to.)

* * *

PETITIONS

DIVORCE ACT

Hon. Christine Stewart (Secretary of State (Latin America and Africa)): Madam Speaker, pursuant to Standing Order 36, it is my pleasure to present a petition on behalf of various constituents of mine.

The petitioners are asking the government to make amendments to the Divorce Act to ensure that they have access to their grandchildren. Furthermore an amendment to the Divorce Act would give the grandparent who is granted access to a child the right to make inquiries and to be given information as to the health, education and welfare of the child.

TOBACCO PRODUCTS

Mr. Peter Adams (Peterborough): Madam Speaker, I have two petitions from citizens of Peterborough riding.

The first which is signed by 25 people urges that Parliament enact legislation to request effective tax paid markings on legal tobacco products. These citizens believe it is important to clearly distinguish legal, domestic product from contraband product and they believe that these markings will make enforcement of federal regulations easier. I have also signed this petition.

The second petition is also signed by 25 citizens of Peterborough. The petitioners point out that we export Canadian tobacco but there is virtually no market for this tobacco in the United States and so that tobacco is simply reimported. They urge that quotas be imposed on tobacco exports to ensure that only legitimate export markets are met by our exports. I have also signed this petition.

CRIMINAL CODE

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Madam Speaker, I have received yet another petition from constituents requesting the repeal of section 745 of the Criminal Code.

I would like to present it pursuant to Standing Order 36. It has been duly certified by the clerk of petitions. I wholeheartedly endorse the request of these constituents.

MULTICULTURALISM

Mr. Ed Harper (Simcoe Centre): Madam Speaker, I have two petitions to present today.

Pursuant to Standing Order 36, I rise in the House today to present a petition collected by the British Heritage Institute. The petitioners request that the government ensure that the provisions of Canada's multiculturalism policy apply to all ethnic groups without favour and to publicize widely its intentions to do so immediately.

MARKHAM—WHITCHURCH—STOUFFVILLE

Mr. Ed Harper (Simcoe Centre): My second petition is on behalf of 4,500 residents of Markham—Whitchurch—Stouffville.

The petitioners call upon Parliament to undertake a process to thoroughly investigate the very serious indiscretions committed by their elected representative to determine if he is fit to continue as the member of Parliament for the riding of Markham—Whitchurch—Stouffville.

ETHANOL INDUSTRY

Mr. Rex Crawford (Kent): Madam Speaker, once again I am honoured to rise in the House, pursuant to Standing Order 36, to present a petition with several hundred names on behalf of my constituents of Kent.

The petitioners state an ethanol industry will provide definite stability for Canadian agriculture and the Canadian economy in general. Ethanol is one of the most environmentally friendly fuels available. Chatham, Ontario was recently selected as the first site for a major ethanol plant, 20 times larger than any in Canada to date, creating approximately 1,100 person years of work and contributing an estimated $125 million in annual economic impact.

• (1215)

Noting this petition, one of the signatures is the former hon. member of Parliament, Maurice Bossy, who was here 12 years ago and another is John Burgess, QC whose father was a member of Parliament here in the early 1950s.

SERIAL KILLER CARDS

Mr. Walt Lastewka (St. Catharines): Madam Speaker, I rise today to place before the House a petition signed by some 700 Canadians from the Niagara–Hamilton area.

As you know, Madam Speaker, I have spoken in the House before about the harm to society of serial killer cards. The petitioners state that they support the efforts of Debbie Mahaffy in her quest to have the killer cards seized at the Canada–U.S. border to stop their distribution in Canada.

The cards published by Eclipse Comic Books, True Crime Trading Cards and other publishers feature the crimes of serial killers, mass murderers and gangsters. We do not want these cards in our community.

The petition goes on to state: "We abhor crimes of violence against persons and we believe that killer trading cards offer nothing positive for children or adults to admire or emulate but rather contribute to violence. Therefore, the undersigned your petitioners, humbly pray and call upon the Parliament of Canada to amend the laws of Canada to prohibit the importation, distribution, sale and manufacture of killer cards in law and to advise producers of killer cards that their products, if destined for Canada, will be seized and destroyed".

I reiterate my support for this petition which I table in the House today.

ABORTION

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I have a petition signed by a number of citizens of the riding of Etobicoke Centre. They humbly pray and call upon Parliament to take all necessary measures in legislation to protect the lives of the unborn.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, the following questions will be answered today: Nos 6, 14 and 15.

[*Text*]

Question No. 6—**Mr. Grubel:**

What is the incidence of social spending by deciles of family income, in particular with respect to old age security, unemployment insurance, family and youth allowance, and other federal transfers to persons?

Mr. David Walker (Parliamentary Secretary to Minister of Finance): The following table provides the information requested by the hon. member form Capilano–Howe Sound.

The data in this table are based on Statistics Canada's survey of consumer finances for 1991 incomes, the latest year for which incomes data are available.

There are a number of different definitions of family. For the purposes of this tabulation, an "immediate family" concept has been used. Thus, a family is defined as either a husband and wife (including common law relationships) with or without children who have never married, or a parent living in the same dwelling with children who have never married. All other persons (including single persons living alone) are defined as a separate family unit. Thus, many recipients of federal transfers would show up in high income families because they live with high income parents/children. For example, a child receiving UI benefits could be living with high income parents.

The table shows transfers before taxes. Thus, the table does not show the effect of OAS recovered from high income individuals. About $300 million of OAS benefits are recovered from individuals with incomes above $51,800. This represents about 15 per cent of total OAS paid to families in the top three deciles. While the entire OAS is recovered from an individual at $81,000 of income, a lower income spouse living with a spouse who has high income is not subject to the recovery.

Family allowances and child tax credit have been replaced by the child tax benefit since 1993. The table does not show the distribution in respect of the new program because the relevant data are not yet available. However, a table showing average child tax benefit by income follows.

Gross Expenditures on Selected Federal Transfers[1] to Persons by Family-Unit[2] Income Decile 1991

Family Unit Income Decile[3]	Upper Income Limit of Decile	OAS/GIS/ SPA[4]	UI	CPP/ QPP[5]
	$		($ M)	
1	10,000	880	370	360
2	14,100	4,730	690	1,600
3	19,800	3,250	1,280	1,790
4	26,100	2,890	1,470	2,280
5	32,800	1,480	1,880	1,590
6	40,600	1,070	2,040	1,290
7	50,000	910	1,990	1,170
8	61,600	680	1,800	830
9	80,100	580	1,610	760
10	–	460	1,220	730
Total	–	16,930	14,350	12,400

Source: Statistics Canada microdata from the Survey of Consumer Finances for 1991 Incomes.

Notes: (1) Incomes from some of the transfers in this table are not fully reported in the survey. For example, the survey does

not cover residents of Yukon and Northwest territories, Indian reserves and institutions (including homes for the aged). In the case of OAS, some $1 billion are not captured in the survey data. Further, incomes from some of the transfers are under–reported in the survey. (Reporting on the Survey of Consumer Finances is estimated by Statistics Canada to be 100 per cent for OAS, and 85 per cent for the Canada and Quebec Pension Plans and for Unemployment Insurance.) Hence total expenditures on each program may not correspond with actual expenditures.

(2) A family consists of either a husband and wife (including common law relationships) with or without never married children or a parent with never married children, living in the same dwelling. All other persons (including a single person living by himself/herself) are defined as separate family units.

(3) Each income decile represents about 1,150,000 family units.

(4) OAS expenditures are before taxes are collected, inluding the high income recovery.

(5) Statistics Canada data does not report Canada and Quebec pension plan benefits separately.

(6) The table does not include a number of other federal transfers to persons (e.g. veterans pensions and allowances) because Statistics Canada data does not report these transfers separately.

Average 1993 Child Tax Benefit by Income

Family Income $000	Average Benefit $
0–30	2,075
30–50	1,690
50–75	960
+75	295
All Families	1,260

Source: Department of Finance

Question No. 14—**Mr. Hermanson:**

With respect to the conference on the deficit and the economy held by the Minister of Finance on December 13, 1993, at the Ottawa Conference Centre, were any of the conference participants' expenses, fees or honoraria paid by the government, and if so, what are the amounts, as well as the total costs of hosting the conference?

Mr. David Walker (Parliamentary Secretary to Minister of Finance): With respect to the conference on the deficit and the economy held by the Minister of Finance on December 13, 1993, at the Ottawa Conference Centre, the Department of Finance paid $10,380.84 in participants' expenses. No fees or honoraria were paid by the government. The total cost of hosting the conference is $24,244.91.

Question No. 15—**Mr. Breitkreuz (Yellowhead):**

With respect to the GST and businesses which have gross sales exceeding $6 million per annum, will the government amend the GST regulations to allow these businesses to make their remittances on a quarterly or 60–day basis rather than on a monthly basis?

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Under the GST, only the largest 1 per cent of businesses must be monthly filers. Small businesses have, of course, much more flexible filing requirements.

The filing periods for the GST are quite comparable to those in other countries.

Providing large businesses with an extra 30 days to remit their GST would entail a one–time cash flow cost to the federal government of more than $1 billion. This translates into an ongoing interest cost of about $60 million per year.

[*Translation*]

The Acting Speaker (Mrs. Maheu): The questions enumerated by the parliamentary secretary have been answered.

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

The Acting Speaker (Mrs. Maheu): Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT, 1994

The House resumed consideration of the motion that Bill C–17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994, be read the second time and referred to a committee; and of the motion.

Mr. Philip Mayfield (Cariboo—Chilcotin): Madam Speaker, I am pleased to rise and speak on Bill C–17.

Overspending, high taxes and the enormous debt we are paying interest on are the big, big problems this government has still to deal with.

I spoke before about high taxes that Canadians are paying, taxes that are preventing investment in Canada, taxes that are

making it necessary for both parents to go out and work so that they can pay their rent, their mortgage and feed their families.

Most of all I talked about the fact that high taxes have resulted in an underground economy that is going to be difficult to stop. Sure, we have halted some of the smuggling of cigarettes because the government has cut the tobacco tax, but in its place is liquor smuggling. Stories in this week's press tell of warehouses stacked to the ceiling with contraband alcohol. The reason for this is the high taxes that Canadians are no longer willing to tolerate.

I have also talked about the government's infrastructure program and the fact that it will not create the permanent high tech jobs this country needs. Rather, what we have coming are short term jobs, jobs that will last only as long as the government pours money into the program affected.

• (1220)

I mention high tech jobs and the fact that the government seems to be shying away from the realities facing this country. Whether we want it or not, high technology is already here. It is going to affect all of us at some point. The information network is the first example that comes to my mind.

But what does the government do? It announces it will be pulling out of the space program. It cancels KAON. Here the potential job programs of the right kind are to be found, high tech jobs. We are losing the opportunities to create and expand the kind of skills this country is going to need if we are to compete in future markets, markets that will be technology based.

A constituent from Williams Lake, British Columbia wrote to me about the space program. He is convinced there are very good reasons that Canada should stay involved in the space program beyond the fact that it provides an insight into cutting edge technologies. My constituent goes on to say that he does not want to see Canada put on the back burner, but not getting involved in high tech industries will put Canada on the back burner.

The future more so for the next generation is going to be exciting. High technology will ensure that this is so, but only to the extent that we keep up with all the changes. Just look at the last 10 years and the changes to the workplace brought about by computers. This leads me to my next point, being able to be a part of the changing face of the workplace.

The February budget made reference to investing in jobs and people. Today the government will introduce its five point education program and work strategy program aimed at solving the problems of this country's youth, who are rapidly becoming known as the lost generation. The aim of the program is to create a new work ethic for young people between the ages of 15 and 24. There will be apprenticeships and the Canadian youth service corps. Is this Katimavik revisited? There will be a learning package.

Apprenticeships can be wonderful things. We do need young people to have formal training and marketable skills, but we must not leave it to the government to take responsibility for teaching the people. The private sector has to take the lead role so that people are trained for the jobs that will be there, not the jobs the government thinks might be there.

The learning package is probably the most commendable part of the youth program. If it does offer hope to the youth, if it does offer promise and jobs, I commend the government on this. I sincerely hope it is not a false promise.

In Tuesday's *Globe and Mail* there was an article by a young university student. This student passed comment about the fact that the professor had to take time from giving the economics lecture to give the class a lesson in grammar. It is a fact that some university students, although they have got into university and will probably get their degrees, still will be unable to function effectively in the real world of business and commerce because they cannot write a proper memo. They cannot reproduce a report or a letter that can be understood clearly. This is a major problem. It is not an isolated incident.

The government intends to work developing national education standards in math, science and language skills. This is long overdue and is a good move by the government. Only when we ensure that our children can read, write and express themselves properly will we be able to see a decrease in the unemployment rates for the younger generation.

Education is a major key to self esteem. What satisfaction to be able to pass the interview for a job and to adapt to the rapidly changing world marketplace.

• (1225)

Although the government's first budget does have some positive attributes, it does not in any way address the most pressing problem facing the country: the need to get Canada's financial affairs under control.

Many Canadians have learned how to cut back on spending because they have been forced by economic circumstances to do just that. However it is plain to see the federal government has not learned this whole lesson yet.

Taxation at current levels is an abuse of power. We have a government that is taking money from people and businesses in such quantities that these people are unable to maintain their present standard of living.

It is ludicrous when a young person with a minimum wage job has to try to borrow money to pay taxes because his employer

did not deduct sufficient at the source. This is really being put between the proverbial rock and hard place.

It is just as ludicrous when a small business person is forced to shut down because after taxes, licence fees, the cost of special audits and all the intrusions that can come from government the income is just not there. The business closes down and the employer and employees are out of work.

At a time when the government could and must reduce its expenditures it stubbornly refuses to do so. Rather it borrows what it is unable to tax, while taking from people money needed to put food on their tables. What is the government using it for? Grants to special interest groups; building multicultural centres; enforcing bilingualism; grants to multinational corporations; duplication of services between departments and between provincial and federal governments. A lot of this is in the name of humanity and kindness.

The government talks about Reform policies being of the slash and burn kind. The Reform Party has never advocated slash and burn policies as we have been accused. Instead we have proposed a program of maintaining essential services such as health care, pensions and education while prioritizing areas of expenditure reductions with a goal to reducing taxes. Non–essential programs that are a heavy drain on the treasury have to go if we are not to go belly up as a country. Effective prioritizing must begin. The government continues to avoid such prioritizing.

For example as part of its so–called cuts in spending the Liberals have slated closing down the chinook salmon hatchery on the Quesnel River in Likely, British Columbia. The reason given is that the hatchery is uneconomical. This is true, but the reason it is uneconomical is it is being operated at 10 per cent of its capacity. How could it possibly be operating in an economic manner at such a low rate? The major risk of losing this hatchery is the real possibility of also losing the chinook salmon in the upper Fraser system. Along with the salmon will go the hatchery workers' jobs.

[*Translation*]

Mr. André Caron (Jonquière): Madam Speaker, I feel it is my duty to speak on Bill C–17, particularly the part concerning unemployment insurance. A duty because I am the member for Jonquière and—according to the weekend papers—the Chicoutimi–Jonquière region has again the unemployment record for Canada, 14.7 per cent. This is an official figure. You know as well as I do that many people are discouraged and no longer looking for work. These people do not show up in the statistics, but they nevertheless live in our communities.

In my area, 25 per cent of the population might be on welfare or unemployment insurance. Last week, I received a paper from a professor at the Université du Québéc which said that, in my area, the rate might be close to 50 per cent if everyone who wants to work is counted. This is enormous. That is why I feel it is my duty to speak out.

The bill reduces unemployment insurance payments, raises the minimum entry requirements and reduces the number of weeks during which unemployment insurance can be paid.

• (1230)

I read the bill carefully and the only rationale for the government to introduce such a bill is to save money. I agree that government spending should be rationalized, and during the election campaign our party was calling for deeper cuts than the ones proposed.

But why single out the unemployed? There seems to be a philosophy in that bill which says: "That is it, the government is no longer going to support you, you are going to be thrown out in the street, and then you will have to manage on your own". What we are doing is applying to the unemployed the law of the market, which is the law of the jungle. Everyone must manage on his or her own with less and less help from the community or the country.

I find this attitude scary. We are telling the unemployed: "You are probably out of work because you want it that way, you do not really want to work". We are calling into question the honesty of our fellow citizens who, we claim, like to do nothing and get paid for it. You know this is not true.

If we send people into the street to find jobs, there must be jobs to find. Where are they? The government has just launched an infrastructure program that is supposed to create 45,000 jobs in Canada. The program has just started and there is nothing concrete yet. Statistics show that many people would like to work, but are unemployed. Where are the jobs? We are often told that there are tens of thousands of unfilled positions because there is no one qualified to take them. Where are these positions?

I am a guidance counsellor by training. Before I had the honour of representing the riding of Jonquière in this House, I worked in a vocational training centre and was, among other things, in charge of admissions. Whenever I met people who wanted to be retrained and better prepared for the workplace, some would ask: "Which field has jobs available now?" These people had read in the newspapers and heard politicians say that there might be tens of thousands of jobs available. Where are these jobs advertised? In the newspapers or in the offers of employment? We do not see very many there, nor on the bulletin boards of UI offices. In my riding, there are people skilled in leading sectors because they received training in new technologies at the Université du Québec in Chicoutimi. At the CEGEP in Jonquière, at the vocational centre where I worked, people are

told to develop skills because there will be jobs available, but these jobs simply do not exist.

Madam Speaker, if we reduce benefits and force the unemployed to go back to work, there should at least be jobs available, which is not the case. This is not the time for the Government of Canada to go after the unemployed. What is needed are well thought out policies to stimulate employment. And, in particular, we should take advantage of the current unemployment situation to retrain those who are in need of training.

I mentioned earlier that I worked in a vocational training centre. I used to receive a lot of calls from unemployed people, since massive layoffs took place in my region, including at Alcan, Abitibi–Price, Cascades, as well as in some stores and other businesses. People are not stupid; they realized that they might not get their former job back, so they wanted to develop new skills and be retrained. This is why they would get in touch with the centre where I worked.

I would meet with them to assess their retraining opportunities. But when it came to the crucial issue, that is, "how will I survive while I am retraining and while I am in school?", I would tell them: "Right now, you get your unemployment insurance benefits, but if you come to my training centre to take courses during the day, or even at night, and you join some groups that are already there to be trained, well, you will have to give up your benefits." People were saying: "That does not make any sense, I have to support myself and my family." So, they would postpone their training plans.

• (1235)

But this is absolutely criminal! It is criminal that, in vocational training centres like the one in Jonquière, there are spaces available in disciplines which are part of the new technologies, such as electro–mechanics, digital controls and refrigeration. In my training centre alone, hundreds of thousands of dollars have been invested in equipment and instruments. Often, these are not being used. And in the streets, in stores, there are thousands of people who want to be trained, but who are wandering around, trying to occupy their time.

I think it would have been important in the present situation to have a concerted and effective vocational training policy which would make room for people and allow them to be supported by the community during their training. After that, they could go on the labour market and become an asset for society. But this is not what has been done.

What did we do during that time in terms of training? We argued. I have witnessed that in my own training centre.

Often, we waited for information from the federal government to see if unemployed workers wanted to apply for various training programs. At a certain point, the federal government would inform us that, for the time being, it did not have the funds and that personnel might be available in three or four months. Yet, workers cry out for training while various levels of government cannot agree on a clear policy.

Members of the Bloc Quebecois have denounced the present overlapping in occupational training. The federal government makes decisions, the provinces make decisions, the Department of Education decides to structure its programs the way it wants and, at the end of the day, we have a situation where people who want to be trained have no training while places remain empty in our training centres.

This is outrageous, and that is why I condemn this bill, because it sends the following message to the unemployed: You cost too much, we doubt you really want to get back into the labour market, and so we are going to shorten your benefit period, but things should turn out in the end. But they will not.

One really wonders about the logic behind this kind of budget proposal. It takes a short–term view of the problem. The government wants to save billions of dollars in unemployment insurance benefits for a couple of years, but the money will be spent on welfare benefits because—and one of my colleagues made the point this morning—there are some very scary figures, and by that I mean that we can calculate the cost of the unemployment insurance measures proposed by the government. There are new welfare recipients in Quebec and people who are not eligible for unemployment insurance benefits. This is a frightening situation, because the government is introducing measures, knowing there will be a significant negative impact, and meanwhile, it does not hold out any hope for the unemployed.

Last Wednesday, I attended a seminar organized by people who are concerned about regional development. At this seminar, a number of young people had this to say: We want jobs, and we want real jobs. We do not want another Katimavik program. We do not want be kept busy painting fences in the parks during the summer. We want to get into the labour market. We want to be part of the social, political and economic life of our country.

Thank you for the opportunity to speak in this debate, and of course I will vote against Bill C–17, because I think it is absolutely unfair to the unemployed.

• (1240)

[*English*]

Mr. John Williams (St. Albert): Madam Speaker, I rise to speak against Bill C–17 which has been introduced with a fair amount of rhetoric but very little substance.

I would like to quote from a news release dated Ottawa, March 16, 1994 which says that the twin "objectives of the bill are job creation and deficit reduction". I started to think about job creation.

When the Liberals won the election in October of last year, one of their first acts was to cancel the helicopter program and introduce their job strategy–job creation program which was to pave more roads and build a few more sewers.

Maybe we did not need the helicopter program but we certainly do need the experience, the research and the development in the high technology field. If there is anything that is going to bring this country out of the doldrums it is in and show us the way into the 21st century, surely it has to be the electronics industry rather than the paving industry.

We have in front of us the electronic highway that will be crucial to the development of the technological business of industry over the next many number of years. We very much stand to lose our competitiveness around the world if we do not invest in this high tech area. Yet the government has seen fit to cancel everything in that area and introduce a subsidized, government paid job creation program that is going to pave some more roads and build some more sewers.

We had the opportunity to develop a highway that would go at the speed of light and yet we think we are only going to build a highway on which we can only travel at 40 or 80 kilometres an hour. The electronic highway is the way of the future. It had vision. It had substance.

The job creation program that the government sees has in my opinion no vision, no real hope for 400,000 young people. It has no real vision for saying: "We have a program that is going to see you through school right through to your retirement. It will give you opportunity and prosperity". All it can think of is short term job creation programs to help them through the summer and carry on from there.

Six billion dollars was supposed to create 65,000 short term jobs. I understand that the Minister of Human Resources Development may be talking at a news conference at this very moment. As he said earlier today, he is going to announce a program to spend another $100 million for 10,000 young Canadians to see them through the summer. It is with no long term vision. That is what upsets me most about this bill.

I read in the *Globe and Mail* today that the federal government and the Government of Quebec are now at loggerheads over which will do the job training in this part of the country. Therefore the whole idea of job creation is stymied, put on the shelf. It has been delayed. It has been postponed. Young people desperately need the government to get its act together to do job creation.

The only job creation I see is that civil servants in Ottawa are at loggerheads with civil servants in Quebec City. That seems to be going on ad nauseam and it is not benefiting the country. It is not job creation.

If we are going to have job creation and deficit reduction, surely we must hold out the vision of lower taxation, lower deficits and controlling the debt. As we tell Canadians, they are going to be faced with higher taxes and more government spending.

There is no real incentive on anybody's part to invest in the real wealth creating jobs in this country. The government has to go back to square one and back to basics and rethink its whole strategy on job creation, job training, job motivation, building and creating wealth and prosperity. The bill is a very poor start.

• (1245)

The government also said in its press release that there would be a two–year extension of the freeze of public service wages. Many Canadians would be glad to have a freeze if their jobs were assured. Jobs are in jeopardy; jobs have been lost. Many people are now on the unemployment rolls and are asking what their futures are.

I would like to offer them some real hope that we are spending their tax money wisely, but I cannot even offer that. I am looking at the Ottawa *Citizen* article of April 9 written by Mr. Greg Weston and entitled "Pink (Slip) with Envy". He writes about the fictitious Bob who has been working for the federal government as follows:

> No matter what Bob's rank in the bureaucracy, he will be given at least six months on the payroll to look for another job. During that time, he and other surplus people like him will have priority over everyone, everyone (except ex–political hacks) applying for similar positions elsewhere in the government.

They are going to shuffle the deck at taxpayers' expense and maintain some jobs that may or may not be necessary in the federal government. Poor people out there are working hard to pay their taxes while civil servants in Ottawa and elsewhere around the country feel quite cosy with their job security and will not be laid off. The writer continues:

> In fact, under a deal worked out with the unions in 1991 the government has agreed not to lay off anyone without first making them a "reasonable job offer".

Again the whole concept is to recycle the civil service rather than make it efficient, responsive, lean and affordable. He continues:

> Even when Bob is finally given directions to the nearest unemployment insurance office, he still remains at the front of the government line for government jobs for another full year.

Even if somebody who is qualified and on UI he plays second fiddle to our hypothetical Bob who is at the front of the line just because he used to have a federal civil service job. He is guaranteed to be the first in line for the next one that comes along. In conclusion he writes:

> In the past seven years only 5,629 public servants were actually laid off. That is an average of about 800 a year out of the 230,000–odd people working for the federal government. Among those landing on the street, about 60 per cent spent more than six months on the public payroll doing nothing.

Is that the type of job creation program the government likes: people being paid by average Canadians who have to pay their taxes to keep people on the public purse for doing nothing? He continues:

> No one seems to have any accurate figures on what all this is costing Canadian taxpayers, but the tab is at least $60 million a year just for the 1,700-odd bureaucrats currently floating around in surplus never-never land.

That article tells us that the government has neither addressed deficit reduction nor job creation in a positive and serious way. It is time government members heard from all Canadians. They are certainly hearing from Reform Party members on this side of the House that it is time they acted seriously and brought in some serious job creation programs. That attitude would create an environment or playing field for the private sector to create job creation programs.

While I still have time I would like to mention I am appalled the CBC is now going to be given authority to borrow money. Surely the country has enough debt. It is time to recognize we cannot keep borrowing money. We cannot keep giving every agency in the country the authority to borrow more money, off budget by the way, so the finance minister can tell us that the deficit is coming down. He has just passed the buck over to the CBC.

I will wrap up my speech by saying I am opposed to the points raised in the bill. The government should bring in something positive and concrete to do the job properly.

• (1250)

Mr. Harold Culbert (Carleton—Charlotte): Madam Speaker, I stand today to respond to a few of the comments on Bill C-17 by members of the opposition this morning and on previous days.

I am a strong believer that we have the good fortune of living in the greatest country in the world. I would also include the province of Quebec in my country. It is part of Canada today. We certainly look forward to it being part of Canada for many years in the future.

With regard to Bill C-17, I am extremely proud of the Minister of Finance and the time he took for consultations across the nation. As every member of the House is well aware he gave every opportunity to bring forward expertise from the various sectors of our community and our business world. He did this in addition to bringing together a number of economists and other people with background and expertise in various fields.

In addition he did something a little different. He allowed the House to have the opportunity of a pre-budget debate. Members of opposition parties had the opportunity to bring forth suggestions, ideas and input previous to presentation of the budget.

I must welcome the occupant of the chair. We have a new Acting Speaker, a member from my home province of New Brunswick who looks exceptionally good in the chair of the House of Commons.

I am extremely proud of the minister and the opportunity he gave each and every one of us in the House to bring forward our ideas and thoughts. It should not have been an opportunity just to bring forward our own thoughts and ideas on the subject matter. It should have been an opportunity for us to bring forward the thoughts and ideas of our constituents. Like every member of the House I received many pieces of correspondence and many telephone calls with sincere suggestions, input and ideas about the forthcoming budget.

After all the consultation and opportunity, the Minister of Finance brought forward a balanced, fair and equitable budget for all parts of Canada and all Canadians. Some difficult decisions were made in the budget. They were difficult for the minister and for government members. Yet they were responsible decisions.

For example, I am sure no one on the government side anticipated prior to the election a $46 billion projected deficit for 1993-94. Even after being presented with it, did the government back off and say it was going to change its plans? Was it going to do something different because it was new and different news? No. The government said that it made it more difficult but it was going to keep its commitment to Canadians over the next three years of 3 per cent of gross domestic product. The government is not going to back off. It is going to carry forward on the commitments made in the red book that all members of the House have held up from time to time and referred to by section and page. It was well read across Canada. It probably was the most well read book in 1993 and we are extremely pleased by that.

• (1255)

The bottom line is that every decision the government has taken is looked at in light of what it would do to create an atmosphere in the country that gives our business sector an opportunity to create jobs for the future. We stated that up front, first and foremost, and we are backing it up today. We are going to continue to announce programs with that specific purpose in mind.

I cannot imagine why that is something anyone should be ashamed of, as some opposition members mentioned earlier. I am extremely proud to be working with the Minister of Finance. We will certainly continue to work with him in that endeavour.

Now is the time for the government, all members of the House and all other Canadians to work together. We have to continue to build confidence in our people and confidence in business and industry. They are the people who will create jobs in the future. Since February 22, the date the budget was brought down, that has been certainly brought forward to the people in my constituency and many other constituencies across the country. A new and modern Canada will see an opportunity for young people. This plan will bring back hope to Canadians, hope for their futures and the futures of their families.

During the recent break we had a couple of weeks ago I had an opportunity to meet with many people across my constituency in public meetings. Their comments were very positive. They were saying: "You are on the right track. Keep going in that direction. It is a good balance. It is a balanced budget. We think we can make it work". They had the confidence we want to see.

On arriving in Ottawa I am sure everyone in the House, especially the new members, had heard about our perks. One of the first things the government did was to look at the so–called perks. I have never had an opportunity to use low priced shoe shine outlets or to have low priced haircuts. Maybe that is obvious today. I have never had the opportunity to have free gymnasium workouts or masseurs. That was one of the things the government said first and foremost would be gone with one mighty slash.

In comparison to a projected $46 billion deficit, $5 million may not sound like much but to me $5 million is a lot of money. To my constituents $5 million is a lot of money. I believe to most Canadians $5 million is a lot of money. That is the amount the action of eliminating those perks is projected to save Canadian taxpayers during the next year. There is a lot more to be done, no question about that, but we have to continue moving forward with input and consultation with the citizens of the country. When we start working together that is when we start making accomplishments, that is when we start getting action and that is when we start building an economy and getting people back to work.

• (1300)

I am not embarrassed by the fact that every decision the government has made is based on creating the opportunity for jobs. I am proud of the Minister of Finance and proud of this government. I am proud to continue working with this government toward that goal.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière–du–Loup): Thank you, Madam Speaker. I rise today on this bill and I will vote against it. This bill is a good example of why Canada does not work.

Look at this morning's figures. I think that, instead of "jobs, jobs, jobs," their party's election slogan should have been "welfare, welfare, welfare." In Newfoundland, the higher eligibility standards will throw 1,635 more people on welfare, while the reduced maximum number of weeks of benefits will increase welfare rolls by 1,370. In New Brunswick, welfare rolls will grow by 1,165 because of the higher eligibility requirements and by 1,335 because of the reduced maximum period of benefits.

I would have expected government members representing ridings in these two provinces to rise and tell us that it does not make sense, that this is totally at odds with what their party said during the election campaign. This would have allowed the government to come to its senses and stop sending misleading messages.

We are telling people that the economy is stalled, to be even more cautious, to avoid consuming more, to be careful. We act in a way that will make more people go on welfare, consume less, and contribute less to the economy. We kill off the weak recovery our society may be experiencing. It is a strange message to give to Quebec and Canada, to Quebecers and Canadians.

In their previous speeches, government members told us there was a free debate on the budget, that opposition parties could make suggestions. Good, I think that is the purpose of the House of Commons! That is not the problem, the problem is that our suggestions are not acted on. Every time we propose job creation programs to kick–start the economy and make people proud to earn a living, they come up with measures such as this legislation; it will only put more people on unemployment insurance.

When I say that this bill is an example of why Canada does not work, it is because the people cut off from UI benefits will no longer have access to training programs linked to unemployment insurance. In that sense, it is linked to one of the fundamental problems with this system, namely its inefficiency when the federal government lacks the will to co–operate with the provinces.

The minister of Human Resources Development told us that youth employment was the priority. Now he is surprised that the opposition raises the need to respect the wishes of the provinces in that area. The minister should be the first to know—I would say this is a very important quality in a minister—that, if you want to get somewhere, the co–operation of the people you are working with is essential. The only indication he has given was to the effect that he wanted to bulldoze the issue. The reform he had in mind was one that would override the wishes of Quebec in the area of manpower.

What he did not bargain for, though—and it must have taught him a good lesson—was to see the governing federalists in Quebec, who can hardly be called "big bad separatists", pass a unanimous motion in the National Assembly yesterday. Here is what it said:

That the National Assembly of Quebec ask Mr. Jean Chrétien and the federal Liberal government to abide by the unanimous consensus among all concerned in Quebec on the need for Quebec to have exclusive jurisdiction over manpower training.

It does not sound like a whim to me, yet it is said to be so in the case of the Parliament representing the only majority French–speaking nation in North America. It seems to me that some attention should be paid to that kind of thing.

• (1305)

In a way, the bill before us reflects this government's problem in that it sends a double message: on the one hand, promote economic recovery, but oddly enough on the other hand, do it on the backs of the least fortunate in our society.

Ontario will not be affected as much as other provinces by this reform, with 30 people or so not meeting the new eligibility requirements. That gives some idea of the influence the Ontario caucus has over this government, but I hope members who represent other provinces will make sure they have their say and convince the government to show a little more compassion for regional economies which do not necessarily keep going year–round. In that sense, I think it is important for the government to act quickly.

I would have preferred to vote today on a bill setting up real job creation programs. This bill touches on several issues; in fact, we might even say that someone tried to smother the unemployment insurance issue in this great omnibus bill, but no one was fooled. We realize that the reform before the House today is the same reform the Conservatives introduced last year and which the Liberals have re–established and will continue to apply.

That reminds me of the question Premier Daniel Johnson of Quebec, still a true federalist, put to this government. He asked: "Look, who is in charge in Ottawa, the bureaucrats or the government?" That is what we have come to realize with this bill. The machinery of government kept working after October 25, and no one bothered to stop it. That is why these things are still going on.

When you live in the lovely Ottawa region, it is very easy to forget that some people are stuck with unemployment rates of 20 or 25 per cent and to conclude that UI beneficiaries are people who do not want to work. It is not true. If the unemployed were happy, they would not have the highest rates of suicide and prescription drug use. They would not have to put up with high crime rates and other social problems.

Some ridings and regions are more dependent on the economic situation; in those regions, we need new ways of coping with structural change. But this government lacks imagination and awareness and takes no action.

As a matter of fact, I am very happy to be part of the Official Opposition because it gives me the opportunity to speak for those who have no voice here. The two provinces most affected are Newfoundland and New Brunswick. Quebec, too, is hard hit. We have been taking the floor for three days in an attempt to convince members opposite to change their mind. Government members should be rising to demand that this bill or at least the clauses on unemployment insurance be withdrawn.

[*English*]

Mr. Ray Speaker (Lethbridge): Madam Speaker, I thank you very much for the opportunity to take part in the debate on Bill C–17.

What I want to do in these 10 minutes is summarize the arguments of my colleagues in the last three days of debate. We have looked at this omnibus legislation and in all omnibus legislation we have a difficult time in deciding whether we vote for it or against it because involved in that type of legislation are often some good ideas and often ideas that are partly acceptable and some that are not acceptable at all. That is the choice we have to make in the final analysis, whether in an overall sense there is enough on the pro side to move one to a position of a vote of yes rather than a vote of no.

That is the way the bill has been presented. The ruling of the Speaker was that is the way the debate will carry on and we intend to do that. We want to put the government on notice, however, that at committee stage and at report stage it is our intention to be very aggressive in some of the areas before us.

• (1310)

I would like to touch on each of the important principles in the bill.

First of all, with regard to public sector compensation, we support the government's freezing of salaries as it has at the present time and also the freezing of the increments. There may be some abnormal circumstances or anomalies arising during the next period of time and I hope the government will be considerate and compassionate. I hope it will be able to deal with any of the circumstances that may in an adverse way affect some employee in government who, in terms of their responsibility, may have a right to an increase or fair pay for the work that they present and the responsibilities that they take in the public service.

I think of the Government of New Brunswick, I think of the government of Alberta when an issue such as this arises and the government either freezes a salary or reduces it. I have heard this from government and I have heard people in the public sector say they are being treated unfairly, governments are trying to balance their budgets on the back of the public service. We have to assess that statement and look at the framework in which it is being made.

As I walk through my constituency—I am sure it would be consistent no matter what community I visited in Canada, whether it be a major urban centre or a small community—I find people supporting themselves through some entrepreneurial endeavour. I find that their incomes have been reduced in the last four to five years in a significant way. They have also reduced the number of their employees. In the majority of cases it is 20 per cent to 25 per cent.

Their expectations have been lowered. They have made an adjustment in the business community. I visited 800 businesses in Lethbridge in the latter part of 1993 and again in 1994. They saw they were under economic pressure. The only way they could continue their businesses was to have a balanced book in which the revenues would somewhat equal the expenditures. They could not go out and borrow more to maintain their staff levels, their expenditure levels or the standard of living that they and their families were enjoying. They had to make adjustments.

They made those adjustments. They quietly made them. Many of them maintained their businesses. They are in place looking for growth in the economy. Certainly they have placed their confidence in us as members of Parliament to assure and to work toward factors that will bring about that growth.

They have made a significant adjustment, more than the 5 per cent that is being requested in the province of Alberta, more than the 7.5 per cent that is being requested in the province of British Columbia. On that basis we support this first move of the government in terms of freezing not only the levels of income but the increments that usually follow from year to year to the public service.

The second area is the reductions to the Canada assistance plan and the Public Utilities Transfers Act. Again we recognize the need for that. The government must consider the fairness with which it is done. In 1991 a cap was put on the amount of money that was transferred to three of the provinces of Canada. The other seven provinces did not have that cap. Now the cap is being put on all of them. Supposedly there is equity in the distribution of funds so that each Canadian, in no matter which province, is treated fairly in terms of those programs. As members of Parliament we must examine the concept of equalization. I spoke on an earlier bill in this House that brought about the equalization formula. I made the point that if the equalization formula is right and fair and is doing its job, it will mean the equalization of funding across Canada for a variety of programs. If that is correct, every other program that redistributes income or dollars to the provinces or a transfer of dollars to individuals in Canada should be done on an equal basis because we have created equality. I hope when the government implements this program it keeps that principle in mind.

• (1315)

The third area in this bill is with regard to transportation subsidies. We would support these reductions in terms of our economic conditions because we have to make those kinds of decisions. We feel that western Canada in terms of the Western Grain Transportation Act and the maritimes should be involved in the decision–making and the government should consult those respective parties as these programs are delivered and the shared responsibility for them is taken.

The other area in this bill is the borrowing authority that we are giving to the Canada Broadcasting Corporation. We do not support that because we feel this is only another avenue by which funding is going to the CBC in order to pick up its deficit. In the last fiscal year I believe its deficit was between $40 million and $60 million.

We do not believe this is the right thing to do and we certainly are going to be speaking about it in subsequent debate. We do not believe that the capital projects the CBC has in mind can be repaid in a period of two to three years as it stated to us in our briefing on this part of the bill. We do not believe that can happen.

We believe that another means is being established by which the CBC is able to secure funds by borrowing. We must recognize that the Government of Canada, this Parliament, in the end result has the responsibility of picking up the deficit. If this plan of the CBC does not work, we are on the hook. It is just another way that public funds are put into the broadcasting system of this nation. We think this authority is opening up a valve that cannot be controlled by this Parliament, even though there is a lid of $25 million on the amount that can be borrowed.

The last area is the area of unemployment insurance changes. I know that has received a lot of debate in the House, both the pros and cons, the good and the bad. We believe that this program should be put on an insurance basis so that if someone loses his or her job, he or she has income during the interim period between jobs. It should not be an income program as it has been. It has changed from its original objective to an income program in many instances.

I know presumably responsible people who have highly paid jobs for three or four months who after that automatically go on unemployment insurance and take advantage of this government income. It is in every business community that we can think of. It is up to us as legislators to stop that in any way that we can.

In conclusion, and I realize I only have a few seconds left, I will make these two points.

First, we are going to vote against this because of the mixture of principles that are in the bill. Our position is weighted on the side to say nay to the bill.

Second, we are opposed to some of the measures that are contained in the bill and we are concerned that the reforms do not go far enough. They could be extended and be better for Canadians.

On that basis, and I summarize this for my colleagues in the Reform Party, it is our intent to vote nay on this second reading of the bill.

• (1320)

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies): Madam Speaker, during the two–week Easter break, I am sure many members, particularly those representing eastern regions, have had the opportunity to find out what their constituents and Canadians in general think about the conclusions and consequences of the last budget.

In my riding, right in the middle of income tax time, people called by the dozen to complain and say how mad they were about the government digging again into their pockets to take more than what was planned. With the implementation of the new regulations on unemployment insurance, ordinary workers will again be the ones to foot the bill for the cuts imposed by the budget.

Before the election, the Prime Minister said to people in his riding that he was still the "little guy from Shawinigan" and promised, in clear enough words as we all heard on TV, a shower of contracts that would create jobs in his region where the rate of unemployment is quite disastrous. A few weeks only after his election, he strikes; he goes after all the unemployed in his riding. We should not be surprised that the Prime Minister of Canada has to be surrounded by bodyguards when he visits his riding.

Madam Speaker, I represent a riding in east–end Montreal, Anjou—Rivière–des–Prairies. This district has been suffering the ill effects of the recession for longer than the rest of Canada. As for back as 1987, the government recognized the very serious case of chronic unemployment in that riding. That is why I want to talk about Bill C–17 today.

According to the document tabled by the Minister of Human Resources Development at the time of the budget, and I quote: "The proposed changes to the UI program are designed to promote job creation, adequacy and fairness". The minister is therefore telling us that the fundamental reasons for changing the unemployment insurance program are adequacy and fairness. We will see that it is not so. When you look at the bill before us, you realize that the Liberals have simply dug up a bill that was being prepared by the Conservatives, as others have already pointed out.

As three researchers at the Université du Québéc à Montréal said in a study on the federal budget and the unemployed: "The federal budget of February 22 forecasts a net reduction in the deficit of $8 billion for 1995–96" but they say that only half of that, about $4.1 billion, will come from new measures announced by Finance Minister Martin. The other half comes from a continuation of the measures announced in the Mazankowski budget. Since Canadians and Quebecers have chosen to get rid of all but two of the members of the former government, one can safely assume that they were not exactly pleased with these ineffective measures to create jobs.

As a matter of fact, in the study we just mentioned, the UQAM researchers dealt at some length with the inefficiency of these measures. They had this to say: "We fear that reducing the length of the benefit period will be quite ineffective and will not bring about the desired results, namely, as to Mr. Axworthy himself said, to oblige recipients to work for a longer period of time in order to qualify for benefits for the same number of weeks. Current research does not allow us to draw conclusions on how the length of the benefit period affects job tenure and the length of unemployment in Canada". They conclude on this note: "It certainly does not support the minister's position".

And yet, the Minister of Human Resources Development had at his disposal the tools necessary to evaluate the inefficiency of the measures he was about to propose since, as early as the fall of 1993, the National Council of Welfare—a body created in 1969 by the Liberal government of the time—said the following in its report: "Changes to unemployment insurance which would exclude certain workers could lead to an increase in welfare rolls."

• (1325)

Ironically, this would add to the financial burden of the federal and provincial governments, which are already worried about their huge deficits. That is what we see happening in fact, although unemployment is supposed to have gone down a few points, in Quebec or the Maritimes or elsewhere.

What is actually happening is that people are leaving unemployment insurance to go on welfare. There is no employment recovery, then; that is nonsense. The authors of this report continue: "Before thinking of reducing unemployment insurance further, governments should do more research on the connections between unemployment insurance and social assistance." We can reasonably believe that, if the measures concerning unemployment insurance contained in this bill are adopted, any resulting decrease in the number of unemployed people will just add to the number on welfare.

The government, for its part, estimates that the impact on provincial welfare programs will total $65 to $135 million. The study that we are quoting today speaks of $1 billion, of which $280 million would be borne by Quebec. As we clearly see, this government is just passing its deficit on to the provinces again. Meanwhile, our pseudo–premier of Quebec says nothing about it, but the voters are not fools. They well know that when the federal government transfers its deficit to the provinces, wheth-

er it is in Quebec City or in Ottawa, they always end up paying the bill.

So what other issues or reasons could have motivated the minister to present this bill or have it passed? It is simply to lower the deficit. Once again, the poorest people in society are being made to bear the burden of the blunders committed previously by all levels of government.

We all know that the government could have tried to save money quite differently. The three economists of the Université du Québec à Montréal mention one way, which I will quote here: "There was no shortage of ways to reduce federal spending besides the budget for unemployment insurance." The government could simply have opened the last few annual reports of the Auditor General of Canada—I should have brought them with me, they are very thick—in fact, any report at any page. It would have found enough cuts to make without once again going after the unemployed.

Under the circumstances, we have no choice but to say that the government did not do its job properly. In fact, I should rephrase that comment because it is not strong enough. Once again, the Liberals merely pursued the previous government's policy, a policy which they vehemently criticized when they sat on this side and which allows the rich to get richer, while penalizing the poor.

The report released by the National Council of Welfare clearly showed the way to go. Our priority should be to develop tax and economic policies which will lead to a reduction in the number of unemployed people. The best way to reduce dependency on welfare or unemployment insurance is to ensure full employment. But this is clearly not being done.

People in my riding are fed up, and so are ordinary citizens in Quebec and in Canada. They are fed up with seeing their purchasing power being eroded day after day. They are fed up with seeing the deficit still growing after being told for years that it will diminish. Our only perspective is a disastrous deficit of $500 billion. And we are told that, for sure, it will climb to $600 billion in the next three years. People are fed up with seeing successive governments resort to the same old solutions which have already proven to be costly, ineffective and illogical.

Last October, voters in Quebec realized of course that they should not support those who resort to these old solutions which have the direct effect of ruining the country. Soon, when the next provincial election is held, Quebecers will again display the same wisdom. It may be that, in the not too distant future, we will achieve the ultimate goal of this process and find the true solutions for us Quebecers by becoming a sovereign state which will eliminate the useless spending, wasting of public money and overlapping of systems which our governments have been tolerating for too long and which they ironically refer to as profitable federalism.

[*English*]

The Acting Speaker (Mrs. Maheu): It being 1.30 p.m., pursuant to order made earlier this day it is my duty to interrupt the proceedings and put forthwith the question on the motion of Mr. Milliken.

Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Maheu): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Maheu): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Maheu): Pursuant to order made earlier this day the recorded division on the motion will take place on Tuesday at 5.30 p.m.

[*Translation*]

It being 1.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

CANADIAN NATIONAL RAILWAYS

Mr. Michel Gauthier (Roberval) moved

That in the opinion of this House, the government should approach Canadian National Railways and have it authorize the privatization of the Franquet—Chapais trunk line for a nominal sum and ensure the maintenance and consolidation of the CRAN subdivision in the riding of Roberval, in order to promote mining and forestry development in the region.

He said: Madam Speaker, I am taking this opportunity to put this motion before the House so that it can be debated by members of Parliament, because in my riding of Roberval, and especially in the Chibougamau–Chapais area where mining development is vitally important, rail service is to be abandoned pretty soon.

I know that the region of Lac–Saint–Jean and Chibougamau–Chapais is not the only one in Quebec, and indeed in Canada, where rail services are being shut down. I know that Crown corporations need to rationalize their expenses. I know the various services provided to Canadian taxpayers are expensive. But I also know that infrastructure is needed to further the economic development of a region.

Some people will say that, of course, we must shut down trunk lines, especially those that are not really profitable. However, as far as the region of Lac–Saint–Jean is concerned, and especially the Chibougamau area, we are talking about a crucial infrastructure for mining development throughout the region.

I know that members of this House are in the habit of using such expressions as "it is vital for the development of my region" and we "cannot do without it".

• (1335)

In this instance, we should realize that a railway is frequently the only viable alternative for moving the output of mining companies from a remote region like Chibougamau–Chapais or even Saguenay–Lac–Saint–Jean, both of which are quite far from Quebec City or Montreal. Infrastructure is needed to offset geographical disadvantages.

I would not raise this issue in the House if the CN did not turn a deaf ear to repeated pleas by people in my riding. I would not make representations in the House if the Minister of Transport proved more sensitive to this problem.

Yes, we can all agree on reducing rail service in many regions o Canada. We are ready to look at the problem responsibly as elected representatives who want to spend public money sparingly. My colleagues responsible for regional development and transport tried to make the Minister of Transport more aware of the problem and get regional public hearings before unfortunate decisions are made that could jeopardize the future of a whole industry.

Unfortunately, I was not able to convince the Minister of Transport that he should review these decisions. I have found and read reports dating from the days when those who are now government members or ministers were in opposition. In a paper those people, including the present Minister of Transport, wrote and signed, we read that the Conservatives set out to dismantle our railway network, especially in Quebec. They called for an end to that strategy, which was being implemented irresponsibly, and demanded public hearings in affected areas to allow people there to at least have a say and voice their concerns.

One cannot make cuts in a railway system, in an infrastructure essential to the development of an area, and get away with it, if one has not previously taken the trouble to go to listen to local people and determine the risks involved in dismantling it.

It has to be understood that there are two important rail lines in northern Quebec, namely the Franquet–Chapais line, which is the object of my presentation today, and the CRAN line.

In the case of the Franquet–Chapais line, Canadian National Railways, when it submitted a request for abandonment, was authorized to dismantle this rail line in June. You can understand, Madam Speaker, how important it is to deal with this issue today because, starting in June, CN will be at liberty to dismantle the Franquet–Chapais rail line, the line between Franquet in the Abitibi and Chapais in the Chibougamau–Chapais region.

Canadian National Railways has also indicated that it intended to ask the Transport Commission for authorization to abandon its operations on the CRAN line. For the benefit of those who are not familiar with the local geography, the Franquet–Chapais trunk line is presently not in use, operations having been stopped for some time already. The mining companies are using the CRAN line for their operations.

Just imagine the vicious circle the people of Chibougamau–Chapais are caught in; they need rail service to carry their ore, but the Franquet–Chapais trunk line was closed down some months ago and is about to be dismantled, and now CN is announcing that in an effort to streamline, it has decided to drop rail service through the Lac–Saint–Jean region that allowed the companies to carry on their operations.

• (1340)

It is absolutely unthinkable to use trucks for transportation in the mining sector. Yet, that is what the people of Chibougamau–Chapais are being told to do, use trucks to transport the ore to where the concentrators and the necessary facilities are. However, this would mean a 50–per–cent increase in transportation costs. Given the state of the economy today, what business could absorb a 50–per–cent increase in operating costs? In some respects, this decision jeopardizes the development of the Chibougamau–Chapais region.

The Franquet–Chapais line is located along a geological fault where new deposits are discovered nearly every day. New hopes arise each day along the geological fault, from the Chibougamau–Chapais sector all the way to Abitibi. Ore deposits are being discovered every day and every day, new projects are on the verge of being launched. However, a decision such as the one Canadian National is preparing to make will snuff out any hope that the Chibougamau–Chapais region may have. This is a region in desperate need of hope, given its remote location in

northern Quebec, a region which relies on the discovery of new mines and new deposits for its development.

The people of Chibougamau–Chapais are proud. They depend neither on the Quebec government nor on the federal government for their livelihood. They are involved in mining operations, make good money and contribute to the economy of this country, of Quebec, of the Saguenay—Lac–Saint–Jean region and of Abitibi as a whole.

What you have here is an entire region not begging for hand–outs or asking the government to go out of its way to create temporary jobs, an entire region capable of creating real, productive employment to help increase Canada's gross domestic product. You have people willing to contribute to our collective wealth. Are jobs not scarce these days? When any initiative should be welcome and every effort should be made to support economic development and job development instead of investing in social programs, temporary programs and even infrastructure programs?

Here is a suggestion. The hon. members and ministers opposite are out of ideas and are wondering how to pull the country out of this recession. They are looking for ways to regain the considerable number of jobs lost in Quebec since the beginning of the recession. Figures published this week revealed that—if these timid actions are all this government has to propose—it will take three years to restore the level of employment enjoyed in Quebec before the recession. But when the people of Chibougamau—Chapais find new mineral deposits, propose economic development solutions, try to increase the wealth of this country, they see their initiatives jeopardized because the Minister of Transport disowns his signature.

The Minister of Transport refuses to be sensitive to the people of Saguenay—Lac–Saint–Jean, of Chibougamau—Chapais. The Minister of Transport is no longer the man of the situation and the government refuses. The people responsible for setting up the economic team which it lacks flatly refuse to see the light.

• (1345)

The unemployment problem is caused by people who refuse to seize opportunities. However, the people of Chibougamau—Chapais, in desperation, decided to take matters into their own hands, to make up for this government's inefficiency, to thwart CN's plans and they called for the privatization of this trunk line. Let the champions of private enterprise stand up in this House, if there are any among the members across the way. They wanted to privatize the network, to have CN transfer the Franquet—Chapais line to the people of Saguenay—Lac–Saint–Jean—Chibougamau—Chapais for the nominal sum of one dollar so that they could keep this section in operation until such time as it will become absolutely indispensable, with new mining discoveries. Let these people hang on to this life buoy, this line which CN wants to dismantle.

The request was made. Our people did their job. They asked CN and they got this answer: "We would get $5 million for the line's old steel—the railway being made of steel—, so we are going to sell the line to you, the people of Chapais, for $5 million." Big deal! CN is acting as if it had not stayed in business because of the taxpayers' money, as if it was the railway's sole owner and had paid for it without the help of taxpayers. It is forgetting that the Franquet—Chapais line, like all other rail lines in Canada, was paid for by the hard work of generations and generations of Canadian workers.

Why should we deprive people of the opportunity to take charge of their own lives? Could someone across the way explain to me in a sensible way, without partisanship, trying only to think that we must help people, that we were elected to support our people, to defend them, to help them earn a living, could anyone explain to me why we should refuse the request of people who are not asking for anything, but only to buy for a nominal sum a rail line which was closed down by CN? Why refuse that? Is it impossible to respond to these demands? I appeal to my colleagues on the other side. I appeal to the Minister of Transport. I appeal to the Minister of Finance and Minister Responsible for the Federal Office of Regional Development. I appeal to all my colleagues on this side of the House and my colleagues in the Opposition. Why should the government not reexamine such an issue and allow people to take control of their lives and ensure their development? What else does it want? Did it ever receive a more attractive proposal from a group of citizens who want to live, who want to survive, who want to ensure their development without asking anything from the government? I am proposing to the government a job creation program that will cost only one dollar, but will bring in lots of money to the government and will allow people from our region to use that infrastructure. While the government is putting millions and billions of dollars into the development of infrastructure that does not exist, it keeps citizens from acquiring, for one dollar, something which already exists and which is necessary. Explain that to me, Madam Speaker.

Finally, I would like to tell you that this issue is very serious for my region and for Saguenay—Lac–Saint–Jean. There are so many raiy lines in western Canada. And we agree that they are needed.

• (1350)

We understand that for the sake of the economy in that region, it is necessary to use rail lines as links between urban and rural centres, in order to transport grain and various commodities. We understand that. There is no one on this side who has asked to

dismantle those lines. Everyone agrees that they are important for the economic development of that part of the country.

But we ask that the same sensitivity been shown towards the East. Why should that not be the case in the East also? What makes Chibougameau–Chapais less remote than any other area in the West, say northern Manitoba or Saskatchewan? Where is the difference? Lines are maintained when they are important to development in western Canada, and we agree with that. But we cannot agree to the dismantling of rail lines that belong to us in our area.

Moreover, we want to buy that line and keep it open. We simply want Canadian National to give us back the taxes we paid to finance the construction of those trunk lines. As I see it, the Canadian National is a one–way organization. They pull the plug to drain away the savings of Canadians but when the time comes to open the tap at the other end, there is nothing left. I think this is the way things are done.

We would ask the government to take action on that issue in a non–partisan way and without using the schemes that some would want to see implemented in that case. There is no concept as reasonable and as cheap as the one that has been submitted to this House to guarantee the development of a region.

Some businesses will inevitably close down if that trunk line is abandoned. With a 50 per cent increase in transportation costs, it will not be possible to ensure the economic development of Chibougamau–Chapais. Annual wages of $50,000, $60,000 and $70,000 are paid in the mining sector. Our people are proud of those wages, but they work very hard to earn them. However, we need help. Is there anyone in this House who would refuse to support a motion that gives one dollar to the government, that ensures the development and the pride of a region, that ensures people that their livelihood will not be taken away from them?

I see that my time is up, Madam Speaker, but I would ask the members of this House to show solidarity. We have to save the Franquet–Chapais trunk line. We have to hold public hearings on the dismantling of the rail network in Quebec and in the rest of Canada.

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, I thank you for this opportunity to speak on Motion M–194, presented by the member for Roberval. The motion asks the government to call on Canadian National Railways to sell the Chapais line for a nominal sum and to ensure that CN maintains the neighbouring CRAN subdivision.

Concerning the first part of the motion, let me first give a brief summary of the present situation of the Chapais subdivision and to explain how it got that way.

Parliament delegated to the National Transportation Agency the powers necessary to enforce the provisions of the National Transportation Act, 1987, on the abandonment of rail lines.

In 1987 CN asked the Agency for the authorization to abandon a 90–mile section of the Chapais subdivision, between Franquet and Chapais, because it was losing money on it.

After reviewing the case presented by CN and the testimony gathered at public hearings held in 1989 across northern Quebec, the Agency agreed that the line was not cost–efficient but that there was a reasonable probability of it becoming so in the foreseeable future and that its operation should be maintained in the public interest.

Consequently, on January 31, 1990, the Agency rendered a decision ordering CN to keep operating the line.

• (1355)

As provided for in the law, three years later, the agency reviewed CN's application for abandonment and ruled that, with the exception of a six–mile section, the line was not profitable and there was no reason to believe it could eventually turn a profit.

On July 12, 1993, the agency ordered CN to continue operating the six–mile section between Franquet and a site near Grevet and allowed CN to stop operating the 91–mile Grevet–Chapais section as of August 12, 1993.

I must stress that, in the last five years, the line was only used in November 1992 to transport Hydro–Quebec transformers.

We must realize that the operation of this line costs CN over $600,000 in annual losses. Since the NTA order requires CN to keep the line in service, CN receives compensation for its losses from the federal government, or rather from taxpayers. So the Chapais subdivision is operational but does not handle any traffic.

It is quite understandable that local communities, fearing the impact losing the line would have on their economic development, lobbied the former government, which issued an order delaying abandonment until May 31, 1994. The purpose of this nine–month delay was to allow interested parties to review various options to maintain the line.

CN is ready to sell the line. However, nothing is happening and CN should be allowed to go ahead. But the matter is not necessarily closed. Once the abandonment order is in effect, CN can sell its right of way and facilities without any kind of federal regulatory approval, which it cannot do at the present time. Currently any interested buyer can negotiate a selling price for the line with CN.

Which brings us to a very interesting aspect of this motion, the expression "nominal sum". As a commercial Crown corporation, CN received from Parliament the mandate to operate like a business in order to remain viable. I fear that a business cannot

remain viable if it sells land and salvageable steel rails for what is commonly called a "nominal sum." Too often, we associate the concept of "nominal sum" with the amount of $1, instead of at least considering net salvage value which can amount to millions of dollars.

It is therefore not necessary for the government to authorize CN to sell the Chapais subdivision. CN is ready to sell the line at a price equivalent to the value of the land and the net salvage value of the track facilities. It has all the necessary authority for this.

Madam Speaker, if I may, I will briefly talk about the second part of the motion, that is to obtain a guarantee that CN will maintain the neighbouring CRAN subdivision, and make sure that it is integrated in such way as to promote mining and logging in the region.

Maybe I should apologize, but I do not understand the meaning of the word "integration" in this context, and neither do the officials of Transport Canada. The CRAN subdivision is a side track to and from transfer points to lines with much heavier traffic. In order to be operated properly and safely, the track and the related infrastructure must be properly integrated.

As for the maintenance of the CRAN subdivision, CN is seeing to it. CN also uses this track for rail traffic within the region. Railway activities and maintenance work done by CN in the CRAN subdivision are regulated by the government and supervised by railway safety inspectors designated by the minister.

In conclusion, I want to insist on the fact that existing statutory provisions and policies allow for the purchase of the CN's Chapais subdivision. CN wants to sell the line. As for the CRAN subdivision, it is operated by CN according to operation and maintenance standards approved by the federal government under the Railway Safety Act.

• (1400)

For all these reasons, I cannot support the motion.

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Madam Speaker, I am very disappointed by the answer from the government member to the motion of the hon. member for Roberval asking for the maintenance of some railroad lines in Saguenay—Lac–Saint–Jean. When you listen to the government member, we would almost think we were hearing CN officials. I imagine that the member's reply was prepared by CN officials, because what we just heard is almost exactly the same as the letters sent in recent years by CN to all concerned, regarding this line.

The problem with this government is its lack of sensitivity to regional development and its lack of vision when it comes to public policies. This comment has been made before, but this is yet another prime example of this shortcoming. The Liberals are merely repeating the mistakes of the previous Conservative government which they so vehemently criticized for years in the House and elsewhere, insisting all along that it be more compassionate and more sensitive to the regions.

This is a good example where residents of a region, in this particular case Lac–Saint–Jean and Chibougamau, are not asking for subsidies. They are not begging to get money from the government in order to maintain and preserve their economic development. If the hon. member for Kingston and the Islands gives me a few moments, I will convince him of the merits of this motion.

People from Chibougamau–Chapais and from Lac–Saint–Jean are merely asking that we respect their desire to look after their own economic development in the years to come.

In his reply, the Liberal member used CN figures when he said that, in recent years, the line had been used once by Hydro–Quebec to transport transformers.

The hon. member for Roberval spent 20 minutes explaining why rail service must be maintained in this region, and he pointed out that, nowadays, given the crisis in the mining industry, the rail line is not being used as much as it would be if there were a boom in mining development. Who knows, in a week, a year or two years from now, the mining industry may enjoy an incredible boom. What would happen then, Madam Speaker, if we decide now to dismantle the rail lines and get rid of this infrastructure? The taxpayers will have to reach into their pockets once again to rebuild roads or rail lines in order to further the economic development of their region.

In his speech, the hon. member for Roberval raised another important issue to which I want to come back, and that is the ownership of this rail line.

• (1405)

This rail line does not belong to the private sector but to a public institution called Canadian National. As my colleague has mentioned, for many decades, in fact for more than a century, Quebecers and all Canadians as well were involved in financing and maintaining this service in all regions of Canada. Therefore, they are the real owners. This rail line does not belong to the President of Canadian National or to officials in the Department of Transport. It belongs to the citizens who paid for it over and over again.

If we had to keep in mind only this criterion, which is the immediate cost effectiveness of a rail line, what would happen to the rail lines in western Canada which get hundreds of millions of dollars in subsidies for grain transportation? As my colleague pointed out, we, in the Bloc, are not opposed to

subsidizing grain transportation in the West. We want fair treatment.

In this case, we are not asking for subsidies. I repeat, what we want is to allow the people of Lac–Saint–Jean and Chibougamau—Chapais, who have always shown considerable dynamism in their economic development, to allow these people, who are simply asking their government to show some sensitivity, to acquire this segment of the railway, which they will manage to make profitable.

Does this mean, and are we to conclude from what was said by the Liberal member, that the only way the people of Lac–Saint–Jean and Chibougamau will be able to save this rail line and obtain ownership will be when we have a sovereign Quebec and own a railway network that has been paid for many times over? That is when the people of this region will really be able to take control of the development of their area.

We are always being accused in this House of bringing up Quebec's sovereignty, but the technocratic and unfeeling response of the member from Ottawa leaves us no alternative.

In concluding, I would like to return to this government's lack of vision on the issue of railways. To paraphrase a common expression, one could well ask: Who is minding the Department of Transport?

Some hon. members: Hear, hear.

Mr. Bernier (Mégantic—Compton—Stanstead): Is there anyone who is capable of making decisions? In the next few months, there will be some important changes in the railway sector in eastern Canada, and I am referring to the CN–CP merger. The government is waiting for a decision from senior officials to find out whether or not to recommend the merger.

A number of decisions must be made now, including whether or not to proceed with the CN–CP merger, and to conduct studies on the viability of the rail lines, and finally to help the people of Lac–Saint–Jean and of Chibougamau—Chapais take control of the development of their economy by letting them develop this rail line.

[*English*]

Mr. Jim Gouk (Kootenay West—Revelstoke): Madam Speaker, I would like to raise a few points and some issues with regard to the motion by the hon. member for Roberval.

I am going to be as frank and straightforward as I can possibly be with him. Hopefully by doing so I will be able to get closer to the heart of what he is proposing.

I would welcome the opportunity to have the various doubts I have about the member's motion cleared up. First I should spell out some of the issues as I see them. To begin with let us take a good look at the Franquet–Chapais line that the member is in favour of privatizing. Let us examine the history of this trunk line so that we can better understand what it is that is being requested.

• (1410)

The line in question, which is 97 miles long, is located in northern Quebec. This is a rather short line but it would make no difference to Canadian National which controls the line if this route were considered a profitable one. However, it is not. Let me make myself very clear about that because CN officials have stated unequivocally to me that the Franquet–Chapais line is not profitable and has not been for quite some time.

CN Rail first applied to the National Transportation Agency for abandonment of the line in 1989. At that point, to quote the railroad, there was no traffic at all on the line in question.

The NTA ruled that the line was not economical to maintain and operate and stated that there was no near term possibility for that line to become profitable. At that time the NTA also pointed out there was a reasonable possibility the line could be economically valuable at some point down the road.

As a result of this CN Rail was told to continue operating the line for a period of three more years to determine beyond a doubt whether the line had any economic potential. As it turned out, it did not.

The Franquet–Chapais line has been a drain on CN's resources ever since and traffic on that line has continued to be next to non–existent.

In 1992 the NTA reviewed the case again and ruled that all but six miles of the entire 97–mile route were uneconomical with "no possibility that it could become feasible to operate".

Since that time the line has existed in a sort of railway hinterland. It has not been abandoned outright but this is due to occur on May 31, 1994, unless a private buyer can be found for the line.

What should we make of this? I presume the hon. member for Roberval raised this motion in order to head off the unhappy destiny this trunk line is about to meet. I think that is both an honourable and just thing for him to do. After all CN has stated quite flatly it has no use for that line and no desire to keep it in service any longer.

The member has nothing to lose by putting forward his privatization motion and everything to gain.

I would like to point out a few minor things, however, which may run against what the member is trying to accomplish with his motion. Number one, allow me to say to this House that although the Franquet–Chapais line has been on the CN auction block for a good number of years not a single private or public

body has ever expressed a concrete interest to CN officials in purchasing the line, not one, Madam Speaker.

Where then would the hon. member suggest a a real buyer be found for this trunk line? It may be accurate for him to say that such a line would allow mining and forestry development in the northern region of Quebec but such potential did not transpire overnight.

Even when the Canadian economy was booming and prices were high for mineral and wood products, there was not one proposal put forward to CN which called for the 97–mile route to be taken off the railroad's hands.

With this in mind at a time when the natural resource industry remained depressed I sincerely do not know how the member hopes to find a saviour, a white knight who will rescue the Franquet–Chapais line from its ultimate fate.

Let us not be mistaken. CN Rail has not been jealously guarding its many trunk and feeder lines in the hope of preventing potential buyers from taking them away and making better use of them. Quite the contrary, in fact.

For a number of years Canadian National has been making a strong concerted effort to sell off its smaller lines to private interests in hopes of concentrating more fully on the primary areas of operation and reducing its staff and maintenance costs. The sell–off has been even more actively promoted in eastern Canada. In fact, CN even went so far as to produce a line of all trunk lines that it felt had a real potential for interested buyers. Unfortunately the Franquet–Chapais line did not make that list. I believe the reason for this was simple. It has been a consistent money loser for years while many of CN's other trunk lines were managing to turn a profit.

What is one to make of this predicament? CN Rail went even further to do away with lines like the one in question. It actively pursued sales offers not only from the private industry but also from other public entities such as municipalities and even the Quebec government. Not one of these bodies expressed an interest in taking on the Franquet–Chapais line.

• (1415)

Simply put, CN Rail would love someone to take the line off its hands but no one has approached the railroad about it and time is running out for anyone to do so. Therefore, what am I to make of the hon. member's motion? It is certainly well intentioned and I commend him for that but I honestly do not know if it is feasible. This is where my concern lies.

That is not the end of the confusion surrounding this motion. Officials I have spoken with at CN expressed some concern about the vague terminology of the member's motion, especially the phrase that calls for the line to be offered to a bidder for a nominal sum. What is exactly meant by this unclear choice of words? He has cleared that up a bit today.

In terms of what CN Rail would actually be willing to see the Franquet–Chapais line sold for, federal transportation policy is very explicit and, I might add, quite reasonable. If a company wishes to take over unwanted rail line from its owner at any point during the abandonment process and is willing to pay the basic salvage value of the rail line as determined by the National Transportation Agency then the railroad must sell the line in question.

In the case of the Franquet–Chapais line this abandonment process has been dragging on for a period of five years but no potential buyers have forced CN to divest itself of this asset. I may point out that the concept of salvage value is important here because it shows that CN could not possibly be holding on to a money losing line because it is not getting top dollar offers from outside sources.

In actual truth the railway simply has not received any purchase offers for the Franquet–Chapais line, period. It could be that in this case the total salvage value of the 97–mile route would turn out to be nothing more than a nominal sum. Is this what the hon. member is actually driving at?

My impression is that he would be satisfied to turn the trunk line over to private interests for the sum of $1. Certainly this would accomplish his goal but it would not be a benefit to CN. It would open every line in its system to takeover for $1. In fact, CN Rail would never agree to such a proposal and this is the hard fact of the situation. The Franquet–Chapais line is worth more to CN sitting idle than it would be as a gift to private investors.

Let me express my sincere sympathy for the member for Roberval because I understand very well what he is trying to accomplish with his motion. My riding is also facing rail problems similar to those that have plagued the Franquet–Chapais trunk line.

In British Columbia's Slocan Valley, a rail line is being threatened with closure because of a variety of negative economic factors. I understand what the member is driving at. I am now trying to get abandonment proceedings delayed in my own riding just as has been done in the past in the hon. member's own area.

If a delay in Slocan Valley is successful as it was in his own area with the Franquet–Chapais line, then it should be up to that specific area to promote rail business through local economic development if the people of that area want to keep the rail line in the long term.

In the case of the Franquet–Chapais line the citizens of the region had the chance of stretching it over a five–year period to bring about the renewal and redevelopment of the line. Unfortunately, it appears that nothing was done with this opportunity. This suggests that there simply was no business to promote on the line to begin with.

Hopefully the Slocan valley rail line that is now on the chopping block will be given the same chance for renewal the Franquet–Chapais line has already had. Hopefully we will be

able to accomplish more with our opportunity and save our line by making it more economically viable for private industry.

However, I do not know how much more can be done in the case of the rail line advocated by motion 194. Private and public investors have had since 1989 to revamp and reinvest in the line and return it to profitability. This has not been done.

I do sympathize with the hon. member's motion but unfortunately I simply do not believe there are any simple solutions to be gained from motion 194.

[*Translation*]

Mr. John Richardson (Perth—Wellington—Waterloo): Madam Speaker, I thank you for this opportunity to address this House in French. After only six weeks of French classes, I know I still make mistakes. I agree with the member for Roberval.

[*English*]

CNR, CPR and VIA serve Canada.

It is easy for the member for Kootenay West to get up and reject outright the thesis of the member for Roberval when he is harboured by the Western Grain Transportation Act. They get underwriting which is a subsidy that is not able to be taken by the member for Roberval's CNR track. There is also the Crows Nest Pass and I can go on and on.

This whole thing is why I support the member for Roberval. CNR, CPR and VIA pick off whatever line they like each year until all they have left are very few Canadians who have access to public transportation which has been enormously supported since Confederation; billions and billions of dollars have gone into CPR and CNR, particularly in the west.

Please, enough of throwing mud at each other. Let us work together for a national rail strategy that will serve Canada in the 21st century and not leave one section out to the benefit of another.

[*Translation*]

Mr. Réginald Bélair (Cochrane—Superior): Madam Speaker, I feel compelled to take part in this debate today and support the motion put forward by the hon. member for Roberval since my riding of Cochrane—Superior, like many other rural ridings across Canada, is experiencing the very same problems.

First of all, we have to remind CN that its primary mandate is to promote regional development by ensuring the operation of rail lines across the country so that remote areas in particular can develop economically and have access to urban communities in Canada.

I find it extremely unfortunate that CN has adopted such a policy over the last few years. We who live in rural areas of this country are beginning to feel abandoned. We are seeing our chances of becoming self–sufficient diminish.

Even though CN wants to abandon rail lines, the National Transportation Agency could intervene to save them, if only it to ensure the future development of our regions.

A few moments ago, I talked about people feeling isolated. Once rail is gone, what are you going to replace it with? Whether we use a bus, a truck or anything else, it will still cost money.

I repeat and maintain that CN has responsibilities to isolated areas and to its employees; it has a moral duty to ensure that all regions of the country have a chance to develop. Dismantling unprofitable branch lines is no way for CN to fulfil its mandate. Absolutely not.

I strongly disagree with what my colleague from Carleton—Gloucester was saying a while ago. At this stage I would like to make a very important digression.

Some hon. members: Hear, hear.

Mr. Bélair: I am astounded, to say the least, when I see members from urban areas, who have probably never seen a rural rail line, rise in this House to denounce or deny support for the concerns of their rural colleagues.

Thank you, Madam Speaker, for granting me this opportunity to voice my concern.

The Acting Speaker (Mrs. Maheu): You still have some time left.

Mr. Bélair: Thank you, but I said what I had to say.

• (1425)

Mr. André Caron (Jonquière): Madam Speaker, hearing the member for Carleton—Gloucester on the profitability of the trunk line, which my colleague from Roberval wants to save from destruction, from being scrapped, I was reminded that some people have never travelled to the regions. Some people have never seen what an isolated region of Canada is.

I am from the Saguenay—Lac–Saint–Jean region where the Chibougamau—Chapais area is located and I can tell you that this region is 150 years old. The first settlers used axes and two–handed saws to clear the land in the hope of finding some future north of Quebec City. These people worked like slaves and never stopped fighting to open up the area to the rest of the world and to get means of transportation. They fought to obtain a road from Charlevoix to Chicoutimi. They fought for a rail line from Quebec City to Chicoutimi and Roberval. They fought for the Chibougamau road and for a road from Chicoutimi to Sacré–Coeur on the North Shore. More recently, they fought for the road to the Far North which gives us access to the development of the great dams being built in northern Quebec.

Today, they tell us they will close part of a rail line in the Chibougamau region. Of course that line is not being used at the moment. There is a recession, our mines are closed, our miners are unemployed and they are cutting their benefits so these people will now have to resort to welfare. They are closing the doors to the future for these people; they tell them their railroad is worthless, it is not profitable it will be closed and that they will make $5 million by selling the metal. It is the answer of a scrap dealer.

Some hon. members: Hear, hear.

Mr. Caron: It is not the answer of someone interested in regional development.

Last Wednesday I took part in a symposium organized in Chicoutimi by people who want to plan their regional development. They want to draw up a strategic development plan for their area. Today, they will be told to forget about including Chibougamau—Chapais in their plan because there are people in the Department of Transport and at the CN who say that if the rail line is not profitable, it must be closed. At this rate, all the roads to Saguenay—Lac–Saint–Jean are going to be closed. What highway pays for itself? What is the government's duty?

The duty of the government is to provide services, it is not to calculate their cost–effectiveness to the penny. Is the Jonquière Hospital cost effective? Of course not. Is the CEGEP in Jonquière cost effective? People will say that we spend millions of dollars, we train people and some of these young people are unemployed, because of the economic policies of past and present governments. It is not profitable, so close it down. At that rate, let us close Canada down. Is Canada profitable? Canada is running a $40–billion deficit, so close Canada down.

That is why I support the previous speaker's thinking, not on shutting down Canada, but on closing down railways in outlying regions. They are extremely important, they are our arteries, our lifeblood, our economic development depends on them. If we start closing them, we will be paralysed. That is how paralysis occurs in the human body; blood stops circulating. If you close our railways and our highways, if you do not give us the infrastructure we need to develop, we will be paralysed and die.

I am pleased to support the motion of my colleague from Roberval and I am sure that hon. members will support it too.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, the speech of the opposition House leader was so interesting that I felt I had to add a few words.

The hon. member forgot something. I remember quite well that during a by election in the Lac–Saint–Jean region a few years ago, the Conservative government spent $143 million to help elect the present opposition leader as member for Lac–Saint–Jean. Why did the hon. member not ask him to be generous with this project, to be its benefactor in return for all the money that was spent?

[*English*]

Really the money was spent. They should have named this project as one of the things they spent the money on instead of spending it on all of the other projects.

The hon. member knows his leader got this money to get him elected into this House. They spent $143 million on one byelection in one riding. It is an extraordinary confession when he comes to this House pleading for more money for his riding when all that money was spent in that area just to get his leader elected and he did not get him to do it.

[*Translation*]

The Acting Speaker (Mrs. Maheu): The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

[*English*]

It being 2.30 p.m. the House stands adjourned until Monday next at 11 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 2.30 p.m.)

HOUSE OF COMMONS

Monday, April 18, 1994

The House met at 11 a.m.

Prayers

[*English*]

The Deputy Speaker: I believe there is unanimous consent to have a statement by the Minister of National Revenue. Has that been agreed to?

Some hon. members: Agreed.

* * *

CUSTOMS OFFICERS

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, I would like to thank in particular the hon. member for Mission—Coquitlam for allowing me to step in before continuing with her motion.

It is certainly with a heavy heart that I rise in the House today on behalf of Revenue Canada and the government to express my deepest sympathies for the families of the two customs officers who died in a tragic accident over the weekend in New Brunswick.

The two officers killed were Inspector David Moore and Superintendent Jim Finnamore, both of Perth–Andover.

They were swept to their deaths Saturday night by a sudden rise in the flood swollen waters of the Aroostook River.

I want to stress that they died not because of carelessness, error or mistake. They died by reason of their high concern for the safety of other customs officers under their command.

Briefly, the facts as far as they are now known are as follows. The customs office at Tinker's Road, which is some 15 kilometres from the Perth–Andover office, was threatened by rising flood waters on Saturday evening. Although the two men had spoken to the customs inspectors who were on duty at Tinker's Road and had been told that the situation was satisfactory, Mr. Moore and Mr. Finnamore decided to check the situation personally. I want to stress that is the type of men they were, dedicated professionals determined to do everything in their power to ensure the safety of their staff.

A short distance from the Tinker's Road office they met an RCMP officer and several provincial government employees who were monitoring the rising flood waters. The customs officers were in fact joined by an RCMP officer for the remainder of the short trip.

Once they arrived at Tinker's Road office, Mr. Moore and Mr. Finnamore met with the two customs inspectors who were working there. After reviewing the situation the four men agreed that there was no immediate danger of flooding at that particular customs post. The two men then left with the RCMP and started back on the road to Perth–Andover, the same road they had travelled less than a half hour before. It was at this point that tragedy struck.

• (1105)

An ice build–up on the river suddenly released and a torrent of water swept over the river bank and the adjacent roadway just as the vehicle of the three men was traversing a low point in the road. The vehicle was swept to the side of the road, nose down in the ditch, and was almost totally submerged. All three men were successful in climbing on to the roof of the vehicle. The two customs officers tried to reach land while the RCMP officer stayed with the vehicle. Tragically, they failed to reach the shore.

Shortly after a search was launched for the missing three men. The RCMP officer was located and taken to hospital at midnight. The search continued in the darkness for a further three hours without success.

Yesterday morning at daybreak the search resumed. The body of Mr. Moore was found first and the body of Mr. Finnamore was recovered shortly after.

Coping with such a loss is always difficult, but it is so much more difficult when the loss is sudden as a result of a series of events that cannot be explained.

David Moore is survived by his wife Kelly. James Finnamore is survived by his wife Frances and their three children, Tamara, Brent and Peter.

Yesterday I spoke with both widows to express my most profound sympathy for their loss and to tell them that the department will do all that it can to support them and to help them through this very difficult time.

David Moore worked for the department for six years and James Finnamore was an employee of Revenue Canada for almost 18 years. We have lost two fine men, highly professional public servants, dedicated to their work and to the people of Canada. They will be missed dearly at home. They will be missed by those with whom they worked, who are both their colleagues and their friends.

I know all members of this House will wish to join with me after the statements of other party representatives to stand for a few moments to reflect on this tragic event and to remember these two fine individuals who died in service of this country.

[*Translation*]

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, very briefly and on a serious note, the members of the Bloc Quebecois agree fully with the comments of the hon. Minister of Revenue. We wish to convey our deepest sympathies to the families and friends of Mr. David Moore and Mr. Jim Finnamore.

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I join with members of the government as expressed by the minister and my Bloc colleagues in expressing the grief and sympathy of Reform members in the tragic deaths of Inspector David Moore and Superintendent Jim Finnamore.

I grew up beside the South Saskatchewan River and know first hand the beauty, the benefits and also the danger associated with our waterways. In fact, I remember as a young boy when my father lost an employee to the river. We sense the shock and pain and sorrow those involved in this situation are experiencing.

I have also visited the Perth–Andover area and I can envision the landscape and the beauty of the Saint John River valley and the rolling hills in western New Brunswick. I have met with some people in that region and I am sure they share in the grief caused by this accident. I am also confident that the community is rising to the situation and will give comfort and support to Kelly Moore and to Frances, Tamara, Brent and Peter Finnamore, as well as to other loved ones.

With my colleagues I express appreciation for the lives of Jim Finnamore and David Moore and our sympathy and prayers go out to their families and other loved ones.

The Deputy Speaker: I would ask that we rise and have a moment's silence.

[*Editor's Note: The House stood in silence.*]

PRIVATE MEMBERS' BUSINESS

• (1110)

[*English*]

NON–CONFIDENCE MOTIONS

Mrs. Daphne Jennings (Mission—Coquitlam) moved:

That, in the opinion of the this House, the government should permit members of the House of Commons to fully represent their constituents' views on the government's legislative program and spending plans by adopting the position that the defeat of any government measure, including a spending measure, shall not automatically mean the defeat of the government unless followed by the adoption of a formal motion.

She said: Mr. Speaker, in the time available to me today I would like to explain my motion so that members of this House will clearly know what they are being asked to vote on.

As this is a votable motion, declared so by the procedure and House affairs committee, it will be the first time, at least as far as I can determine, that members will have the opportunity to express themselves on the issues of confidence and flowing from that the issue of freer voting in the House.

I would also like to address the history of voting in this House, a history which has been characterized by political party discipline or voting along party lines. I will refer to the experience in other jurisdictions such as Great Britain where there has been a noticeable relaxation of the party whip.

My research indicates that in Australia and New Zealand, while party discipline is somewhat less than in Canada but more than in Great Britain, there are clear avenues for backbenchers, private members, to influence the policies of their party.

I will conclude by dealing with the criticisms of allowing freer voting by members of the House of Commons. I must admit that I am surprised there are any criticisms because of the support this issue has received in the last two Parliaments. When I first spoke on this subject on January 21, the hon. member for Broadview—Greenwood took issue with my arguments and more recently at a meeting of the House of Commons committee on procedure and House affairs I was amazed by the arguments raised by members opposite.

I believe it is necessary that these be addressed, fears put to bed so that all members of the House may join together to support this motion. The motion refers actually to three matters: relaxation of the confidence convention, freer voting and representation of constituents' interests.

By relaxing the confidence convention I mean that only votes that are explicitly labelled as confidence votes when lost by the government bring about the government's resignation. There is a myth that has been spread about this place for many years that

the government cannot lose votes. If it does it must resign, either forcing an election or putting the Governor General into the position of calling on someone else to see if she or he can form a government.

Intellectually, we all know this is nonsense. Yet it is the practice followed in this House, and my motion would narrowly define the confidence convention. The result of a narrow definition of this convention should be that members, especially government backbench members, should feel freed from the strictures of party discipline to occasionally vote against the party line.

In fact, the beneficial effect of this motion applies to all members, both government and opposition. Government members would feel free to vote against the party line because losing an occasional vote will not mean the defeat of the government. Once this type of thinking is understood by the party leadership, those voting against the party line should also not be subject to retribution or punishment. At the same time we in opposition should feel free to vote with the government members from time to time. The government cannot always be wrong, even this government. It is incumbent on us in opposition to recognize this fact and from time to time vote with the government even though our party leadership may try to convince us otherwise. I also want to make it clear that I am speaking about freer voting and not the declaration of free votes which is done under the direction of party leadership.

• (1115)

Finally, why or when would the break come with party discipline? My motion reads that it would be done "to fully represent their constituents' views". This is one example of when it may be done but there are others. However, I want to deal with the issue of representing constituents' views because there seems to be a lack of understanding of the position of the Reform Party on this matter. Let me be very clear.

Unlike some elections in the past, the 1993 election was significant in that the three recognized parties that are now in the House set out for Canadians platforms which to a great extent detailed how the parties would deal with the major issues as these issues presented themselves in the fall of 1993.

They were what Canadians voted for when they voted on October 25, 1993. To a great extent, we believe that when an issue arises which was in the party platform then the member is obligated to vote the party line. I could argue that the Liberal red book may be long on theory and grandiose but very short on implementation plans and there is room for departure from the party line. However, I am not here to discuss Liberal Party policies.

My main point is that issues will come along which are new, issues which are not found or addressed in party platforms. Two such issues come quickly to mind; cigarette smuggling and constituency boundary redistribution. On these issues and issues like them members should feel less inclined to blindly support the party line.

As well as breaking with their party to represent constituents' views, members could also be representing their own views based on common sense logic which the individual member may bring to the issue in question.

There is a feeling that if members are suddenly freed from party discipline there will be chaos with complete unpredictability in the system. Members will be voting every which way and Parliament will become unworkable and the country ungovernable.

This is not where this motion leads at all. It simply recognizes that on occasion members without fear of retribution from party leadership may vote against the party line. The government will not fall. The sun will still rise in the east and I believe the interests of Canadians will be better served by their elected representatives. Is that not what we are all here to do, serve the Canadian public to the best of our abilities?

Enough about the content of my motion. Now I would like to deal with the history of this matter, a history which began long before most of us got here. It began with a feeling of dissatisfaction among the Canadian people which was detected by the Canadian Study of Parliamentary Group in a Gallup poll it commissioned in 1983.

A question was asked as to how MPs should behave when voting. The response was that 49.5 per cent felt members should vote according to their own judgment. By way of contrast the view that the member should vote as the party wishes received very little support. The national average in the survey favouring the MP as party loyalists was only 7.9 per cent.

The frustration with MPs following the party line which the public expressed in this survey found its way into the 1985 report of the special committee on Reform of the House of Commons. This committee believed that "the purpose of reform of the House of Commons in 1985 is to restore to private members an effective legislative function, to give them a meaningful role in the formation of public policy". One of the main methods by which this goal was to be accomplished was by attitudinal change. This would result in a relaxation of the confidence convention, allowing members to occasionally vote against the party line without fear of bringing down the government or retribution by the party leadership.

The report of the McGrath committee was quite clear on the subject of the confidence convention and freer votes. The committee stated that "once elected, members of Parliament are legally and constitutionally entitled to act independently". In

the House they can speak and vote as they like. "If they choose to deviate from the party line they are free to do so provided they accept the political risks".

● (1120)

It was these political risks that the McGrath committee through its recommendations was trying to minimize. The committee went on to describe the ideal situation. "Rigid discipline is hardly compatible with a philosophy of a democratic political party, and reasonable latitude consistent with loyalty to the party should be permitted the individual members of any party".

This was the middle ground which the committee sought and it is the middle ground that the motion before the House today seeks to establish: loyalty to a political party, but not blind loyalty, loyalty combined with the latitude to vote against the party line on occasion.

The McGrath committee offered five observations on the confidence convention and this is one of them.

> In a Parliament with a government in command of the majority the matter of confidence has really been settled by the electorate. Short of a reversal of allegiance or some major cataclysmic political event the question of confidence is really a fait accompli. The government and other parties should therefore have the wisdom to permit members to decide many matters in their own deliberative judgment. Overuse of party whips and of confidence motions devalues both these important institutions.

We are fortunate in this Parliament to have two members of that committee still with us, the hon. member for Winnipeg Transcona, and the Minister of Foreign Affairs. It is my hope that both will find time to speak on the motion before it comes to a vote.

More recently in April 1993 the House management committee recommended:

> Members of Parliament should be made more aware of a confidence convention and the observations of the special committee on Reform of the House of Commons. With few exceptions, motions proposed by the government should be considered as motions of confidence only when clearly identified as such by the government.

However, the committee which was made up of many members who are still in this Parliament, such as the Parliamentary Secretary to the Leader of the Government in the House of Commons, the Minister of Health and the hon. member for Saint–Léonard were realistic in its prediction of the effect of this recommendation. It stated:

> The Canadian parliamentary system does have extremely strong party discipline, one that is perhaps stronger than in many other systems. The committee endorses the idea of freeing up voting in the House but we hesitate to create unreasonably high expectations. It is not a procedural issue. Ultimately it is up to the individual members and Parliament.

Why did these groups of members of this place in previous Parliaments feel relaxation of the confidence convention and freer voting were so important? I believe that these members properly read the mood of the Canadian public.

With the advent of the information age, the public is better informed about political institutions. The work of the members of these institutions, and as a result the public, is less willing to follow without questioning the lead of elected representatives. They expect their representatives to be well informed and represent the best interests of their constituents. This well informed public does not respond to leadership the way it used to. The actions of Canadians in the referendum on the Charlottetown accord is ample evidence of their refusal to be blindly led.

The public also expects its elected representatives not to be blindly led. As well the public feels disenfranchised when members are forced by the threat of dire consequences to a member's political future to vote in a fashion which is perceived by the public to not represent the public interest. Lack of independence in voting is equated with lack of influence in the policy making process. Those involved in the political process make the argument that the influence of the private member is exercised in caucus or in private meetings with ministers. For the public this is not good enough any more.

The public wants to feel that its views are taken into consideration more than just every four or five years at general elections. The public also wants to see a public demonstration that its views are being heard and acted on. This public demonstration most often occurs in the act of voting by an MP.

This exercise of independence by members of the House of Commons has occurred to a great extent in Great Britain and their system of responsible government has survived. In the period between April 1972 and April 1979 there were 65 defeats of the government in Great Britain. These defeats were important because they helped destroy the myth that had arisen to the effect that any government defeat endangered its continuance in office.

They were also important in that they influenced the behaviour of subsequent members of Parliament by established a precedent. MPs from all parties became less willing to accept party dictates on matters of policy and voting. Those who defied the party whips discovered they could do so with little negative sanction and were encouraged to do so more often. Others were influenced in turn by their example.

● (1125)

In Canada our experience with cross voting is more limited but in the sixties and seventies we did have experience with governments losing votes and not resigning.

Therefore I believe I have established that a relaxation of the confidence convention and freer voting has been the subject of study and positive recommendations of at least two parliamentary committees, many members of which are still sitting in the House today. As well we know of at least one other jurisdiction where what would be the results of my motion has been put into action with no dire consequences. Responsible government still prevails, political parties still exist—they have not been deemed obsolete—and most important of all, the public through its members in the House of Commons has some real influence over the policy making process.

I would like to address some of the criticisms that have been levied against relaxation of the confidence convention and freer voting in the House. It is argued that freer voting would have a negative effect on the future well-being of political parties. Political parties are vitally important to the system, especially at election time, for the development of policy and the support the leader can give individual candidates. Also between elections political parties can give tax receipts for contributions.

I cannot stress it enough; freer voting will not have a negative effect on either the continuance of political parties, nor on their ability to meld together various divergent viewpoints. Freer voting does not mean that on every issue members will be voting in unpredictable ways. As I stated in the beginning of my speech, on issues where the party platform is clear, members would be expected to support the party. It is in those other areas outside the platform where I believe freer voting should be allowed.

It is also argued that the government will be criticized for bringing legislation forward and then telling members that defeat of the measure will not be deemed to be a vote of non-confidence in the government. It will be argued that the government is wasting House time with proposed legislation that it does not care about.

I believe that instead of being criticized for such an attitude the government will be praised for allowing all elected members to take part in the policy influencing process. Too often governments have taken the House of Commons for granted, paying lip service to obtain support on critical votes and lapsing back into a dictatorial demeanour.

Another argument presented against freer voting is that if dissent is allowed the government will not be able to make tough decisions because members will duck making unpopular but necessary decisions. While the possibility of dissent may make it tougher for political parties to take potentially unpopular stands, it also presents a challenge, a challenge to inform the public of the necessity of an unpopular decision. It may also force political parties when they are developing an election platform to be as forward thinking as possible so most issues are covered in the party platform and there are no surprises for the public after the election.

Another point often made is that there are plenty of other avenues open to a member to show his or her displeasure with party leadership than voting against the party line in the House of Commons. While at first glance this may seem to be true, there are in reality few effective means available to members to express dissent.

For example, a private member's bill takes a very long time to become law under the best of circumstances. Question period, because the list is controlled by the party leadership, is a difficult time for a dissident government backbencher. Such a member may get to ask one tough question and that is it.

The criticisms regarding the relaxation of confidence convention and freer votes are simply not valid. What is valid is the need for the political courage necessary to start freer voting. Leadership on this issue must come from the government. Once this has been shown, opposition parties must agree to allow dissent so that all members are free to express views which may differ from those of their political party leadership. This will require a change in attitude and political courage. However if this results in more members playing a vital role in the influencing of public policy then dissent will have been worth the time spent to reduce party discipline.

I look forward to the debate on this motion and I urge all members to support it as it will send a clear message to Canadians that we are not afraid of the party leadership punishing us for exercising independent thoughts and actions, as has been done in the past. We want to play a meaningful role in influencing the formation of public policy which addresses the needs of all Canadians.

• (1130)

The Deputy Speaker: Colleagues, because of the statements earlier, the private member's debate will last until 12.08 p.m.

I would ask all members to please refer to people who are still in this House by the names of their constituencies or titles rather than by their proper names.

Mr. Ted McWhinney (Vancouver Quadra): Mr. Speaker, after hearing the thoughtful address by the member for Mission—Coquitlam, I was unfortunately reminded of a recent movie entitled "Back to the Future".

The ideas of the Reform Party on the Constitution seem sadly out of date, as if they had been reading pre-1914 textbooks. Without any derogatory reference to the member for Mission—Coquitlam, I would rather have heard the other Jennings invoked. I refer to the Jennings whom you know, Mr. Speaker, and I know and who taught briefly at the University of British

Columbia before going on to greater fame in other arenas, Sir Ivor Jennings.

It is a fact that by the 1920s and the 1930s it had been recognized generally throughout the former British Empire and the British Commonwealth that the defeat of a government on a measure does not automatically warrant its resignation. It requires a qualitative judgment.

Indeed, to speed matters up I would remind the House that in the spring of 1968 when the government of the day, the Pearson government, was defeated by accident—the failure of some members to return in time from other places—it was not felt necessary for the government to resign.

I appeared on nation–wide television with the then NDP leader and others and we concluded that the precedents that Canada accepted at that stage did not require an automatic resignation.

In the 1979 episode when Prime Minister Clark was defeated, as it was said, by bad counting, his whip had failed I think to count up the numbers in government and opposition, Mr. Clark concluded that perhaps he should resign. He went to Government House. It is believed that the Governor General tried to suggest to him that the precedents did not require that particular course of action.

As we know, Mr. Clark's request for dissolution was not granted immediately. The Governor General suggested he return to Parliament and he phoned him later.

I am simply saying that the issue of confidence is not interpreted today in 19th century terms. It is a matter for a qualitative judgment. Here again I regret that the Reform Party has not paid enough attention to Canadian parliamentary practice.

The Prime Minister rightly reminded us in an address to the House of Commons on January 20 that the House is not a group of independents who have been elected on their own. We are dealing with a team. Law–making today is a sophisticated process of give and take, of exchange and discussion. It is a dialectical process of law in the making.

To cite only my own experience in the brief time that I have been a member, I receive the views of my constituents as a member. I communicate them to the members of my provincial group. We meet once a week. We meet also once a week in a regional caucus with members from all four western provinces. We meet again in a national caucus and we discuss. There is a give and take. There are the all–party committees. That is the reality of law in the making today, that members do not have to participate by simply voting yes and no. If they do that they are voting after the event.

The dynamic process of law–making today requires contributions, give and take discussion while measures are evolving. That is how one influences the law. I think that is how we have to undertake to interpret our role as members in a modern contemporary sense.

It is to say that constitutional law is in full evolution. There is a danger with the best of intentions that the member for Mission—Coquitlam has of attempting to legislate constitutional conventions. The life of constitutional conventions has not been logic. It has not been legislation. It has been experience. It is this and error testing process. The interesting thing about law making today is that all parties participate in the all–party committees. To cite only the two to which I belong, the members of the Reform Party have contributed significantly and constructively. I have welcomed that. I have seen the changes in measures that might otherwise have been drafted or put forward differently, and that is to be welcomed.

• (1135)

It is not a matter of saying that members do not represent their constituents or do not fully represent their constituents' views. Any member who does not do this has been neglecting his or her function today as a member to consult regularly with the constituents, to bring it back to the provincial caucus, to speak out in the regional caucus, to speak out in the national caucus, and to discuss it in the all–party committees.

That is the life of Parliament today. That is the reality of law making. It is not the way it was in 1914. It is not the way it was before the other Jennings wrote his beautiful works. These works have been studied in Canada and they are part of our practice.

I would welcome the Reform Party joining with us in moving forward into the future and recognizing the changes that have been made and not trying to legislate and therefore stultify and I think arrest a process already in creative evolution today.

Mr. Bob Mills (Red Deer): Mr. Speaker, I feel that the private member's bill before us today could be one of the most important that we will have in this 35th Parliament.

I think that all of us recognize that there is something wrong with this place and that is the reason we have to re–examine the very structure of the way it operates.

First, we have to look at what people are saying. I believe that to simply put our heads in the sand and not listen is a disservice to those people. People have lost confidence in this place. They believe that they send their MPs and they get gobbled up down here. Sometimes we have referred to that as Ottawa fever or whatever we want to call it. It leads to a situation where we have messages being taken from Ottawa to the constituency with the reverse seldom ever occurring.

I think that the election results probably were a good indication of where that sort of thing occurred.

What about the MPs themselves? They come here and they follow the party line. There is little free thinking. Attendance drops off. Mr. Fisher, in speaking to our caucus prior to us coming here, put it very well when he said that most or a lot of MPs become good constituency people. Really that is giving them the benefit of the doubt that in fact they must be working in their constituency because they are certainly not working here.

We have to try and find the answer. Some say it is in committee work. For others, it is that they had better toe the party line or be kicked out. Freer votes, I believe, are a solution to at least part of this problem. This was recognized in the throne speech in 1991. It was said that freer votes were definitely a way to make this better.

The famous red book in 1993 suggested that MPs should be given a freer vote and count for more in committees and in the House. So it goes. Freer votes have been dealt with by many, many people but have not been instituted as yet.

Why have we come to this conclusion? Why do we feel this way? Maybe we can examine a little deeper some of the reasons. The first one might be in committee work itself. It is said, as I have said, that you can make a difference in committee work and that it does not have to be just that old party follow the line sort of thing.

• (1140)

I have seen discussions occur in committee work. In our committee we had a two–day seminar where we looked at the areas of interest to our committee. Members got a feel for where the members of Parliament on that committee really were at.

When it comes right down to it, it seems that we will go back to the organizational phases of the committee. Here we should have looked at things like merit. We should have looked at where they were from in the country and whether there was fair regional representation. We found that the party whip or his assistant came along and made the decision that Bloc members should be the vice–chair of every committee.

It did not matter whether we had representation from all parts of Canada or not. We have been looking at the estimates. The party position seems to come through loud and clear. I suppose when we do our reports, again we will have a party position or that of the chairman, vice–chairman and so on because of the majority situation.

Opposition members will be left to do little else than submit a minority report and one does not really know whether anyone looks at it or not. What does that do? It makes one wonder why one really works so hard on committees. Let us look at the House.

In the House we sit and listen. I know that members are aware of the excellent ideas, the good research and the good speeches that are given here by all parties. Does it really matter because we always come back to voting the party line? I suppose the best example that was brought out to me was when I moved an amendment to a motion to exclude the Senate from joint standing committees.

I felt that was something the electorate was saying about the other place. Most MPs feel that way about the other place. Again we voted the party line. Again we could not have a free vote. We could not say what we or the people of Canada thought. Instead, we thought about the spin doctors of party politics.

How can we develop a national pride and trust in politicians if we are always going by party line? How should we decide a vote? How should it really go on any bill? We should listen to the speeches. As I have mentioned, the quality is certainly there. In committees we should go into the depth of the issues, look at the details, the facts and the solutions. All members should then be made aware of what occurred. That would be how they get their information.

We must get the constituents involved. We must have town hall meetings from day one. We should have phone blitzes, TV shows and householders that are not simply political propaganda or what MPs feel is good material. It should really count for something. We should really be trying to inform the electorate.

I am really impressed with how the general public communicates with its members of Parliament. Those people have given some thought. They expect their member to vote their will, not simply the party line of thinking. Members can see why many politicians and many members of the public have lost faith in the system we have here.

The procedures of Parliament as I would see them then would result in a bill being introduced. It could be stated up front whether it is a confidence motion. The committees would report in detail on the bill. The members would speak and other members would come to listen. It would count for something. The members' speeches would have some meaning.

Members must have the opportunity to communicate with their constituents. Finally, when the vote occurred it could be passed, modified or defeated. That would not change or put any aspersions on the present government. In order to make this happen, we must re–educate a number of people.

• (1145)

We must re–educate members of the media. They cannot look on every defeat of a bill as being a defeat of the government. They must see the positive side of having all of that extra input.

The government must not think of things as being a defeat or a win or a lose situation. The opposition of course must not take advantage of the situation where a bill is defeated and hold that

over the government. Instead it must be looked on as a constructive measure for the good of the country.

The public must realize the MPs they elect really do have a say in what happens. Then they will be more careful in their selection of their MPs. They will make sure it is someone they can trust to represent them and not just the party position.

Freer votes will mean that MPs will express the views of their constituents better. It will take government right back to the people. Some of executive power will be moved out of cabinet hands to the true representatives in the House. It will allow for a much greater accountability of MPs because members will not point to a party line when voting against the wishes of their constituents. MPs should always be responsible to the wishes of their constituents.

We have greatly underestimated the ability of the electorate to get involved, become informed and thus participate in direct democracy. The more complex form of representative government got us into the $500 billion deficit and other serious problems we now have. Let us let freer direct democracy get us out of those problems.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I want to thank the House for giving me the opportunity to speak to motion M–89 of the hon. member for Mission—Coquitlam. Right off the top I want to say I do not accept the position of the hon. member's party on confidence.

I would like to address the three points put forward by the hon. member, the first being relaxing the confidence convention, the second being history, and the third being the aspects of freer voting.

The first concerns relaxing the confidence convention. If there is one conclusion that can be drawn from 300 years of political thought it is that there is not one correct interpretation of confidence. Reform's view is that confidence need only be expressed in formal votes. I think this is a mistake in the thought process.

To quote the hon. member's remark to "feel free to vote with the government members from time to time", I assume she was speaking of the opposition. I asked the table clerk to provide me with the number of votes we have had since the beginning of this 35th Parliament. We have had 31 votes and not once from day one has anyone from that hon. member's party broken ranks.

Some hon. members: Hear, hear.

Mr. Keyes: And some of them applaud. Well, congratulations to that party and the solidarity it shows behind its ideology and its ideas about how this country should act and look.

On the position of history, like my colleagues in this House I am privileged to serve my constituents. I am privileged to serve the constituents of Hamilton West. They know Stan Keyes. They know what he stands for. They know what he has no tolerance for. They know his deeply held beliefs, his deeply held convictions.

• (1150)

The hon. member opposite is sadly mistaken if she thinks I or anyone else on this side of the House can be blindly led. If I supported a government objective that went against any of my well known principles I would be laughed out of this office, out of this House, out of this job. I remind the member for Mission—Coquitlam that I was re–elected.

The third point was the issue of freer voting. Since the opening of the 35th Parliament Reform MPs have repeatedly called upon the government to accept the doctrine that "the government not consider the defeat of a government motion including a spending measure to constitute an expression of non–confidence in the government, unless it is immediately followed by the passage of a formal non–confidence motion".

This is directly related to the Reform Party's desire to see increased direct democracy within the Canadian federal system. Reform has long argued that direct democracy is manifested through citizens initiatives, binding referenda, a recall mechanism and free votes in the House of Commons. Let us look at that for a second.

This weekend the hon. member's party, the third party of this House, tried a little experiment in direct democracy. According to an Ottawa newspaper: "Reform leader Preston Manning learned democracy does not always go as planned when a majority of people watching a televised town hall meeting last night voted in favour of allowing doctor assisted suicides. To quote Mr. Manning, care has to be exercised in making a simplistic interpretation of the results".

Well what about the simplistic, shallow, minimal amount of time presented by both sides of that argument. It is very easy to get on national television to present arguments pro and con on any matter and then ask everyone on the basis of those arguments to phone in, if they can afford to have a touchtone phone and there are many Canadians who cannot. That process shuts out how many Canadians who either cannot afford to have a phone or have a dial phone so they cannot participate in that party's direct democracy. Then a decision is made based on those arguments by dialling whatever number for whatever decision a person wants to make, yes or no, right or wrong, pro or con.

How does one prevent the process of stacking in such a process? We know what stacking is. Some of us here in this House went through the abortion debate. Stacking means the ability of one organization to overcome the organization through organization. It is the ability to put the process together better than the other guy because maybe they have more money than the other guy. This is where the faultlines and cracks are in this party's ideas.

Is the decision that will be made by the caller on the particular weekend based on all the facts presented to them? Or has that decision been made as a result of what could be a very moving, a very powerful statement made by one individual over another?

We have heard some of the debate in this House. Some of the members have the most powerful arguments, the most powerful delivery. If we get into a passionate subject where life or death is involved we know what kind of arguments can be put forward. Because one is presented more passionately than the other, does that make that argument the right one and there can be no other conclusion but to vote for that particular person's point of view? "I will not even hear the other side. That guy was so good I am voting yes", or "I am voting no". It is a dangerous policy.

• (1155)

To secure freer votes Reform would release the government from demonstrating that it retains the confidence of the House except for those occasions when the House is asked to express itself on a formal confidence motion. Members in turn would be able to vote as they choose on any given issue secure in the knowledge they would not be subject to party discipline.

According to Reform these two practices would allow members to better represent their constituents, particularly when issues arise where constituents clearly indicate they do not support the member's party's position on that issue.

In the leader of the Reform Party's point of view when confronted with such a situation that member's choice is clear: "If push comes to shove in my view", says Mr. Manning, "the will of the constituents will prevail over my personal view or my party's view". Mr. Manning however then goes on to say: "I am not talking about turning members into a voting machine where all they do is go home on the weekend, count noses and come back here and stick up their hands. The relationship between a member and his constituents has to be one of dialogue".

Both the Prime Minister and our government House leader have indicated the government's desire to see more free votes in the House. What we have not done is to accept the Reform's interpretation of free votes. While not rejecting Reform's view completely, the Prime Minister and government House leader both have argued there are valid and longstanding reasons for the government to approach confidence from a more comprehensive perspective.

The Prime Minister for example has referred to the mandate given the House in the recent election: "This House is not a group of independents who have been elected on their own. We too are members of a party and we had a program. It is the red book and it will be implemented".

That is what we stand for here as a group. It is not the individual vote; it is the collective. It is the understanding of what we believe to be in the best interests of our constituents, of our riding, of our province, of our country. That is what we are doing here.

This motion cannot be allowed to undermine that Canadian democratic process. I am sure the people who elected me would not approve.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, when talking about freer votes in this debate it is important to keep in mind the fact that when the pendulum swings it does not always have to swing to either extreme.

What we are looking for in this Parliament and the single factor that would probably distinguish this Parliament thus far from the last Parliament, is that there is a great deal more balance. The government has gone out of its way to try to provide that balance and provide input in government from opposition and from the Liberal backbenches as well.

I am reminded particularly of the opening days of this session. So many of us were brand new to this House. We were very nervous about what we were doing, myself included. We had the opportunity to engage in a couple of very important debates over quite a few days. It gave us the sense of belonging and participating and an opportunity to actually do something.

Here we are with this notion of freer votes. Before we talk about the mechanics of exactly what free votes or freer votes are, we should look at a couple of things. One would be our party's history in this House.

As the hon. member who spoke to this motion just a moment ago so rightly pointed out, it is somewhat paradoxical that we are talking about the need for freer votes yet since we have been in this House all of us have voted together.

Basically all of us voted together from all parties. That has to be because we were all elected on the particular platforms with the particular ideology we were promoting. It is only reasonable to assume we would follow through as our ideology was presented in Parliament and vote according to however it was we said we would when we were elected.

• (1200)

It is interesting also, in conversation with others who have been in this House much longer than I, that very often a vote when in opposition is opposed. The role of opposition is to oppose the government, to be a check and balance to government to try and ensure that government thinks through all of its policies.

This government has a very substantial majority and that substantial majority flows through to the committees. The essence of this place is that we as members of Parliament have the ability to try, as others have said before, to influence the way

government would think about its agenda. However, the reality is that the government agenda is the agenda that will come through this House.

What we are talking about is not to change things 100 per cent, but merely to create the atmosphere in which members feel free to exercise their own independent best judgment, not just in the House but in committee. Even more important is before it gets to committee, when it is still a germ of an idea in someone's head, when the formulation of policy is put together, before we get all the political capital organized in a particular mode of action so that if that course of action is changed in any way it becomes a vote of confidence in the government or in the person who initiated the action.

That is what has us in this position today as a nation. It does not matter whether all of us are 100 per cent right all of the time, because we are not. That is the beauty of this place. There are 295 members here and the collective judgment and wisdom of all of us here today is infinitely better than the individual wisdom of the smartest and most intelligent among us.

We find ourselves in a situation in which in this Parliament or in business if the leader happens to come up with an idea or says something that seemed like a good idea at the time we all scurry about trying to justify whatever the leadership or the leader or a particular person might have said, even if it is a slip of the tongue. God help us, we cannot in any way endanger this person by saying that if this person is not 100 per cent right all the time then perhaps this person does not have the ability to lead.

I am not suggesting that is true of any particular party. That is just as true in our party. We have to be careful and we have to guard against that. This is human nature. It happens in business, it happens in politics and it happens everywhere.

The real job of all of us is to question and to say to the leadership: "Do you really think that is what we should be doing? I know we started out on this and perhaps the bill is in second reading already, but do you not think it might be a good idea if we changed it?". I guess that is what we want, the flexibility, the wisdom and the freedom to change and learn as we go along.

Our experience here has been kind of fun because we have been talking about freer votes and when the votes come up members opposite watch to see who among us is going to be the first not to vote along the party line. We are looking forward to being the first not to vote along the party line because we know that sooner or later we are going to have to otherwise certain members are never going to give us peace. We are going to do it sooner or later somehow.

However, the reality is that we have to follow the principles that got us elected in the first place. We gain from experience. I am gaining from experience as we go along. I am certainly not shy to admit the fact that many of the preconceived ideas that I had about how this place worked I have changed since I arrived here. I see how this place works and I am learning every day, as we all are.

• (1205)

I would like to conclude my comments by quoting someone I think is of particular value to this House and whom we might all keep in mind as we go into the future. There are two people whose names are brought up many times in this House. One is the famous Edmund Burke. In Edmund Burke's letter to the electors of Bristol he pretty much debunks the whole notion of representative democracy. He was in support of delegate democracy through which once every election the electors decide who they are going to vote for and they vote for that person and for better or worse that person ends up in Parliament and they get their next crack at him four years hence.

Members opposite would know that this famous letter to the electors of Bristol was written in 1776 or thereabouts and had to do with the treatment of the British patriots, the sailors who were called pirates. They were captured, taken to England and held there for three years, given a fair trial and hanged. He did not think that was a good idea and said so. His electors thought it was a good idea and they said so. He wrote the letter to the electors of Bristol saying: "You not only have my body, you have my mind. If you do not like what I am doing turf me at the end of my term".

Interestingly, they did turf him at the end of that term and he went on to be re–elected in a rotten borough.

The other person, a contemporary of his, was Thomas Paine. Thomas Paine was the adviser to Thomas Jefferson and helped to frame the famous Declaration of Independence. He wrote in his work *The Rights of Man* that the greatest tyranny of all is the tyranny of the presumption of ruling beyond the grave, and that each generation has the right and the responsibility to govern for its times and should not bind any future generation to its decisions any more than this generation should be bound by decisions made by past generations.

I would ask that as this debate unfolds we consider that our generation and this Parliament are setting the foundation upon which future parliaments will base decisions. If we can relax the rules of discipline it would be for the benefit of all Parliament and all parliamentarians and we need not be concerned about going all in one direction or another.

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, I have two minutes so I shall try to be very effective.

I believe that the motion is well intentioned but it does contain a number of flaws. As a result of that I cannot possibly support it.

Let me raise a few of those points because this does raise some very important questions. For example, in one of the comments there was a statement that the government's agenda is coming through. Of course the government's agenda is coming through. It must, it has a majority, it has a moral responsibility for making absolutely sure that what it says it will do and the way it interprets that will be carried out.

There is a suggestion that direct democracy is important and I think most of us would agree that it is. We must make awfully certain that direct democracy does not replace the judgments that we have to make as duly elected members of Parliament.

One can see the danger. For example, the opposition party that brought forward this motion had direct involvement recently, last night, on direct democracy. The leader said that perhaps he would support this and needs to check this out to make sure it is not flawed. That is another flaw.

The other thing is when we start changing something like a budget we know that if we change one part there are repercussions for other parts. We simply cannot unravel one little part without considering the implications for the other.

I may have time for a final point. I am a little worried that this could lead to ransom by a minority group.

• (1210)

The Deputy Speaker: The time provided for the consideration of Private Members' Business is now expired. Pursuant to Standing Order 93, the motion drops to the bottom of the order of precedence on the Order Paper.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—OFFICIAL LANGUAGES

Mr. Bob Ringma (Nanaimo—Cowichan) moved:

That, in the opinion of this House, the government should:

(a) amend the Official Languages Act to reflect the philosophy of "territorial bilingualism", which holds that French should be the predominant language of Quebec and English the predominant language of the other provinces, and that federal government services should be available to official language minorities in their own language in any part of the country where there is demonstrable local public demand;

(b) continue to facilitate the use of English or French in the debates and other proceedings of Parliament, in the records and journals of Parliament, in federal courts, and as the languages of federal legislation; and

(c) refrain from expending monies on those aspects of language which fall under the sole jurisdiction of the provinces.

He said: Mr. Speaker, in making this motion, before we get started I would really like to get the attention of everyone whose minds are already made up.

There will be a lot of automation out there saying if a Reformer is getting up and talking on the Official Languages Act it has to be bad. The Official Languages Act is not working well. Whether one favours it and carte blanche says it has to be good or whether one says maybe it really should be changed, please give a listen to what we are going to say here. Do not prejudge it. Let us go along with the lines of what is good for Canada and what is good for Canadians.

My basic premise here today is that the Official Languages Act has not been working well. It is divisive for us as a country and it is too expensive. It is not just this member for Nanaimo—Cowichan saying so, each and every commissioner has had problems with it. So has the Royal Commission on Bilingualism and Biculturalism. So have people across the country. So has the Bloc Quebecois and so have les gens de Québec, ainsi que les gens de la Colombie–Britannique. We have all had problems with it. What are we going to do about it?

Listen to the debate this afternoon and as you are doing so I ask you to please put your own minds in gear and ask how we can do it better.

Let us go back in history and I hope to paint you the picture—

The Deputy Speaker: Would the hon. member please put his comments to the Chair. Please try not to use the word "you".

Mr. Ringma: Mr. Speaker, I will try mightily to do that.

Let us collectively look at history and ask how we can improve things. In 1608 New France was founded by Champlain. In 1752 Acadia was conquered by the British and therein was the first and most horrid example of linguistic intolerance. As soon as the Brits conquered Acadia they kicked out all the Acadians. They said: "We do not need your language. We do not need you—out". That is the worse case we have had. Maybe in one sense historically we have improved things, at least from that point.

• (1215)

In 1759 New France was conquered. By the standards of that day, the Brits really made some improvement. They said: "Fine, there will be a tolerance not only of the French language but of the religion". Let us remember in historical perspective that religion has been part of the language equation.

Moving on to 1774, we had the Quebec Act which confirmed the rights of French–speaking people and catholics. In 1791 we had the constitutional act which created a legislature for Lower Canada. Because French became the language of legislation, francophones essentially became politically active for the first time.

Between 1820 and 1840 we started to have problems again. The rapidly rising English-speaking minority worried the French dominated assembly in Lower Canada. As a result, they adopted a series of intolerant laws regarding the districts and the eastern townships, denied them representation and invoked a head tax on immigrants from Britain.

Between 1837 and 1838 we had real problems, including a bit of open rebellion and almost warfare. It is important to note that from 1840 to 1880, as the proportion of English speaking and French speaking people balanced, people felt a little more secure. Things quietened down nicely in those 40 years up to 1880.

It allowed the British North America Act to be passed in 1867. So quiet were things that the BNA Act was hardly mentioned at all. People were comfortable with it. It did of course guarantee in section 133 that both languages would be used in Parliament, the Quebec legislature and in laws.

I am trying to paint a picture of the see–saw of what has been happening in Canada and the emotions that went with it. From 1880 to 1920, the proportion of French speaking people in Canada and catholics—we might as well put in—started to rise thus sparking fears in English Canada and among the protestants that their status would be reduced to a minority position.

As a result, one province after another adopted laws that were restrictive of the educational rights of francophones and catholics; New Brunswick in 1871, P.E.I. in 1874, Manitoba in 1890 and again in 1916 and Ontario in 1912. Here we can speak with shame. Regulation 17 in 1912 was the most restrictive educational law in Canadian history. It made it unlawful for any francophone child to be educated in his own language beyond grade three. That is bad news but it illustrates that pendulum swing.

Where were we after that? From 1920 to 1960, once again that stability was achieved. There was stability in the language environment. What did we see in Quebec in 1963? We saw rising nationalism. All right? There is going to be a reaction to that. Lester Pearson therefore established the royal commission on bilingualism, the B and B commission. It filed six volumes up until the year 1971.

That commission endorsed territorial bilingualism which I will address in detail in a few minutes. Territorial bilingualism is really a compromise between the territorial principle and the personality principle. Incidentally the findings of that commission were essentially compatible with Reform principles as we espouse them officially today.

• (1220)

The spirit of thought of that commission is in this quote: "A bilingual country is not one where all inhabitants necessarily have to speak two languages. Rather it is a country where all principal public and private institutions must provide service in two languages to citizens, the majority of whom may very well be unilingual". Think on that. It is not bad.

In 1969 the first Official Languages Act was passed. That is what we are critiquing today. Twenty–five years later there is unhappiness with it.

This Official Languages Act favours the personality principle in which individual minority language rights are to be extended as widely as is politically feasible with the result that onerous obligation to respect these rights are placed on the majority populations and, of course, particularly on taxpayers.

It is clear that in passing that act Pierre Trudeau did what he believed to be a just and generous gesture. He repeatedly states that the law's goals of justice and national unity are inseparable. One can understand that. But Trudeau's technocratic view of society is also built into the act, one of its key features being the creation of a supreme language bureaucrat, the Commissioner of Official Languages. That was 1969.

In 1972 Quebec, fearful that its French language was in decline, said it had better pass a law. That was bill 22, the Official Language Act for Quebec.

In 1977 the Levesque government passed bill 101. These are now getting to be famous or infamous in this country, bill 22 and bill 101.

We go from there to 1982. This is a very important date as well in that the Canadian Charter of Rights and Freedoms gave recourse to those offended by bill 22 and bill 101 and allowed them to appeal the injustice, shall we call it that, of the Quebec legislation.

In 1988, finally the Mulroney government rescinded the old Official Languages Act and introduced a new one, the current one, which somewhat extends the scope of official bilingualism and in fact perhaps to too great a degree.

I would like now to define territorial bilingualism because this is really what we are talking about here. It is a compromise position between the legitimate desires and concerns of linguistic minorities and the legitimate concerns of linguistic majorities. It is one of four distinct and clearly articulated philosophies designed to bring justice to the matter of language policy.

These policies are, first, the personality principle. This is really the one championed by Pierre Trudeau. He believed that the key to a just system is that all individuals wherever they might be located in the country have the right to communicate and receive services from the government in their preferred official language. That is what we are trying to put in place in Canada today. We say it is not working and cannot be afforded.

The next principle is the territorial principle which should not be confused with territorial bilingualism which we will come to.

The territorial principle holds that language rights should be territorial and non–portable in nature. In the case of Canada it means that everyone living in Quebec should be expected to live and work in French and everyone in the other nine provinces should be expected to live and work in English.

• (1225)

This principle has been successfully implemented in Switzerland but it will not work in Canada because our minority populations in Quebec, New Brunswick and Ontario are so much larger than in Switzerland.

Next we hit territorial bilingualism, not the territorial principle but territorial bilingualism. As I said, it was first proposed by the royal commission on B and B, since adopted by the Reform Party. It is essentially a compromise between the extremes of territorial and personality principles.

Under this model, language rights and minority language services would be extended only to those minorities large enough to survive over the long term. Smaller minorities would not receive full rights on the basis that the burden imposed on the majority population, which has to foot the bill for all of this, outweighs the benefit being received by the minority.

This model has been successfully employed in Finland in dealing with its Swedish–speaking minority. If practised in Canada the model would extend full minority language rights to the large francophone communities in eastern and northeastern Ontario, to the Acadians of New Brunswick, as well as to the anglophone community of west end Montreal. The rest of the country would be unilingual.

The fourth principle or style of language policy is what we might call asymmetrical bilingualism advocated by the Bloc Quebecois which calls for full and generous language rights to be extended to francophones living outside Quebec and very few rights to be extended to anglophones living inside Quebec.

The logic of this asymmetry is that French is in danger of extinction in Canada and can only survive on an equal footing with English if it receives preferential legal treatment. Most English Canadians find it unbelievable that someone would actually advocate such a position. Nonetheless, it is genuinely believed by many to be the only true and just language policy.

There we are. We have a situation that has hurt Canada and that we must collectively address. I leave it to this House to listen closely to the ensuing speakers. Be critical of yourselves, be critical of us, but at the same time be positive. What can we do to be just and furnish proper services to everyone across the country where the numbers warrant? Where numbers warrant is a little buzz phrase that is fought with difficulty. I think on that one we have to get down to brass tacks and put numbers on it and say: "This is where the numbers warrant and this is what we can afford or we cannot afford".

We must address all those points. I would ask the House to think in positive terms as we go through the speeches that follow. We must think about our history which I have gone to some length to expand. It really has been a back and a forth. One group gets stronger and the other group gets afraid and starts putting in restrictive legislation. This is not good news. Let us try and balance it out and be together.

That is all, Mr. Speaker. I would ask everyone, you and others, to consider seriously the adoption of this motion to amend the official languages to reflect the philosophy of territorial bilingualism.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, thank you for this opportunity to comment on this motion. I have met the hon. member for Nanaimo—Cowichan and I have always found him to be a reasonable person, that is until today.

• (1230)

Today, I find the hon. member for Nanaimo—Cowichan to be far from reasonable. I feel great disdain for someone who seems to want to destroy our country, or distort its long history.

As a fourth generation Franco–Ontarian and as a member of a minority, I find the Reform member's comments abhorrent. To him, language is a financial question, or at least that is what he claims. He seems to be suggesting that majority groups should trample on minorities. He speaks of the French language in Quebec and of the English language everywhere else.

What can francophones outside Quebec aspire to? How can they live in our country, a country that Mr. Ringma, or his parents, probably adopted some time ago? How can they live here? How should I respond to a Reform member's surreptitious attack on my language, considering that the Bellemare family has been in this country since the 17th or 18th century and that my ancestors fought first for France, and later for Great Britain, and defended Canadian institutions of British origin? French–speaking Canadians fought in both world wars. They fought against the United States to protect their country. We want to be a part of Canada, but the Reform member feels that we are not entitled to belong, unless we agree to be assimilated and become, as in my case, an anglophone.

The hon. member spoke of generosity. Does he really understand the meaning of the word? Does he really know what he is talking about when he speaks of education within and outside Quebec? Does he truly understand this country? He compares Canada to Switzerland and Belgium. Again, does he really understand our country?

Since I will be speaking on this issue a little later, I will conclude by saying that the Reform member should not have worn a dark suit to address this House today, but rather a white sheet.

Mr. Ringma: Mr. Speaker, I find that really sad. It is damn sad. Right at the beginning, I tried to explain it to people, but they have to listen. I said what we are proposing. Obviously, some members did not listen at all and then they attack me, saying that I want to destroy Canada. That is an insult. I must also say that it is awful, what they are saying to the effect that I am attacking the French language. That is false.

• (1235)

I challenge you, Mr. Speaker, and those who did not hear what I said to find those words. When you read *Hansard* tomorrow, or even the blues this afternoon, you will see that we are making an effort to keep Canada united, to preserve the rights of francophones and the rights of anglophones in Quebec. We want everyone to keep their rights, but we do not want it to cost us too much.

Mr. Jean Landry (Lotbinière): Mr. Speaker, I would like to ask a question. How do members of the Reform Party explain the economic decline of francophones outside Quebec and what policy do they propose to reduce the gap?

Mr. Ringma: Mr. Speaker, it is very hard for me to explain why francophones' standard of living is falling; I am not an economist and I do not know the reason. It is all a question of money.

Perhaps it is because our economy is in decline and in a very precarious situation now. Foreign governments look at the situation in Canada and think that there is probably a problem between Quebec and the rest of Canada. Also, Quebec is considered to be too hard on anglophones. A lot of money is going out now, the economy is suffering and Quebec too, I suppose.

That is all I can give as an explanation for that question.

[*English*]

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, I listened very closely to the hon. member and I am afraid what he proposed is not very clear.

If I understand correctly he rejected a territorial language policy which would have all of Quebec French and the rest of the provinces all English. He seemed to propose a territorial bilingualism in which he said he would accept the extension of the provisions of the Official Languages Act to the minorities in eastern and northern Ontario, into northeastern New Brunswick and into the west island of Montreal and that there would be unilingualism for the rest of the country.

If I understood him correctly, he was rejecting official bilingualism for any part of the west, including Manitoba. He was rejecting it for the eastern townships where I lived as a child in Sherbrooke and have roots. He was rejecting it for the Gaspé. He was rejecting it for the Outaouais, Aylmer and Papineau county and so on. Is this what I understand?

If that is what he is proposing, it is not as bad as the territorialism which would have all the provinces English except Quebec, but it approaches that. I want to be absolutely clear in what he is proposing. "Where numbers warrant" seem to be exceptionally large "warrants", leaving out francophone minorities in different parts of the country and anglophone minorities in Quebec where they have had long historical roots. I think particularly of the Gaspé and the eastern townships.

Mr. Ringma: Mr. Speaker, I am very pleased to address the question which is a very legitimate one.

The examples I used were just that. They were examples and were not meant to throw away the St. Boniface area of Winnipeg or the Gaspé or Aylmer or anything of the sort. It was illustrative of the sort of the territorial bilingualism that we should discuss in detail.

The critical matter, and the hon. member mentioned it, is the phrase "where numbers warrant". That is what is in the act today and that is the matter that is giving us such problems. For example we could adopt the policy of the Canadian Association of Municipalities which puts a number on it. It says either 10 per cent or 5 per cent and one can go from there. If the phrase "where numbers warrant" is inadequate, let us put numbers on it and let us collectively agree where we will provide minority language rights.

• (1240)

[*Translation*]

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, just as the importance of official languages is being questioned in this House, I am happy to have this opportunity to clear up some misunderstandings and set the record straight. Official languages issues have always been sensitive. They arouse passion, give rise to rumours and myths and are very seldom approached in a rational manner. Today I would like to set the record straight on official languages and contribute a few thoughts to the debate.

If I may, I would like to start by giving some historical background in order to establish the basic principles behind the Canadian policy on official languages. Official languages in Canada are rooted in both the past and the present. Since French and English have been evolving side by side for several centuries, the Official Languages Act and the policy underlying it do not in themselves represent a new concept, but show the high

regard in which the Fathers of Confederation held the notion of association.

In fact, the foundation of the official languages concept dates back to the birth of this country. In 1867, considering this notion as essential to the survival of Confederation, our forefathers passed the Constitution Act whose Section 133 recognizes everyone's right to use French or English in the debates, acts, records and journals of the Parliament of Canada and the legislature of Quebec, as well as before any Canadian or Quebec court.

I should point out that the current policy on official languages is based on this legislative framework.

[*English*]

Provision for the payment of a bonus to candidates who could write in both of Canada's official languages was first made in the act amending the Civil Service Act in 1888. This bilingualism bonus, which is still paid today to employees whose position requires knowledge of both official languages, is received by only 30 per cent of public servants. Most employees of the public service are not bilingual and do not automatically have to become so to have access to other jobs, contrary to popular belief.

By the end of the 1800s the key federal institutions gradually began to reflect the linguistic duality of the country. In the provinces however the situation was quite different, particularly where education was concerned. Although the language question initially was not particularly controversial, the open mindedness displayed by the federal public service toward the official languages does not seem to have extended to the provinces.

The politicians of the day did not show the same wisdom as the Fathers of Confederation and did not respect the spirit of Confederation in language and education, a situation that the minority French speaking communities would denounce and would later try to remedy.

In 1927—I mention this in passing—the first bilingual postage stamps were issued to mark the 60th anniversary of Confederation and this practice would subsequently become standard.

• (1245)

The federal government translation bureau was established in 1934 and was to change the face of the Public Service of Canada. However, official acceptance of the general principle that every citizen should have the right to receive federal services in the language of his or her choice and that the federal public service should reflect the makeup of Canadian society came only in the 1960s with the Heeney report and the report of the Royal Commission on Bilingualism and Biculturalism.

[*Translation*]

The Royal Commission on Bilingualism and Biculturalism was a turning point for official languages. It noted that Canada was undergoing the most severe crisis in its history. So, it recommended among other things that governments contribute to the development of official languages minority groups and that the civil service be bilingual with regard to both provision of services and language of work.

Following up on the royal commission's recommendations, the government of the day adopted the Official Languages Act in 1969, thereby making French and English the official languages of Canada.

I would like to stress one point at this time, especially after hearing remarks made by our colleagues from the Reform Party.

[*English*]

This act did not seek to make all Canadians bilingual. Its main objective was to establish the equality of status of English and French in the public service. It provided for the delivery of services in both languages so that the government could better understand and be better understood by the public. Whatever may be said, this is still the case today. No one wants to force any member of the public to speak both English and French.

The progress made possible by the passage of the Official Languages Act did not come without some difficulties along the way, but it proved to be very positive. Francophones have been the first to benefit from the act. It declared that the official languages, French and English, are the very essence of our identity as Canadians and that it is important to promote their development in all the provinces and territories of the country. This to my mind represents unprecedented progress.

After its adoption in 1969 the Official Languages Act gathered ground in the provinces. That same year New Brunswick declared itself officially bilingual in a unanimous resolution. We are now at the 25th anniversary.

A few years later other provinces followed suit. They relaxed their legislation and gave back to French speaking Canadians the right to education in their language, something that had been prohibited at the turn of the century as I mentioned earlier, notably in Manitoba.

[*Translation*]

During the seventies, Canadians showed a growing desire to live in an open and tolerant society, a society concerned with allowing individuals to live in their own culture and language. Young people, for instance, proved to be increasingly interested

in second language training, which they considered as expanding their personal and cultural horizons.

This wind of change blowing across the country made it possible to take the promotion of official languages a step further. So, in 1982, the Canadian Charter of Rights and Freedoms enshrined the official status of the French and English languages in the Constitution. Section 23 recognized the right to receive primary and secondary school instruction in the language of the minority where—as pointed out earlier—numbers warranted. To this day, this represents one of the most valuable gains made by linguistic communities which perceive education as the best way to ensure their development.

The purpose of that section was to redress historical injustices French–speaking minorities had suffered in certain provinces.

[*English*]

Following the promulgation of the charter however many questions were raised. What was meant by "where the numbers warrant?" Did it mean that official language communities had the right to manage their own schools? What was the actual scope of section 23? French speaking parents turned to the courts to find the answers to their questions. From then on the management of schools became their rallying cry.

• (1250)

In the wake of the charter the federal government decided to update the Official Languages Act in 1988. It conferred on the secretary of state the mandate to foster the development and vitality of minority official languages communities and to promote the use of French and English in Canadian society. This mandate is now my responsibility as Minister of Canadian Heritage.

During the same period the decision by the Supreme Court confirmed the right of francophones to manage their own schools. Yet despite the clear decision of the Supreme Court the constant pressure of French speaking communities and the repeated offers of support by the federal government, several provinces were slow to take action to respect their constitutional obligations.

[*Translation*]

In order to foster dialogue and encourage provinces, which assume responsibility for education, to do something regarding the teaching of the French language, the federal government adopted concrete measures to support the implementation of school management and post–secondary education in French.

This initiative resulted, among other things, in the implementation of several management projects across the country, as well as in the setting up of the community college network, something which was long–awaited by Ontario francophones.

Moreover, in spite of the fact that we are going through a difficult economic period, the Canadian government has decided to spare school management from the recent budget cuts so that, at last, school boards can get down to business.

We hope that the management of French–language schools by francophones will soon become a reality and we are working hard to that end.

We made significant progress regarding the promotion, spreading and teaching official languages, and this includes the legal recognition of their status.

This is not the time to back off, because there is still a lot to do. Minorities are always vulnerable, but minorities speaking one of the official languages within each province make an essential contribution to our identity and our national unity, and they deserve the government's support.

The Department of Canadian Heritage subsidizes 350 groups which work to promote official language communities in our country. These groups provide direct support to the communities and form dynamic organizations within our society.

In co–operation with the federal government, these groups are active in almost every field, including literacy, the economy and, of course, education.

Under co–operation agreements signed with each province and each territory, the federal government also helps these jurisdictions to provide education in the language of their minority.

This co–operation translates, for example, into the construction of new educational institutions for francophones, such as the Cité collégiale, in Ottawa, and the École de droit at l'Université de Moncton, as well as the development of new teaching programs in French and the setting up of independent school boards.

It must be pointed out that, without the federal government's support in the field of education, provinces would have to absorb all the costs related to such initiatives.

Moreover, federal funding helps over 2.7 million students learn French or English as a second language, including 300,000 students enrolled in French immersion.

Surveys even show that three out of four Canadians want their children to learn French or English as a second language.

[*English*]

Why do so many Canadian parents and children want to learn the second language while here we are discussing the relevance of promoting official languages in the country? They do so because they see a definite advantage to be gained. During a period of economic change countries simply cannot isolate themselves and linguistic duality is an undeniable strength.

• (1255)

Having worked in the world of diplomacy and international relations I can assure you that questioning the whole official languages policy amounts to ignorance of today's world. Markets are joining together to form large economic units that will in the future set the rules of the game. Developments in information technology such as satellite rebroadcasting have radically altered the concept of space and time.

The success of our country is closely linked to our ability to communicate in the languages and appreciate the cultures of other people. In a world where an estimated 6,000 languages are spoken in some 200 countries, Canada is not alone in having more than one official language. Having two world–class official languages can only be of net advantage to us because no fewer than 25 of those countries have French as an official language and 33 English.

Apart from being personally enriching, knowing both official languages makes our country better able to build up commercial relations with various countries. It is no surprise that our main competitors such as Japan and Europe are attaching increasing importance to teaching second languages in their schools. They are making the change to a modern world. Should we not?

The official languages question however is not solely confined to financial aspects. Linguistic duality is one of our fundamental characteristics as a society, as attested by our common history. Seeing that about 96 per cent of the population has French or English as its first language, no one can deny the coexistence of the two main languages in this country.

At a time when spending is being cut some ask whether we should not simply abolish the official languages policy. Others persist in bringing up the cost of the official languages policy and do not pay attention to its true value.

[*Translation*]

For my part, I am quite convinced that, more than ever, we must promote the use and promotion of both official languages and make sure that they are taught throughout Canada. The key to the development of any minority community, and our country as a whole, is education. All the efforts, energy and time spent by francophones to take control of their own schools must come to fruition.

Through special measures regarding management and post–secondary education, we have made progress on issues of priority concern to francophones, and we intend to continue in that direction. We will work towards fostering the economic development of francophone communities, which will require the participation of other departments and agencies.

I intend to call upon my colleagues to promote both official languages, which is part of my mandate as Minister of Canadian Heritage. We must renew our partnership with official languages communities and revamp our approach. Finally, I am looking into exploring new and fairly novel avenues which would give these communities almost unlimited opportunities, not only internally, but also internationally; I am thinking, in particular, about the information highway and the whole field of telecommunications.

Why not use the information highway to offer and diversify education services to francophones in remote areas? Could we not take advantage of this new technology to set up a French–language network for francophones, thus giving them their own electronic space? Those are questions I intend to explore with my colleagues and associates. I want to look at the future, and at how the official languages can contribute to the full development of Canada. But I am already convinced that having two official languages is an undeniable asset for our culture and our presence on the world scene.

• (1300)

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, the Reform Party has put a motion before the House today, and for the benefit of our listeners, I would like to start by reading the motion and then comment on a number of aspects I feel are particularly important and which I think each and every one of us should give some serious thought. The motion reads as follows:

> That, in the opinion of this House, the government should:
>
> (a) amend the Official Languages Act to reflect the philosophy of "territorial bilingualism", which holds that French should be the predominant language of Quebec and English the predominant language of the other provinces, and that federal government services should be available to official language minorities in their own language in any part of the country where there is demonstrable local public demand;
>
> (b) continue to facilitate the use of English or French in the debates and other proceedings of Parliament, in the records and journals of Parliament, in federal courts, and as the languages of federal legislation; and
>
> (c) refrain from spending monies on those aspects of language which fall under the sole jurisdiction of the provinces.

Mr. Speaker, when this motion was presented by the Reform Party, the mover of the motion said, and I quote:

[*English*]

—the Official Languages Act is not working well.

[*Translation*]

I agree with what he said. In fact, I believe the Commissioner of Official Languages himself pointed out that the legislation was not as effective as one would expect it to be.

The hon. member for the Reform Party went on to say that this act—

[*English*]

—is divisive and too expensive.

[*Translation*]

Well, we in Quebec do not feel that this act is particularly divisive or that it creates dissent. It is too bad the hon. member for the Reform Party seems to think there is a measure of dissent and divisiveness, and I suppose that later on he could perhaps explain how he arrived at this perception. He also said the Official Languages Act was too expensive.

According to the Commissioner of Official Languages, this legislation costs 0.3 per cent of total federal spending. If less than one–third of 1 per cent is too expensive, how low must we go to meet the criteria of the hon. member for the Reform Party?

At this point, I would also like to set the record straight on something that was said by the previous speaker. He referred to the "asymmetrical bilingualism advocated by the Bloc Quebecois". The position of the Bloc Quebecois is clear: bilingualism must be the rule in all federal institutions. There are also a number of obligations in this respect that must be met at the provincial level. However, neither the Bloc Quebecois nor any other party can influence the will of the provinces.

Incidentally, I would like to draw your attention to the fact that today, New Brunswick is celebrating 25 years as a bilingual province.

An hon. member: That's right!

Mr. de Savoye: Thank you.

• (1305)

For all this bilingualism enjoyed in this country since 1969 and all the goodwill in that respect, we must nevertheless realize —as the Commissioner of Official Languages indicated— that access to federal services in French has not always been satisfactory. Francophones outside Quebec should be able to receive services in their language not only from federal agencies but also from provincial ones. And that is where the shoe pinches.

Let me quote Mr. Jean Dufresne who said, in an article published in *Le Journal de Montréal*: "Mr. Goldbloom, who speaks his mind but at the same time shows a moderation fitting a man whose mastery of French I can only envy, acknowledges that federal services in French have deteriorated so much that, in certain regions, francophones do not even bother to complain any more. In British Columbia and the Prairies, for example, the number of complaints dropped by half last year. Mr. Goldbloom attributes this drop to the clients' frustration with the little progress made by various institutions." And he concluded by saying: "Overall, not a very positive report."

I might add that problems exist not only in British Columbia and the Prairies. Last Sunday, in my riding, I met with Mr. Duval, from Cap–Santé, who showed me a number of things, including UI cheque stubs. On these stubs, you can read:

[*English*]

—UI benefit statement, date 3003, 1994 from federal tax, Quebec tax, et cetera. It is all in English. This is in Cap–Santé for Mr. Duval.

[*Translation*]

Something is seriously wrong. The figures relating to bilingualism in the Public Service certainly make you wonder. Take the number of bilingual positions in Quebec for example. Excluding the National Capital Region, there are 15,500 bilingual positions in the province, as compared to 39,500 in the National Capital Region and 8,800 in the rest of Canada. You will tell me that this is in line with the relative numbers of francophones and anglophones across Canada. That fact of the matter is that it is not.

You see, with 900,000 anglophones in Quebec and, excluding the National Capital, there are 15,500 bilingual positions in the province. On the other hand, 968,000 francophones are living outside Quebec, that is to say 68,000 more than anglophones living in Quebec, and to serve all of them, there are only 8,800 bilingual positions, that is a bit more than half the number found in Quebec. In other words, this means that francophones outside Quebec are entitled to only 57 per cent of the level of service provided to anglophones in Quebec. And I am not making this up. I am just quoting figures from the Commissioner of Official Languages' annual report.

I would also like to mention this other finding by the commissioner. In Foreign Affairs, 44 per cent of francophones report using English as their written language of work and, according to 85 per cent of the sample of employees interviewed by the commissioner, meetings are held only or mostly in English. Bilingualism is not very well, Mr. Speaker.

• (1310)

In fact, given the figures I just gave you, we can see that the government's efforts to conceive and carry out bilingualism programs only work in Quebec. Simply put, we can see that a vast majority of bilingual positions in Canada are located in Quebec and the National Capital Region. Quebec and the National Capital Region account for 55,000 bilingual positions, compared with 8,800 in the rest of the country. Quebec is where bilingualism can be found.

I would now like to move on to education.

Education, as everyone knows, is a provincial jurisdiction and, although the Canadian Charter of Rights and Freedoms provides for certain obligations with respect to minority language rights, we must realize that some provinces still lag behind.

It is worth mentioning that these rights were made clearer by two Supreme Court decisions in 1990 and 1993. But these rights have been in the Charter for ten years now, and the provinces should have delivered the goods ten years ago.

Nevertheless, francophones outside Quebec had to fight to have their rights recognized and we know that, at least in Ontario, the situation is still not settled or even very clear at this time.

As for the three provinces that legislated in this field more recently—namely Manitoba, Saskatchewan and Alberta—, I hope that, if it took them ten years to come up with a law in line with the Charter, it will not take another ten years for reality to reflect the spirit of the new legislation.

A word on Ontario. The President of the French–Canadian Association of Ontario, Jean Tanguay, recently said that the Commissioner's report did not reflect the fact that his community is in a state of crisis. He went on to say that, unfortunately, the Government of Ontario continues to deliberately defy the law in matters of school management.

The Liberal member for Ottawa—Vanier said essentially the same thing on the TVA network on March 23: "We asked to manage our own schools because it goes hand in hand with normal management. We still do not have it in Ontario, in spite of continuously asking for it for 30 years."

Bilingualism in Canada is not well, not because of the law or the Charter but because there is resistance somewhere.

I would like to point something out to the Reform speaker who, as he admitted himself, was unable to come up with a satisfactory answer to a question he was asked earlier about the wage gap between francophones and anglophones.

We know that the income gap between francophones and anglophones keeps growing outside Quebec, while it has declined considerably in Quebec. So why is there a gap and why does it keep growing outside Quebec?

Well, here is the answer. We can observe that it is partly due to the fact that francophone minorities do not control the management of their primary and secondary schools, because we know that education is one of the most important things for success in life. If our francophone minorities outside Quebec cannot have access to education in their mother tongue, they automatically lose the equal opportunity that their English–speaking fellow citizens have.

• (1315)

The gap is not small. In 1977, it was 4.4 per cent in favour of anglophones. Not only did it not stay the same but it grew to 10.3 per cent in 1992; that is a tragedy.

I would also like to talk about a statement that the Hon. Prime Minister made in this House last week. Speaking of Quebec sovereigntists, our Prime Minister said: "When they have achieved their objective of separation, a million francophones will probably lose their language." That was a regrettable statement. Francophones do not have rights because Quebec exists. Francophones outside Quebec have rights that belong to them, irrespective of Quebec. These people, these French–speaking citizens, have their own culture that belongs to them and in no way depends on whether Quebec exists as a sovereign state or not. However, I see that some people are not able to appreciate the rights of these minorities.

Believe me, Quebecers are very strong defenders of French culture in all of North America and especially in Canada from coast to coast and in all the provinces where these communities are established and have grown and developed over the years. They deserve to be supported by this government; more than deserve it, they are entitled to it.

I will say that the sovereignist forces in Quebec have already announced a generous policy with respect to the anglophone minority. I also consider it unfortunate that the Commissioner of Official Languages believes that English Canada would eliminate the rights of French Canadians outside Quebec if Quebec became sovereign.

At this time, you will understand that it is all the more important for Quebec to unconditionally support all the francophone minorities in the rest of Canada if the federal government abdicates its duty in this area.

To conclude, I have a few questions for the Reform Party. If the present bilingualism policy were abolished, as the Reform Party proposes, what policies would that party propose so that francophones outside Quebec could enjoy the same rights, privileges, guarantees and respect that anglophones in Quebec have? Would they be in favour of francophones outside Quebec managing their own schools? What do they propose as an alternative to respect and support for francophone organizations outside Quebec if the government did not spend money on aspects of language policy that are within exclusive provincial jurisdiction?

I have stated some facts, I have raised some issues, I believe that if the Reform Party wants to follow through to the end, it must do more than propose a notice of motion, it must propose a solution that respects all linguistic minorities in Canada, be they French or English.

• (1320)

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, sometimes I find it hard to keep calm when I hear some of the comments being made across the floor.

First of all, the hon. member claimed that, according to the report of the Commissioner of Official Languages, the Official Languages Act was not working. Nothing could be further from the truth.

I am sure all Canadians watching the House of Commons on television today know the Commissioner of Official Languages is an ombudsman. It is his role to point out any shortcomings, which there always will be, in any society. It is his role to identify them. Not in order to condemn this government or the previous government or anyone at all, but to improve the system.

Similarly, the hon. member opposite raises questions during Question Period not, I hope, to say that the people sitting on these benches are a terrible bunch, but to improve the system and make this Parliament more effective. Well, the Commissioner of Official Languages does the same thing, to improve the act and not to condemn it.

Second, I wish the hon. member opposite would explain his calculations. First of all, he chose to discount public servants working in the National Capital Region as far as minority language services are concerned. Does he not know that in addition to the national role played by public servants in the National Capital area, these people also administer regional programs? For instance, half of all francophones in Ontario, perhaps as many as 150,000, live within a radius of about 100 kilometres of this city outside Quebec. They are not served by regional offices in other locations, they are served by offices here in Ottawa. When the hon. member artificially excludes people who work in Ottawa, does he realize that he is skewing the figures?

Finally, with respect to the future of francophones outside Quebec, one does not have to be a lawyer from Baie–Comeau to realize that there is more to this than protecting the rights of francophones, important though this may be. What has kept us alive as a group in this country is critical mass. I am a Franco–Ontarian, and personally I believe that in my country, Quebec has played a major role in helping my language survive. We must be realistic and look at the facts.

The United States has no Quebec with its critical mass. Did the francophones there survive? No. The French fact is mere nostalgia in Louisiana and nothing at all in the rest of the United States, although originally there were more francophones in the United States than in Canada. Why? Because they did not have the critical mass or percentage. And that is what the Prime Minister means when he says that the francophones in Quebec are important to the survival of us all in Canada. Francophones in Quebec have helped to differentiate us from the Americans. We owe them that. We are a different country largely because of them. And anyone who says that we can take this out of Canada and everything will remain the same is wrong. Never mind about being politically correct. The truth is right there.

Mr. de Savoye: Mr. Speaker, I will respond to this. First, I respect the cultural solidarity mentioned by the hon. member. However, I do not have much respect for his mathematical skills.

Let us take his first argument. Indeed, Quebec is certainly, for French–speakers outside its borders, an important focal point, and it will continue to be unless the Government of Canada tries to enforce a violent opposition to it, which I doubt.

• (1325)

Now, for the mathematical part. The National Capital Region is not only the Ottawa side, it also includes, whether you like it or not, the other side of the river, that is Hull and Gatineau. You know that, Mr. Speaker, I am sure. When the hon. member says that bilingual public servants in the National Capital area serve a Franco–Ontarian population, I expect they also serve a Quebec population. Otherwise, this would be tantamount to abuse.

This aside, when I compared Quebec with the rest of Canada, I took care to say, and I repeat, that I was excluding the National Capital area, both from Quebec and from the rest of Canada. I am therefore comparing apples with apples and oranges with oranges. However, the hon. member may find it to his advantage to skew reality. As he said, let us leave political correctness aside and let us show things as they are. We give 57 per cent more service to English–speaking persons in Quebec, than French–speaking persons receive in the rest of Canada.

[*English*]

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I listened with great interest to the member for Portneuf who is always able to put his thoughts together and present them in such an engaging way.

Does the member for Portneuf think there is even a prayer of a chance that the French fact will be able to survive outside Quebec even to the degree that it does today if Quebec were to decide to separate. Why would the rest of Canada treat the French minority outside Quebec any differently from any other linguistic minority? Why should it treat it any differently in the absence of Quebec?

I would also ask the member for Portneuf to comment on the fact that we feel we have an obligation to represent and to be considerate of the French language minorities particularly in the west. The reality of the situation is that the French language minority in my city is the third, fourth or fifth language. It comes after Ukrainian and now Chinese. How should these minorities be treated vis–à–vis English and vis–à–vis French?

The hon. member also mentioned the disparity in incomes and that the income of French speaking Canadians in Quebec has gone up over the last few years relative to French speaking Canadians outside Quebec. I wonder if that could not be in part

because of the rise of the entrepreneurial class within Quebec and the outflow migration from Quebec of anglophones.

As a final parting shot, I would like to mention the irony of getting a lesson in minority language rights for the rest of Canada from the perception of the rest of Canada having been a witness to Quebec Bill 101 knowing the rancour and disbelief generated in the rest of Canada by Bill 101. There is some irony to now be getting this lesson in understanding.

[*Translation*]

The Deputy Speaker: Before recognizing the hon. member for Portneuf, I have to tell him that he will have as much time as the hon. member for Edmonton Southwest used.

[*English*]

Mr. de Savoye: I am surprised at being asked how we think this or that could work. We are not the ones putting forward a motion. The Reform Party is putting forward a motion. They should tell us how things would work for the French speaking communities outside Quebec.

• (1330)

How will the Reform Party ensure that these French communities evolve and the French speaking people get good jobs and good salaries? They are the ones who should be supplying those answers.

What we are saying is that Quebec, as a sovereign state, will continue and enhance its effort to support all French speaking communities from coast to coast. That has been pledged over and over again. I am not going to explain why I believe these people will make it. They have done so against tremendous odds up to now. Hopefully if the laws of the country continue to support bilingualism and if—this is the second if—they are implemented correctly, which they are not at the time, then these communities will be able to sustain themselves.

However, I am asking the question again. It is not for me to answer those questions. The Reformers are putting forward a motion. Let them support how it will work in the real world for the French speaking communities from coast to coast or do they want them to be eradicated?

Mr. John Williams (St. Albert): Mr. Speaker, before I start my speech I would like to make a comment to answer the final remarks of the previous speaker who talked about when Quebec is a sovereign state it will look after its language policy from coast to coast.

We understand that if Quebec ever becomes a sovereign nation it will not have to worry about coast to coast because the small shore of the St. Lawrence will be the only coast that it has.

The motion put forward today shows that the Reform Party has concern as a federalist party for Quebec, for French and for our language policy from shore to shore, and let it always be from shore to shore.

The Official Languages Act is designed to ensure that the people of the province of Quebec and French speaking people from elsewhere in Canada have the opportunity to be able to participate and enjoy the benefits of this country using their own language. That is why we want to discuss it today because unfortunately the language act is not working.

In 1968 the then Prime Minister, Mr. Trudeau, mentioned in the throne speech the need to create some linguistic justice in the country and to forestall what was perceived to be Quebec separatism. In his speech, Mr. Trudeau said:

> You will—be asked to consider measures relating to—citizenship, to national symbols, to cultural agencies—Some of these proposals involve the righting of wrongs and others the opening of opportunities long denied. Together they exemplify the essential connection between justice and national unity.

Unfortunately he did not adopt the recommendations of the language commission that had reported up to that point in introducing territorial bilingualism. He introduced a personal bilingualism. As I mentioned, it was to forestall Quebec separatism that was seen to be rising again. Little did he think, back in 1968, as he sat in that seat over there that after 25 years the present Prime Minister would be looking across the floor at 54 MPs who are committed to taking Quebec out of this country. Unfortunately it demonstrates that the Official Languages Act has not worked.

We need change to ensure that they stay in this country, that they do not pack their bags and leave as the 52 people in this House wish to do.

Language fractures a country. In a multicultural, multi-language situation, it is perhaps the most divisive thing that we have to deal with, not only in this country but we see it around the world. A large part of the tensions in Yugoslavia today are racial, ethnic and language oriented. The divisions in the Soviet Union are degenerating into nationalism and cultural ethnic groups and language again. Around the world language is a problem.

• (1335)

However, we thought that we were mature enough to work together and achieve some sort of harmony. We thought we could work together and overcome our difficulties. However, the unfortunate thing is we cannot legislate morality and we cannot legislate the way people think.

Therefore, if we are to have harmony in language let us recognize that the road ahead will be difficult. We have to work

together to bring about acceptance of the need and the recognition that Canadians speak more than one language.

The French and the English go back a long way to 1608 when Samuel de Champlain first landed in this country. At times the French language dominated and the English language has dominated at times. It has see–sawed back and forth and through the accidents of history the English language now dominates. However, we recognize the rights of the French speaking people in this land. We want them to be recognized. We want to ensure that they have a place in Canada.

We want to ensure that the Official Languages Act is changed so that when we have another election there will no longer be 54 people sitting in the House who are dedicated to breaking up the country. We want 295 people in this House who are committed to working together and staying together.

The Reform Party has addressed the problem and it has said, let us go back to the commission that was formed in the 1960s which reported that we should have territorial bilingualism. Obviously the personal style of bilingualism does not work which is why we have these 54 people here today.

Let us recognize that we should change the system in order for it to work better. We want the French to speak in their own language, we want the English to speak in their own language. We do not want to shove another language down people's throats if they do not want it. That is what generates the backlash.

We should also try and defuse language as an issue. From 1867 to 1969 there were virtually no language laws in this country. We have to get back to the recognition that the fewer laws we have in this field the better and the more harmony and desire we have to make it work the better. That is why as Reformers we propose that language become a provincial issue rather than a federal one. Let each province decide which language is going to be spoken in the province, bearing in mind that each must account and accommodate the language where population warrants, that it be French, English or both.

That is why we put this motion today, to elevate the need to talk about this before the 54 Bloc Quebecois get their agenda on track and march right out of here.

If the 54 Bloc Quebecois members take Quebec out of this country they have left behind the thousands of French speaking Canadians in the rest of the provinces. They will be left hanging high and dry with absolutely no support. They will be alienated from the people in Quebec. The Bloc will be doing these people a great disservice. That is why I say to these people, work toward making federalism work rather than packing a bag and leaving.

We have invested a great deal of money over the years. Even Mr. Spicer, the first language commissioner said that perhaps we should add it all up and find out how much we are talking about and what it costs us. He said:

> But surely there is merit in keeping more meaningful accounts. Without them, those dealing language reform will have to continue waffling under the recurring question of costs—hearing but being unable to contradict convincingly such deliciously polemical estimates—as "three billion dollars a year for bilingualism." It would seem more sensible to pull the whole lot of linguistic items together, specify the purpose of each, tote up the terrifying sum, add on ten per cent for indirect or integrated costs, then publish and defend the thing as a high but necessary price for being Canadian.

● (1340)

That was Mr. Spicer, the first Commissioner of Official Languages quite some number of years ago. Today we have all kinds of numbers being thrown out. How much does it cost, $2 billion, $4 billion? We do not know.

We do know we pay $50 million a year as a bonus to people who speak two languages in the federal civil service whether that is required of their job or not. We know that we spend hundreds of millions of dollars on other aspects, translation, bilingual commissions; $200 million for education. The cost adds up, but how much? We do not know.

Mr. Spicer said quite some number of years ago: "Let us add it up. Let us find how much. Tell Canadians what it costs us and let that be the price for keeping this country together".

As I have said many times, the Reform Party wants Canada to stay together. We want a language policy that will bind us together in unity and understanding. The official language policy as it currently stands will not work and must be changed. That is why we brought the item to the forefront today.

Let us sit down and develop a new structure. Let us not adopt the attitude of the Bloc Quebecois and say: "That's it. If you can't tolerate it, go". Let us tell the Bloc Quebecois not to be selfish and walk out on this great experiment that has been Canada.

We have said to the Leader of the Opposition, and we have said to other members of the Bloc Quebecois: "Let us sit down and define a new federalism". They said: "No. If a question is to be put on a ballot on a referendum in Quebec it will be a choice of what we have today or separatism". They have said that they are not interested in sitting down and making this experiment called Canada work. That is tremendously unfortunate for the 27.5 million Canadians—that includes French Canadians—right across this land and the French Canadians in the province of Quebec who want to be in Canada, who want this country to stay together.

That is why it is vitally important that we sit down and develop a brand new act so that after the next election a majority government of Reformers will be running the country and no Bloc Quebecois.

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, I would like to thank my colleague for his comments.

He will agree that when we have these debates we must be very careful that what we say is founded in truth and reasoned analysis and not in rhetoric.

He said several times in his remarks that the presence of the Bloc is due to Canada's official languages policy. I submit to him that the presence of the Bloc is actually due, as is the presence of the Reform Party, to the failure of the previous Conservative government to retain the confidence of the people. It has nothing whatsoever to do with the Official Languages Act.

I would further say that he and a previous speaker have made several references to language as a cause of dissension and some unfortunate incidents in the past. A specific reference was made for example to the Acadian expulsion.

I submit that the expulsion of the Acadians had nothing to do with language. It was a case in the 18th century of what is today known as ethnic cleansing. The Acadians were removed not because they spoke French but because they were of a different religion and because they were an economic and a military liability in Nova Scotia at that time.

I would further say that if he looks back in the past at the type of impartiality that the Reform Party prides itself in he will discover that the history of English people has shown a tremendous tolerance for French. Throughout the middle ages and throughout the 16th, 17th and 18th centuries and even the 19th century most of the upper classes, shall we say, and the well educated people in England and the British possessions spoke French regularly. Indeed, this tolerance for the other language existed into the 19th century. He is blaming language for something for which language is not responsible. Language is basically a form of communication. The better we understand one another's language the better we can understand one another and the better we can overcome the type of tribalism that may be characteristic of the type of principles that the Bloc stands for. The Bloc represents the same type of people that I belong to, other Canadians.

• (1345)

The language enables us to reach out to one another. I think we Canadians have to do everything in our power to make sure that as many Canadians have the opportunity to speak both languages as we possibly can.

Mr. Williams: Mr. Speaker, in some ways I think the hon. member should have been over on this side writing Reform speeches because we agree with some parts of what he says.

There is no question in my mind that the language policy of Canada today has in some way created the fact that we have 54 people sitting there today.

In 1968, as I said, there were divisions in this country. There was a desire to achieve linguistic justice in this country. Mr. Trudeau, the Prime Minister at that time, addressed it by introducing a languages act. He went against the recommendations of the commission that said "territorial bilingualism" and introduced the concept of "personal bilingualism". If Mr. Trudeau thought he had separatism in 1968, he had no idea what separatism would mean in 1994 in this very House.

The hon. member also talked about how the English language tolerates French and other languages from around the world. I think that is true. We as Reformers and as English speaking Canadians are bending over backward to try and do what we can to ensure that this country is good for everybody, coast to coast. We only ask that we get the same kind of recognition as Canadians from the people in Quebec who feel that because they have been slighted in some small way that they should pack their bags and leave, which will be the destruction of their own economy and perhaps the destruction of the Canadian economy as well.

Mr. Morris Bodnar (Saskatoon—Dundurn): Mr. Speaker, the hon. member mentioned that the Bloc does not want to make this experiment called Canada work. I wonder in light of some of the comments of the Reform member using such terms as "dominance of English in this country" and "Quebec with only a shore along the St. Lawrence" whether that is an attempt to hasten the separation of Quebec from Canada rather than trying to heal any wounds and whether that is the goal of the Reform Party, to hasten Quebec leaving this country rather than trying to live in a country that compromises and has two official languages.

Mr. Williams: Mr. Speaker, the facts speak for themselves. Seventy–five per cent of Canadians are English speaking and 25 per cent of Canadians are French speaking. In our neighbouring country to the south there are 250 million people who speak English. If the province of Quebec goes alone and forms a separate country it is going to be a French speaking island in the sea of English speaking North America. It is going to be lost in a big sea with no friends. No anglophone group will be there to help it. If its language and economy are to be preserved, it would be far better off in a larger group such as Canada than by itself. If it sets out on its own and feels it is going to preserve French with no friends whatsoever, it is going to be totally dominated by the cultural impact of the rest of North America.

With regard to the hon. member's other point about the shoreline of the north shore of the St. Lawrence, it is a fact that that is what Quebec would have. It is far better to recognize the facts and call them for what they are than to pussyfoot around and let the people of Quebec or the 54 MPs from Quebec who advocate separation push the Liberals around.

• (1350)

They have been pushed around for so long that we have found ourselves in the situation where our country is at risk. Let us recognize the problem, deal with it aggressively and solve it once and for all.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, I did not intervene immediately for a very good reason; I wanted to hear the comments from both sides on the speech the Reform Party member just made. I think members interpret in various ways and disparage the reason why there are 54 members of the Bloc Quebecois in this House. I believe that some members live in a hothouse, totally disconnected from reality.

I would like to ask the Reform Party, and particularly the member who just spoke, where they were at the time of the Meech Lake Agreement and of the Charlottetown Agreement, when English Canada twice said no to Quebec. Where were they then? Maybe they will understand the reason for the Bloc Quebecois being present in this House, they will understand why 54 out of 75 members are here to defend Quebec's interests, to advocate and promote Quebec sovereignty.

Since we are drifting slightly away from the Reform Party's motion on bilingualism, it is easy to present various ideas and explanations, but in the member's speech, I never understood, I never saw any concrete measures—we are talking here about Quebec separating from Canada and I think both sides are speaking as if it were a fact, as if Quebec were separated already; but what are you going to do with the francophones? I understand the Reform Party members when they say that they will welcome everybody and treat all minorities very well. But they never made any concrete suggestions. What exact measures will the Reform Party put into place for francophones outside Quebec when Quebec becomes sovereign?

[*English*]

Mr. Williams: Mr. Speaker, the question deserves one answer. We are working very hard to keep Quebec in Canada. We are proposing a new way of handling the official languages in this country. That will ensure that there is French available for Canadians coast to coast for the people who wish to speak in the French language.

That can be done best by ensuring that everybody, including the 54 Bloc Quebecois MPs who want to work for the benefit of their constituents, has an opportunity to work and communicate in the language of their choice in this great country called Canada.

The Deputy Speaker: The time is up for questions and comments. Resuming debate. I believe the hon. Parliamentary Secretary to the Minister of Canadian Heritage intends to divide her time.

[*Translation*]

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Mr. Speaker, the Reform Party has put before the House today a motion asking the government to amend the Official Languages Act so that French can be the predominant language in Quebec and English the predominant language in the rest of the country. Reformers also want federal services to be available in the official language of the minority where there is significant demand.

Obviously, the motion was drafted by someone who does not understand the Official Languages Act very well or by someone who wants to give a distorted image of the letter and the spirit of the Act.

[*English*]

Who could deny within the Reform Party or elsewhere that French is the predominant language of Quebec? Who could deny that English is the predominant language of British Columbia, Alberta, Ontario or Newfoundland?

Not only does the Official Languages Act do nothing to change that, it recognizes it. It recognizes it by ensuring that official language minorities have access to federal government services where there is significant demand. This is much of what the motion asks and it is what the act already does. What is new? Perhaps it is only a new attempt to foster resentment and discontent among Canadians.

I would advise the hon. members of the Reform Party to get better acquainted with the official languages policy if they are interested in meaningful debate based on facts, not simply rumours or misconceptions. Perhaps they might read the brochure "Myths and Realities" to see whether they are on the side of myths or realities. Maybe then they will stop fighting windmills and join with the government in tackling the real problems of this country.

• (1355)

[*Translation*]

The position taken by the Reform Party on the issue of official languages more than proves they do not understand a thing about government policy. It shows that they do not understand what Canadian identity is all about. We know that the members of the Bloc Quebecois want to break up Canada and ensure Quebec's separation. That is very clear. The Bloc deals with its own contradictions as it sees fit, but its basic option is without any ambiguity whatsoever.

Unknowingly, the Reform Party is also proposing the break–up of Canada. They want to break up Canada by attacking our Canadian values and the major policies, such as official languages and multiculturalism, which unite our country.

[*English*]

Like sorcerers' apprentices our opposing friends would like to throw away long held policies and workable solutions with total disregard for the dire consequences which would fall upon Canadian unity and Canadian identity.

Our task as parliamentarians is to reinforce unity, not uniformity. Our mission is to contribute a sense of a country which respects the many ways of being a Canadian.

Language and culture are sensitive issues in any society. They touch the very essence of how people define themselves and their place in society.

Public debates do not always honour the facts.

[*Translation*]

The Canadian people want policies that reflect such Canadian values as dialogue, understanding, equity and mutual respect for policies based on a definition of citizenship which includes rights as well as responsibilities, for policies which urge all Canadians to take their place in a pluralistic Canadian society.

However, do not attach too much value to labels like multiculturalism, pluralism, diversity, bilingualism, linguistic duality, official languages that go beyond minorities or to semantics on which people do not necessarily agree. These terms have one thing in common: they all refer to solutions made in Canada. Canadians have tried to develop policies that would reflect the various aspects of their society and the challenges they face.

These very Canadian policies have been used and are still used as models elsewhere, but they were made here, in Canada.

[*English*]

The raison d'être for our official languages policy is clear. The presence of two significant language communities is one of Canada's defining features. Ninety–eight point eight per cent of Canadians speak either English or French and these are the principal languages used by Canadians in their daily lives.

The official use of both English and French within the institutions of the government has roots which even predate Confederation. It is hard to look at Canada without seeing the importance of these two languages within Canadian society.

Approximately one–quarter of Canadians have French as their first official language and three–quarters have English. A majority of both language groups are unilingual. Seven per cent or over 1.5 million Canadians live in provinces where their first official language is in the minority.

The value of languages is made clear in public opinion surveys which show that three out of every four parents want their children to learn the second official language.

This has resulted in large numbers of parents enrolling their children in French immersion programs.

The Speaker: The hon. member still has approximately four minutes. The hon. member will be given the floor when the debate resumes.

It being two o'clock, pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

JUSTICE

Mr. Paul Steckle (Huron—Bruce): Mr. Speaker, recently a small, close knit community in my riding was shocked at the brutal killing of one of its own, Miss Joan Heimbeker of Clifford, Ontario.

Her parents have lost a daughter, the community has lost a friend and society has lost the potential of a shining young star.

The recent string of violent crime across the country has disturbed the friendly and safe country which we all love. We as Canadian law makers must take concrete action to ensure that there is proper punishment and deterrents to crimes like this.

We must recognize the sorrow and anguish felt by the victims' families and give them quick but fair justice so that they may try to resume their lives without their loved ones.

Canadians look to their government to provide the judicial system with the appropriate laws to deal with the realities of today. Society needs to know that it is being protected from violent offenders and that those violent offenders are given stiff sentences for the crimes they commit.

The return of corporal punishment must be revisited as a deterrent to these acts of atrocity.

* * *

[*Translation*]

DICTÉE DES AMÉRIQUES

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, my constituents and I wish to congratulate Mr. Jacques Sormany, a biology and mathematics teacher at the Chicoutimi CEGEP, who com-

peted in the Dictée des Amériques, on March 26, and came first in the Senior Professional category. Mr. Sormany is one of four champions who successfully avoided the many pitfalls of this dictation given by Antonine Maillet.

The three others are: Daniel Albert, in the Junior category; Ronald Cawthorn, in the Senior category, French as a second language; and Vincent Renaud, of Ottawa, in the Senior Amateur category.

Two hundred candidates, divided into four categories, took part in this event. They came from Quebec, Canada, Latin America and the United States. We are proud of Mr. Sormany's remarkable performance.

* * *

[*English*]

DRINKING WATER

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, whose responsibility is it to ensure Canadians, in this case British Columbians, receive accurate and reliable information on the drinking water and the methods used for disinfection?

Is it the municipalities that form the local greater Vancouver regional district boards and have direct input and control of the poisons put in our water systems? Is it the province and the greater Vancouver regional water district that together contribute to the logging of our watersheds and thereby increase the amount of sediment and organic material within our drinking water and that gave our watersheds a new name, tree farm licence No. 42?

Is it the federal government and the environment ministry and the Department of Fisheries and Oceans that could initiate a ban on chlorine and all chlorinated compounds which have already proven extremely toxic to fish? Is it our health departments that should be aware of the many research reports clearly indicating the increase in cancer and heart problems since chlorine has been used in our water systems?

Canadians want honest answers and accountability.

* * *

DAKOTA OJIBWAY TRIBAL COUNCIL

Mr. Glen McKinnon (Brandon—Souris): Mr. Speaker, I am happy to be able to inform the House that full police service will soon be restored to the Dakota Ojibway Tribal Council communities in Manitoba through the implementation of an interim policing arrangement.

DOTC communities have been without full police service since the disbanding of the DOTC police service five months ago. This interim policing service will be made up of RCMP officers and former DOTC officers under the general direction of the RCMP.

The interim policing arrangement will remain in effect until a more permanent tripartite policing arrangement is negotiated by the federal government, the province of Manitoba and the Dakota Ojibway Tribal Council.

I would like to express my thanks to the Solicitor General of Canada, the Manitoba justice minister and the Dakota Ojibway Tribal Council for their efforts. Without their goodwill and co–operation this arrangement would not have been made.

* * *

[*Translation*]

MULTICULTURALISM

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, everywhere in the world—in the former Yugoslavia, in Central Africa, and in the Far East—we see ethnic groups tear one another to pieces because they cannot accept language, religious or cultural differences.

• (1405)

Freedom means the right to be different. A country's greatness can be measured by how tolerant it is of differences and how readily it welcomes them.

[*English*]

On behalf of my colleague from Don Valley North I invite all MPs in this House to celebrate our love of this country by participating in the citizenship ceremony to take place tomorrow, April 19, at 1.40 p.m. in the hall just outside this Commons chamber. I refer to that portion of this building known as the Hall of Honour.

* * *

HEALTH CARE

Mr. Rey D. Pagtakhan (Winnipeg North): Mr. Speaker, yesterday marked a decade of remarkable social achievement in Canada.

On April 17, 1984 the Canada Health Act received royal assent, ensuring the availability of health care to all citizens.

Today we continue to cherish its five principles: universality, accessibility, portability, comprehensiveness and public administration.

Yet there is a need to control costs and still provide adequate funding, to enhance efficient and effective use of resources and to gain a broader understanding of the determinants of health.

Ten years ago a Liberal government triumphed over the dual threat of user fees and extra billing. Today, with the national forum on health chaired by the Prime Minister, this Liberal government shall triumph again and face new challenges with renewed vigour.

We shall succeed because we believe in the five principles of medicare. We shall succeed because medicare is a force for national unity. We shall succeed because Canadians want us to succeed.

* * *

[*Translation*]

LOUVICOURT MINING PROJECT

Mr. Bernard Deshaies (Abitibi): Mr. Speaker, according to the *Commission de la construction du Québec*, the Louvicourt mining project in Abitibi is the largest industrial project in the province of Quebec.

The Louvicourt project near Val–d'Or is on its way to becoming the largest underground copper mine in Quebec. Roughly $300 million will be invested until the construction phase is completed. Testing of the concentrator will begin next July, while underground systems will be operational in October 1994.

On behalf of all the residents of my riding of Abitibi, I want to congratulate the Aur–Novicourt–Teck partnership and all those involved in this venture which will employ hundreds of workers and stimulate our region's economy.

* * *

[*English*]

BOSNIA

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, Canadians were relieved and grateful this past weekend to learn of the release of 16 of 17 Canadian UN personnel who had been held hostage by Bosnian–Serb forces.

However, we are still very disappointed and dissatisfied with these tactics and call upon the Bosnian–Serb leadership to order and effect the immediate release of the remaining UN prisoners.

Furthermore, we call upon Bosnian–Serb leaders to honour the ceasefire agreements arranged to stop hostilities in and around Gorazde and to come to the negotiating table prepared and willing to work toward a solution which will result in peace in Bosnia.

Canadians have no wish to take sides in the situation in Bosnia nor do we ascribe blame to any one group over another. Canadians do think that this is the time for all three ethnic communities to come together, negotiate with openness and good faith to end the fighting and build a lasting peace.

* * *

FEDERALISM

Mr. David Iftody (Provencher): Mr. Speaker, I rise in the House today to recognize that 12 years ago yesterday, April 17, 1982, on the front lawns of the Parliament Buildings the Canadian Constitution was repatriated.

A few days ago, last Friday, the Prime Minister at a ceremony at Rideau Hall signed an amendment to that same Constitution with Prince Edward Island.

Yes, federalism is alive and well in Canada and last Friday is just another example of that.

The beauty of the Constitution and that of federalism is that they contain the principles of pluralism, diversity and tolerance in today's society.

I congratulate Canadians today. Federalism and the Constitution represent the very fabric and the will of this great nation and its people.

* * *

THE ENVIRONMENT

Hon. Charles Caccia (Davenport): Mr. Speaker, this is Earth Week which culminates in Earth Day on April 22. This is a time to celebrate planet Earth, its ecosystems and the life forms that inhabit it.

While we celebrate we should also think of ways to prevent pollution and manage natural resources so that our children and grandchildren will inherit a healthy planet and environmentally sustainable resources. We are often reminded that all things are interconnected and in the long term what we do to the soil, water and air we do to ourselves.

• (1410)

The United Nations conference on environment and development made this point clear and produced agenda 21, a document for decision makers to keep in mind not just this week but all year round. Our actions must be guided by the knowledge that we only have one planet on which to live. Therefore every day is Earth Day.

* * *

[*Translation*]

LEADER OF EQUALITY PARTY

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, this past weekend, the media reported that, according to the Equality Party leader, Ottawa should take every necessary measure to keep Quebec from becoming a sovereign state, including an intervention of the army, even following a referendum vote in favour of sovereignty.

We join together to denounce these shameful, irresponsible and anti–democratic comments.

The right of Quebec to self–determination is no longer an issue, nor is the peaceful, legitimate, legal and democratic character of each stage leading our province to sovereignty.

[*English*]

We expect each and every member of this House to make sure he or she joins us now in denouncing firmly this attitude which

goes totally against one of Canada's most profoundly respected values, the respect for democracy.

* * *

OFFICIAL LANGUAGES

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, today at noon debate began on a motion to amend the Official Languages Act.

The motion put forward by the Reform Party would not eliminate bilingualism or the Official Languages Act but would make implementation of the act more practical and cost effective.

We realize this issue is a sacred cow for the Liberals as they are the authors of the act. However, we call on the government to set its prejudices aside and listen to the points we make in an objective and fair manner.

The Prime Minister often states in this House that Reform is against official bilingualism and wants to eliminate it. This is simply not true. We are merely against the implementation at any cost attitude of the current and former governments.

I ask for hon. members opposite to listen carefully to what we are saying today on this issue and put aside the rhetoric—

The Speaker: The time has expired. The hon. member for Fredericton—York—Sunbury.

* * *

OFFICIAL LANGUAGES

Mr. Andy Scott (Fredericton—York—Sunbury): Mr. Speaker, today marks the 25th anniversary of the Official Languages Act in the province of New Brunswick.

We in New Brunswick are proud of the distinction of being the only officially bilingual province in Canada.

[*Translation*]

Over the last 25 years, significant progress was achieved by providing government services in both official languages to each linguistic community. Every day, we can witness the cultural, educational, social and economical benefits resulting from this change.

[*English*]

As the anglophone parents of two young children, my wife and I watch our boys grow up in an environment in which knowing both official languages and embracing both cultures is now the norm.

I know many join me in congratulating New Brunswick for its 25 years dedicated to the promotion of and leadership in official languages legislation in Canada.

YOUTH SERVICES

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, the red book said it and we did it: a youth employment strategy which includes Youth Services Canada, youth internship, a summer employment program, a youth learning strategy and the improvement of student loans.

[*Translation*]

I invite everyone to applaud this initiative which will translate into more jobs and a better future for young Canadians.

* * *

[*English*]

SCHIZOPHRENIA

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I rise today to congratulate the members of the West Ottawa Rotary Club for their generous donation to research on schizophrenia.

They follow the fine example of Dr. Michael Smith's donation of half his Nobel Prize, $.25 million, to schizophrenia research and the $775,000 announced in his honour by our industry minister.

Schizophrenia strikes one in a hundred Canadians, usually in their late teens or early twenties. Forty per cent will attempt suicide. Ten per cent will succeed. The rest will occupy one in 12 of our hospital beds, live homeless on the streets, or represent a disproportionate share of the prison population. Yet schizophrenia receives only a small fraction of the research funds of many less prevalent diseases.

• (1415)

I wear this iris today as the symbol soon to be adopted by the Canadian Schizophrenia Society in support of more awareness and research.

* * *

FIREARMS

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, the anti-gun lobbyists would have us believe that Great Britain has been very successful in keeping its peasantry disarmed and docile. Tough gun laws work they say.

A couple of weeks ago I discussed this with a Scottish gun merchant. He told me: "Great Britain is awash with illegal arms. It is a lot quicker and easier to buy them in pubs than from me, and cheaper too because there are no sales or import taxes".

Now, according to yesterday's Ottawa *Sun* the same situation is developing here in Canada.

Our Minister of Justice should consider getting tough with criminals and stop musing about his intent to further harass and intimidate the millions of decent Canadian citizens who own or wish to own firearms.

ORAL QUESTION PERIOD

[*Translation*]

CANADIAN PEACEKEEPERS IN BOSNIA

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Foreign Affairs.

Everyone was relieved to learn of the release of the 16 Canadian peacekeepers who had been taken hostage last Thursday by Serb forces near Visoko in Bosnia.

However, this news was tempered by the simultaneous announcement that Serb tanks were advancing on Gorazde and that the shellings of the Muslim enclave were intensifying.

Has the minister obtained sufficient assurances that Canadian peacekeepers in Bosnia are safe, in particular their colleagues who relieved them at the checkpoint in Visoko where the hostage–taking incident occurred last Thursday?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I know that all members of this House were extremely happy to hear the wonderful news over the weekend that, following negotiations, the Canadian soldiers were finally freed.

I can tell the hon. Leader of the Opposition that Canadian soldiers and those from other countries serving under the UN flag face difficult situations while on duty, particularly when the warring factions do not respect the peace agreements that have been negotiated.

May I remind this House that in several regions of the former Yugoslavia, peace agreements have been brokered and UN peacekeepers are maintaining peace and order. Unfortunately, agreements are being violated in certain regions and problems have arisen. That is why we are stepping up our efforts to secure peace among all factions throughout the former Yugoslavia.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, can the minister give us a status report on the situation in Gorazde where Serb shellings have intensified and Serb tanks have rolled into the city? Can he tell us if the UN has finally been guaranteed the safety of the helicopters used to evacuate the wounded?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, the situation is changing by the hour. According to the latest information we received, an agreement in principle had apparently been reached with the Bosnian Serbs and relative peace was to return to that part of the country.

I cannot tell you what the situation is at this precise moment. Intensive negotiations are continuing. However, I can tell the House that the United Nations Security Council will be meeting this afternoon to discuss the situation and that this morning, NATO ambassadors were briefed on the situation in Bosnia.

• (1420)

Obviously, our goal is to get all warring factions to come to an agreement and to accept a peace plan for all of the territories of the former Yugoslavia.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, does the minister not recognize that the advance of Serb tanks on Gorazde and the violation of the ceasefire by Serb artillery forces could jeopardize the peace process?

[*English*]

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, there is no doubt that we have seen very risky operations on the part of the Bosnian Serbs. There is a genuine effort involving the participation and the co–operation of the Croatians, of the Muslims, in order to make some progress toward peace.

Representations have been made at the highest levels with the involvement of the Russian representative, the American representative and also obviously the representative of the United Nations.

We are doing our utmost to convince the Serbs it is in their own interests to be part of these peace negotiations. We hope they will understand it is in the interest of everybody, including themselves, to come to the table and negotiate a total peace settlement for the entire ex–Yugoslavia.

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[*Translation*]

PUBLISHING

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, my question is for the Minister of Finance. The issue of *MacLean's* magazine published today contains new revelations on the Ginn Publishing deal, this time implicating the current Minister of Finance.

It says that the minister participated in a meeting with his colleagues from Industry and Heritage before the government authorized the sale of Ginn Publishing. The minister, through his Nellmart Ltd. holding, owns three cinemas in Vancouver and leases them to Famous Players, a Canadian subsidiary of Paramount Communications.

Does the Minister of Finance confirm that he participated in the meeting over this deal with his colleagues from Heritage and Industry on February 16, two days before the government authorized the sale of Ginn Publishing to Paramount, even

though the minister has direct business links with Famous Players, a Paramount subsidiary?

[*English*]

Hon. John Manley (Minister of Industry): Mr. Speaker, I have seen the article the member refers to. I wish to state categorically that I personally had never discussed the Ginn matter with the Minister of Finance until today when I saw the article. I wished to confirm to him that my assistant was misquoted in the article. No such discussion ever occurred.

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, the minister's spokesperson was still quoted as saying: "Martin participated in a meeting over the Ginn deal between Manley and Dupuy." Who is telling the truth? Bill Milliken, the spokesperson, or the minister?

[*English*]

Hon. John Manley (Minister of Industry): Mr. Speaker, the member seems to have trouble understanding my answer.

[*Translation*]

The spokesperson was misunderstood by the journalist. There was no such meeting, and there were no discussions between myself, the Minister of Heritage and the Minister of Finance. It never happened.

* * *

[*English*]

EMPLOYMENT

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I am sure all Canadians want their government to create a heritage all Canadians, especially young people and future generations, can be proud of. But the Liberal governments, past and present, have been leaving a heritage of debt, taxes and joblessness.

• (1425)

The best job creation program for Canada's young people would be a program of deficit reduction which would boost investor and consumer confidence in the Canadian economy and lead to lower taxes.

My question is for the Minister of Human Resources Development. Why is the government creating more debt to buy mere temporary employment for a handful of people at $10,000 per temporary job instead of encouraging the creation of real jobs?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, on Friday we made the announcement of the different initiatives.

When I left the meeting I was approached by a number of young people who are involved in a street kids organization in Ottawa. They asked me whether I would be prepared to meet with them because our announcement gave them some sense of hope that somebody does care about them and is interested in trying to help them get back into the labour market.

What we are trying to say to the hon. member is that maybe he should try to have some of that same sense of caring for a number of young people in society. They have had a tough time being out of the labour market for years. Now they want to get back in and this is a government that wants to help them do that.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, there is nothing more disillusioning to young people than false hopes.

There is nothing wrong with leaf raking and sign painting but these youth corps jobs are very short term. The debt the government is creating is very long term as is the tax burden and unemployment that young people will inherit from this Liberal government. This phoney job corps reflects a 1970s mentality. I expected disco music to be playing here in the House.

Can the Minister of Human Resources Development tell us if any permanent jobs ever were created by the 1970s make work projects? Can he tell us how many permanent jobs have been destroyed by the high taxes and high interest rates driven by a quarter century of Liberal and Tory deficits?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the hon. member speaks about programs that reflect a 1970s mentality. I would say the hon. member's question reflects a 19th century mentality.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, it is really disappointing not to get any answer to a question at all when we are looking after the benefit of young Canadians and trying to create an atmosphere of hope for them.

I note the minister has been handing out some very nice youth corps T–shirts and caps made out of canvas, suede and leather. How much did these things cost? How many youth were employed, if any, to make these souvenirs?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, it is quite true we want young people working in this national youth corps to be identified with Canada.

They are providing a service to the community. They are working on behalf of Canadians helping to clean up the environment, to work with inner city children, to develop a number of

projects that will be of enormous service and contribution to this country.

In this time and age when we particularly want young Canadians to feel proud of their country we think there is nothing wrong with wearing a maple leaf on their chests.

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[*Translation*]

SOCIAL PROGRAM REFORM

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Minister of Human Resources Development.

Faced with the amount of criticism of both the federal government's intentions for the reform of social programs and its way of proceeding, the Minister of Human Resources Development had to cancel the federal–provincial conference that was to take place this very day in Ottawa. Furthermore, the impasse between Quebec and Ottawa on labour force training continues.

Does the minister confirm that it is because other provinces besides Quebec were strongly opposed to the government's policies and procedure that he had to cancel the federal–provincial conference at the last minute, something rare if not unique, without first advising the Prime Minister?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the hon. member is unaware of some recent history.

To begin with all the first ministers and the Prime Minister agreed in a meeting in late December that there must be a social policy review. Since that time we have had two very important rounds of meetings with ministers of all provincial governments. We held them last January and last March. Substantial areas of agreement were reached.

The reason we did not proceed with the meeting today is that some provinces wanted more time. It seems only reasonable and logical that in an important, complex process like this if some of the parties want more time that we as a government that looks toward co–operation would give them more time.

• (1430)

[*Translation*]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my supplementary is for the Minister of Human Resources Development. Given the gap that he is trying to hide between the positions of his government, of certain provinces and of Quebec, does the Minister, following the cancellation—and it is quite something to cancel a federal–provincial conference at the last minute; conference goers have seldom seen that happen—promise to review his proposed reform of social programs to make this reform meet the traditional aspirations and demands of Quebec?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, this hon. member should take a look at a few books dealing with federal–provincial relations over the last 120 years. If she thinks this is a great change in precedent, I would suggest that it is quite the opposite. Any federal–provincial meetings must contain a number of adaptations.

By the way, this is not a cancellation, simply a postponement. We have asked our officials to sit down and look at certain areas where they want more time, where we can share more information and that is all.

I suggest to the hon. member that her party's attempts to create some great alarmist crisis out of this event is simply one more effort by them to try to undermine federalism in this country.

Some hon. members: Hear, hear.

Mr. Dale Johnston (Wetaskiwin): Mr. Speaker, my question is for the Minister of Human Resources Development.

Last week several ministers and provincial counterparts complained that the minister has no interest in genuine consultation as far as social reforms are concerned. They suggested that the minister is trying to ram through his own ideas rather than looking for fresh input.

Does this minister already have a specific proposal in mind to present to the provinces? If so, why is he pretending to seek input through consultation?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I would be very interested in receiving, and I ask the hon. member to table, exactly what provincial ministers he is quoting. When I received calls from provincial ministers and spoke to them on Friday, no one said we were trying to ram something through.

If the hon. member is going to make charges of that kind, putting words in the mouths of provincial ministers, he owes it to the House to table those reports.

Mr. Dale Johnston (Wetaskiwin): Mr. Speaker, I have a supplementary question.

Is this minister truly committed to working with the provincial ministers on social reform or is this consultation process just a sham?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the answer to the first part of the question is yes. The answer to the second part is no.

* * *

[*Translation*]

ACTION PLAN FOR YOUNG PEOPLE

Mr. Michel Gauthier (Roberval): Mr. Speaker, after being told last Friday that Quebec's refusal to take part in the federal–provincial conference on social programs reform was one of the main reasons that had prompted the Minister of Human Resources Development to cancel the conference, the minister went ahead and announced his own youth program.

Does the minister recognize that his six–point strategy is the work of civil servants working in isolation here, in Ottawa, without regard for provincial areas of responsibility, the consensus in Quebec on the matter and the waste of public money due to extensive duplication at present?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, what the hon. member said is incorrect. A meeting was held about a month ago, at which time we discussed all of these youth initiatives with the provincial ministers. A consultation process was also established at that time. So, what the hon. member is saying is wrong and I ask him to apologize.

• (1435)

Mr. Michel Gauthier (Roberval): Mr. Speaker, before introducing several new youth programs, would the minister not agree to say that Quebec already administers several programs in that particular area, including the Volunteer Youth Action Program? Did the minister make a point, before taking such actions, of calculating the exact cost of the overlap he is creating with his new program?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, there are over 400,000 young people in this country without employment.

It would seem to me that any effort, whether it is by local governments, provincial governments or the federal government to help those people should be welcomed, not attacked.

We have talked to the provinces. We have worked out ways in which we would work in co–operation to make sure there is no overlap. The program we produced on Friday is a national program that affects Canadians from one part of the country to the other. It allows young people to travel from one part of the country to the other to see what a great country we really have.

That is why it is so different from programs offered exclusively by provinces. It a national program with national objectives with a national perspective in mind.

If the hon. member was not representing the kind of party and ideology that he is, he would be one of the first to applaud our attempts to work with the provinces to help young people.

* * *

PUBLIC SAFETY

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, my question is for the Prime Minister.

The Prime Minister in his concern for public safety must be aware that there are approximately 1,000 criminals facing deportation currently free on the streets of Toronto. Not only that but there are another 400 prisoners about to be released who have deportation warrants pending against them.

People in Toronto and across the country are upset and concerned about safety in their streets. What is the Prime Minister going to do to ensure that these criminals are deported immediately upon their release from prison?

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, first of all the reports are incorrect.

There are not 400 prisoners currently. There are 200. They are in the prisons and in the jails at this time serving out their sentences. At the end of the service of their sentences due process and the immigration department will ensure that they are returned to their countries of origin.

Ms. Val Meredith (Surrey—White Rock—South Langley): I have a supplementary question, Mr. Speaker.

One of the reasons for this backlog in deportations is the shortage of deportation officers. I understand there are about 24,000 deportation orders across the country that are unable to be acted upon.

Can the Prime Minister or the parliamentary secretary for immigration explain why the immigration minister is not reducing government red tape but instead is laying off a third of the front line deportation officers in Toronto?

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, I again assure the hon. member that the immigration department is following the law of the land and following due process, that the number of people to be deported will be handled by the minister and by the department in due course and the hon. member should not worry.

[*Translation*]

UNEMPLOYMENT

Mr. Laurent Lavigne (Beauharnois—Salaberry): Mr. Speaker, my question is for the Minister of Finance.

A task force study commissioned by the Quebec forum on employment reveals that unemployment has resulted in a $32 billion loss for Canada. Moreover, the study shows that Canada's unemployment rate is higher than that of most industrialized countries.

Will the minister confirm the conclusion of the study, to the effect that the recent lowering of the unemployment rate is primarily due to a reduction in the number of people looking for work, and not to job–creating activities?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, there is no doubt, and we have said so ourselves, that the real reason for the lower unemployment rate is a reduction in the number of job applications.

However, it must be pointed out that, for the most recent month, we created 48,000 jobs, and a total of 114,000 over the last two months, which is almost a record for the last five or six years. Consequently, the government is very proud of its performance. However, the hon. member is absolutely right regarding the enormous cost of unemployment.

• (1440)

In fact, this is one of the reasons why, unlike the Reform Party, we believe that, to lower the deficit, we must not only make cuts, but also stimulate employment. This is the best approach to a more reasonable deficit and a more adequate financial situation.

Mr. Laurent Lavigne (Beauharnois—Salaberry): Mr. Speaker, when does the minister intend to put forward a true job–creating strategy? Does he realize that, by not lowering UI contributions to $3 now, he delays for one year the 40,000 jobs which he planned to create in 1995 with this budget measure?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, I should point out, and this is why our approach is a well–balanced one, that the deficit must be lowered to stimulate employment and to foster economic stability in our country.

We would love to lower UI contributions now, but we need money to do that and we need the UI reform which will be proposed by my colleague, the Minister of Human Resources Development.

When you look at the budget initiatives regarding apprenticeship programs, if you co–operated with us, instead of stubbornly objecting to the measures put forward by my colleague to help young people and to train older workers, we could create many more jobs.

* * *

[*English*]

TOBACCO PRODUCTS

Ms. Shaughnessy Cohen (Windsor—St. Clair): Mr. Speaker, my question is for the Minister of Health.

Young women are smoking at a much higher rate than are males of the same age. This is especially disturbing in light of the news that U.S. tobacco companies are adding some 600 chemicals to their cigarettes, 13 of which have been proven hazardous to human health.

What steps is the minister taking to ensure that Canadian cigarette manufacturers make the public aware of all such additives in their products?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, the hon. member raises an issue of concern to all Canadians.

All Canadians have a right to know what is included in the tobacco products they smoke, what goes into their lungs and what goes into the atmosphere around them.

I am determined to bring all pressures to bear on Canadian companies to also disclose the list of ingredients which are included in their tobacco products. If they do not then Canadians can take it for granted that the 599 ingredients listed in the U.S. are perhaps those that are included in Canadian cigarettes.

* * *

OFFICIAL LANGUAGES

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, my question is for the Minister of Canadian Heritage.

We are still trying to find out the true cost of the official languages program in Canada. For example, the commissioner states that the armed forces spent $35 million on bilingualism last fiscal year. The department gives the cost as $47 million but adds that the cost may actually be much higher.

Will the minister admit that his government does not know the real cost of bilingualism and will he establish an accurate system to determine the total cost?

The Speaker: I would submit that the debate today is partially on this question. However, I will permit the hon. minister to answer the question if he so desires.

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, all the figures concerning expenditures by the Canadian government on official languages are contained in the report of the Commissioner of Official Languages. I could refer to the pages if need be but they are all there.

The total amount, if the member takes the time to add up these figures, is $601 million for the whole policy for the fiscal year 1993–94.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I am merely responding. My initial question was to the comments made by the minister last week that they do not really know the true cost. I am wondering how we are going to determine that.

The first Commissioner of Official Languages, Keith Spicer, said in 1975: "It would seem more sensible to pull the whole lot of linguistic items together, tote up the terrifying sum, then publish and defend the thing".

Two decades later we still do not know the true cost. Will we have to wait another two decades before we see Mr. Spicer's proposals put into practice?

• (1445)

The Speaker: I think there is a question at the end. The Minister of Canadian Heritage.

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I did not say at any time that we did not know what the cost was. If the hon. member wants a breakdown I will give the cost. The exact breakdown is $297 million for services, $292 million for the promotion of languages and $12 million for the Commissioner of Official Languages. The total is $601 million.

* * *

[*Translation*]

IMMIGRATION

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, my question is directed to the Prime Minister.

Recently, the Minister of Citizenship and Immigration confirmed that the government was to review the status of 4,500 Chinese nationals who had been denied political refugee status but were allowed to remain in Canada because of the human rights situation in China. These people may now be deported, which would obviously have a negative impact on their personal safety.

Since the repression of all forms of dissidence has increased in China, as pointed out by Amnesty International, does the minister realize that by proceeding with the deportation of these Chinese nationals, we are putting their lives at risk?

[*English*]

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, the minister is very aware and tracks human rights' problems world–wide. No one will be removed from Canada to situations where they will be put in danger.

The minister has promised a final resolution on many of these cases by the summer. The question of human rights and the safety of these people will be taken into account as a first priority.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, my question is directed to the Prime Minister.

Does the Prime Minister realize that pursuant to a decree passed recently by the Chinese government, these people, upon returning to China, may face jail terms of up to two years and fines representing up to a year's salary?

[*English*]

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, I wish to again reassure the hon. member that the minister is very aware of the situation in China. His department continues to monitor the situation.

I reiterate again, as the minister has said on several previous occasions, that we do not and will not remove people to countries where their lives or freedoms would be threatened.

* * *

GOVERNMENT APPOINTMENTS

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, my question is for the Prime Minister.

It was less than six months ago that the Tory patronage train was permanently derailed by the people of Canada. It now appears that the Liberal government has launched its own gravy train. Three passengers were picked up last week: a Liberal campaign manager, a minister's official agent and an unsuccessful Liberal candidate.

The Liberal red ink book promised to end the Tory practice of choosing political friends for appointments. Can the Prime Minister explain for the people of Canada why he has broken this promise?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, a lot of appointments were made last Friday. Some of them were Liberals. We named a Lieutenant Governor who had been a member of the assembly in Saskatchewan for many years and who is the first farmer to be appointed Lieutenant Governor in almost 50 years.

We named a woman who, yes, ran for the Liberal Party. She is a lawyer. She has been appointed to the port authority of Quebec City where she lives. She is a very competent woman. I will not apologize for that.

According to Mr. Gallup, 55 per cent of the people are Liberal these days. Should we disqualify 55 per cent of the Canadian population from serving the Canadian government?

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, the Prime Minister uses the same hollow defence of patronage made famous by Brian Mulroney: "All my friends are qualified".

If the Prime Minister is serious about ending the political abuse of patronage, will he commit to making this process both transparent and available for public scrutiny?

● (1450)

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, many of the jobs are advertised and people can apply for them. If the hon. member had any guts he would point out which of these three people is not qualified for the jobs that have been offered to them.

You cannot be unfair to people because they believe in democracy and are trying to get a party elected. Who is complaining because I named a former Tory minister in Ontario the chief justice of Ontario. Nobody got up to congratulate me for that. Who is complaining because I named the former Speaker as an ambassador? He is a competent person but sat in the House as a Tory. I will not apologize for that and I will not disqualify someone who had the judgment to vote Liberal.

* * *

UKRAINE

Mr. Walt Lastewka (St. Catharines): Mr. Speaker, my question is for the Minister of Foreign Affairs.

Now that Ukraine has voted in a new Parliament and is searching for means to strengthen its infrastructure and its economy, what role will the Canadian government play in its foreign policy relations with Ukraine?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, first of all I want to thank the hon. member for giving me notice of his question. I want to thank him and those with him who participated as Canadian observers to the elections in Ukraine. A number of parliamentarians, senators, MPs and representatives of various Ukrainian organizations in Canada were willing to devote some of their time to go there to witness a country moving to a democratic process. It is to the credit of all those who accepted to serve in these circumstances.

To specifically answer his question I want to assure him that Canada is committed to co–operating with the authorities in Ukraine to move this country toward a more democratic society, to move this country toward a market economy, and certainly to increase trade and good relations with the people of Ukraine.

[Translation]

CONTRACTS FOR ADVERTISING AND OPINION POLLS

Mr. Réjean Lefebvre (Champlain): Mr. Speaker, my question is directed to the Prime Minister.

The cabinet has adopted guidelines for awarding government contracts for advertising or opinion polls.

Under these guidelines, a minister will be able to award contracts at his own discretion to an advertising agency or polling firm, without necessarily having to go with the lowest bidder.

Does this new cabinet guideline mean that the government is prepared to waste public funds for the benefit of friends of the party?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, no guidelines have been issued yet. The question is still before cabinet, and as soon as we are ready, the guidelines will be tabled.

Mr. Réjean Lefebvre (Champlain): Mr. Speaker, my supplementary is also directed to the Prime Minister.

With its refusal to adopt strict guidelines for awarding contracts to advertising agencies or polling firms, does the government mean that Liberal favouritism is not as bad as Conservative favouritism?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, obviously his supplementary was prepared before he rose in the House, because the guidelines have not yet been finalized.

In other words, the first answer applies to the second question as well.

* * *

[English]

INDIAN AFFAIRS

Mr. John Duncan (North Island—Powell River): Mr. Speaker, my question is for the Minister of Justice.

The Deloitte and Touche draft audit of the Métis Society of Saskatchewan identified that minutes of the society's meetings were tampered with. Métis society members have been denied access to this draft audit.

Can the minister tell the House how he plans to deal with these irregularities and enforce the law?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the audit has not yet been completed or made public. I expect it will be made public by the end of the month and at that time I will comment on it. I do not think it is appropriate for me to offer comment before it is public and in the hands of members of the House.

• (1455)

I can say that information about the audit appears to be, at least to some extent, in the public domain. I deplore the leaking of any information about an audit that is not yet completed and released publicly.

I can inform the House that as far as the Department of Justice is concerned we are making inquiries to ensure that no information was inappropriately leaked by anyone at the department under the authority of the Department of Justice.

Mr. John Duncan (North Island—Powell River): Mr. Speaker, my supplementary is for the Minister of Canadian Heritage.

Core funding for the Métis Society of Saskatchewan is provided by the minister's department. Can he assure the House that no fiscal 1994–95 funds will be released to the society until the investigation is completed and the financial mismanagement addressed?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, an audit is now going on. Until we see the results of the audit it would be premature to pass judgment on the performance of this group.

* * *

HUMAN RIGHTS

Hon. Jean J. Charest (Sherbrooke): Mr. Speaker, my question is for the Prime Minister and seeks clarification.

A few weeks ago he made a statement in regard to human rights and trade that quite frankly disturbed a lot of Canadians. In a statement he made in a scrum he seemed to imply that Canada's policy varies according to the country being dealt with. If we are dealing with China, we are just too small to have any influence. But if it is Haiti or Somalia then our principles are not be the same. In other words, name me your country and I will name you my principles.

The Prime Minister knows that Canada's policy approach goes back 30 years to the days of the Right Hon. John Diefenbaker and that every government has subsequently adopted the same approach.

I would like to know from the Prime Minister exactly what is Canada's policy now?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have a policy of protecting human rights and we raise that question with every country when it is involved.

In the question the hon. member referred to, I answered that when there is an international boycott we participate in the international boycott. When there is no international boycott and we have trade relations we have to maintain those trade relations. That is exactly what I tried to explain. If the member did not understand, that is what I said.

We are not happy with the level of human rights in China and we protest. We always mention them. However, we want to do business with China.

In my view it is very important that we do business with these countries because not only will it have an economic benefit, but the more open a country like that becomes the greater is the chance that eventually human rights will be respected.

The hon. member referred to Haiti or Somalia. When there was an international boycott, Canada was there trying to help while still respecting the boycott. We did that and we were the last ones.

For example, concerning South Africa, we supported the government that was here before that unfortunately is not very well represented in the House any more.

* * *

[*Translation*]

BST GROWTH HORMONE

Mr. Jean–Paul Marchand (Québec–Est): Mr. Speaker, my question is for the Prime Minister. Last week, the Standing Committee on Agriculture unanimously requested that the government impose a one–year moratorium on the sale of the BST growth hormone. This moratorium reflects the wishes of all the farming organisations and consumer associations in Canada.

Is the Prime Minister ready to follow through with the committee's unanimous recommendation and take the necessary steps for the government to impose a one–year moratorium on BST?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the Minister of Health answered this question which has been asked several times already. If the committee made a unanimous recommendation in this respect, the Minister of Agriculture will take it into account, and if this issue comes under the Minister of Health's jurisdiction, she will take it into account and will report to the House in due course.

* * *

[*English*]

FISHERIES

Mr. John Cummins (Delta): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. We eagerly await the release of a new package on the east coast fisheries, meanwhile several problems on the west coast demand immediate attention.

• (1500)

For instance, in 1989 and 1990 fish in Fergus Creek in Surrey were killed by chloramine, a chemical used on a trial basis as a secondary disinfectant.

Is the minister prepared to disallow the use of chloramine by the greater Vancouver regional district in order to protect salmon and other marine life?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I thank the member for his question and advise him that I met just before question period with the AFAWU from British Columbia in my office to discuss a wide range of issues affecting the province of British Columbia.

With respect to the member's question I quite frankly am unable, because I am not properly prepared, to answer the question, although I will take the matter under advisement. I want to assure him that anything that interferes in a serious way with habitat and fish will be investigated and a stop put to it if the problem is as serious as has been described.

* * *

[*Translation*]

FRANCOPHONE COMMUNITIES OUTSIDE QUEBEC

Mrs. Georgette Sheridan (Saskatoon—Humboldt): Mr. Speaker, my question is for the Minister of Canadian Heritage.

There are several francophone communities outside Quebec. For instance, in my riding of Saskatoon—Humboldt, the francophones in Saint–Isidore–de–Bellevue have worked very hard to have their own school boards.

[*English*]

Can the minister tell me if the francophones of Saskatchewan and across Canada can count on this government to protect their language and culture?

[*Translation*]

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, in October 1993, the federal government concluded a special agreement with Saskatchewan regarding school governance, under which the federal contribution will amount to roughly $22 million over six years.

On top of these special measures, in 1993–1994, the federal government contributed nearly $3.6 million to this province under a bilateral agreement regarding minority language training.

And lastly, the government is also supporting the development of the francophone community in general through a three–year $10 million Canada–communities agreement, and a framework agreement with the Saskatchewan government regarding translation services and the setting up of a francophone affairs co–ordination office. The francophone community in Saskatchewan is being well treated.

[*English*]

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of the hon. Mr. Wammuhamadnoor Matha, First Deputy House Speaker and leader of the Thai delegation.

Some hon. members: Hear, hear.

* * *

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, one of the ministers in answering a question challenged a member to table a document. I have such a document, if the minister would still like it tabled.

It is an article from the *Globe and Mail* that quotes Tony Silipo, Ontario's minister of community and social services, who said: "Mr. Axworthy heard very clearly from a number of us provincial ministers at our last meeting—

The Speaker: If there is unanimous consent of the House a private member can table a document. Is there unanimous consent to table this document?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: It is not agreed.

ROUTINE PROCEEDINGS

• (1505)

[*Translation*]

BANKRUPTCY ACT

Mr. Pierre de Savoye (Portneuf) moved for leave to introduce Bill C–237, an Act to amend the Bankruptcy Act (priority of claims).

He said: Mr. Speaker, as we all know, the fruits of our labours are sacred. Unfortunately, when a business goes bankrupt, wages are added to other debts and given no special status, which means that in the event of a bankruptcy, employees are deprived of what is owed them.

The purpose of this bill is to change the priority of claims when an employer goes bankrupt, so that payment of an employee's wages and pension fund, up to a total of $9,000, takes priority over all other claims.

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

Routine Proceedings

PETITIONS

REDUCTION OF MILITARY BUDGET

Mr. Yves Rocheleau (Trois–Rivières): Mr. Speaker, it is a privilege to present in the House a petition started last October by a coalition of 24 organizations in the Saint–Maurice—Bois Francs area, at the suggestion of the Third World solidarity committee of Trois–Rivières.

This petition shows that 275 organizations throughout Quebec have endorsed the demands of the coalition by a resolution of their executive, which means that more than 350,000 Quebecers not only support the substantial reduction of our military budget but request that the amount saved be invested in the fight against poverty, in jobs, health care, education, the environment, Third World aid and reducing the deficit.

I was also given more than 6,600 cards signed by as many people from my riding and across Quebec and containing the same request for the Prime Minister of Canada. These cards do not, however, meet the standards of the House for official tabling, but I can assure petitioners that I will be glad to send them all to the Prime Minister's office within the next few days.

The Third World solidarity committee of Trois–Rivières is to be commended for its outstanding humanitarian initiative.

BILINGUALISM

Mr. Paul DeVillers (Simcoe North): Mr. Speaker, pursuant to the Standing Orders, I wish to present a petition signed by 29 residents of my riding who request a referendum on the issue of official bilingualism in Canada.

These people have the impression that we spend far too much money on the policy of bilingualism in this country. I do not share their views at all, but I nevertheless see it as my democratic duty to inform the House of the views of my constituents.

Mr. Plamondon: That kind of petition has been criticized before. If he agrees, let him table them, but if he does not agree, then he should not. He is under no obligation to do so under the Standing Orders. This is just more hypocrisy.

Some hon. members: Oh, oh!

The Deputy Speaker: Order, please. The hon. member for Simcoe North, on the same point of order.

Mr. DeVillers: Mr. Speaker, it is my duty to present the views of my constituents, and I have every right to do so.

The Deputy Speaker: The hon. member for Richelieu, again on the same point of order.

• (1510)

Mr. Plamondon: Mr. Speaker, on a point of order. The Standing Orders make it very clear that if a member does not agree with the substance of a petition, the member does not have to table it. We are either for or against a petition. In the latter case, we either return the petitions or ask a member who agrees with the content to table them. We do not say: I am tabling the petition but I do not agree with it. Let him stand up and be counted. Either he agrees or he does not.

The Deputy Speaker: To be fair to everyone concerned, one more last round. The hon. member for Simcoe North.

Mr. DeVillers: Mr. Speaker, of course I am against this petition, but—

Mr. Plamondon: Do not table it!

Mr. DeVillers: It does not matter what the Standing Orders say. I think it is my democratic duty to present the views of my constituents.

[*English*]

KILLER CARDS

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, I have a petition which I am pleased to present and support.

It has to do with calling for a ban on the sale of killer cards, as they are referred to, collector cards in Canada. The cards, as most people know by now because there have been several other petitions presented, feature the killer and a description of the acts of the killer. I find it very repulsive but I think it is an attempt to glamorize this repulsiveness and idealize it in the minds of young people.

I am sure the killers, if they are in prison, must be flattered to think that somebody was interested in their endeavours. I do not know how in a civilized nation we can have this. It is an attempt to desensitize this thing. I am very much against it and I am pleading with the government to put in place legislation that would prevent the display, the sale or the exchange of killer cards in this country.

[*Translation*]

Mr. Fillion: Mr. Speaker, on a point of order. This concerns the last member who spoke. I have the following question for the Chair: regarding the point of order raised earlier when the petition was tabled, is the Chair prepared to examine the Standing Orders and, for the benefit of members who are new and not fully acquainted with the Standing Orders of this House, possibly take the time to look into this matter and tell us whether the hon. member who tabled the petition acted according to the

Standing Orders or not? I would appreciate the Chair's opinion. Perhaps the Chair could take this under advisement.

The Deputy Speaker: I think the case is closed, but since the hon. member put his case quite reasonably, I will give it some thought and get back to the House as soon as possible.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, I respectfully suggest that all questions be allowed to stand.

The Deputy Speaker: Does the House agree that all questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—OFFICIAL LANGUAGES

The House resumed consideration of the motion.

The Deputy Speaker: I believe the hon. Parliamentary Secretary to the Minister of Canadian Heritage has four minutes speaking time remaining.

[*English*]

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Mr. Speaker, large numbers of parents have been enrolling their children in French immersion programs. Enrolment increased at a phenomenal rate over the past decade. Significant increases have also been seen in other French second language program schools outside Quebec and English second language programs in Quebec.

The most recent census shows that as a consequence of these programs the level of bilingualism in the 15 to 25–year group has risen from 16 per cent to 23 per cent in only 10 years.

• (1515)

The value of our official languages is also reflected in the desire of our English and French speaking minority communities to have access to quality public education in their language as a key to retaining their vitality. The Government of Canada has assisted and continues to assist in the development of the minority official language education system across Canada.

[*Translation*]

Canadian identity is a reflection of who we are. It must therefore accommodate native people, linguistic duality as well as the multicultural nature of our society and our regional diversity. It is important for Canada to reflect all its citizens. The notion of "belonging" applies not only to those who had the good fortune to be born in this land, but also to those for whom Canada is a country of adoption.

Our concept of citizenship must also include the values we share and those we would like to be associated with. Equality and respect for diversity form an integral part of our shared vision of Canada and the vital elements of our identity.

[*English*]

The public debate has often been so focused on what divides us that it often overlooks the things we have in common, including our grassroots civic commitments to building our communities. This active concept of citizenship encompasses not only a legal status but rather our active commitment to the fundamental values we share which give us pride in our citizenship.

[*Translation*]

How do we go about edifying a common vision of Canadian identity? In my mind, this cannot be done in isolation. Existing tensions can only be overcome if all Canadians have an adequate knowledge and understanding of the fundamental realities of their country and aspirations of the communities that make it up.

It is not by accident that language and culture are recurrent themes in Canadian society. No parliamentarian or government can afford to overlook these issues. They must be addressed openly, transparently. There are certainly adjustments to be made to the application of the official languages policy and there is still room for improvement, as the Commissioner of Official Languages pointed out last week.

Public debate should focus on these improvements. It should deal with hard facts, and not myths, misconceptions and exaggerations. The hon. member's motion is based on such misconceptions and exaggerations.

I am pleased to have had this opportunity to take part in this debate and to show the importance of our official languages policy for Canadian identity. And I have no doubt that, put before the facts, this House will reject the proposal before us today.

Supply

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I was anxious to participate today as the minister with legislative responsibility for the Official Languages Act and to debate the motion to amend that act as moved by the hon. member opposite.

The Official Languages Act is no ordinary statute. It embodies protections that are enshrined in the supreme law of our land. It strikes a balance between high principle on the one hand and on the other, its pragmatic application. It belongs as the Federal Court of Appeal has said to that privileged category of quasi–constitutional legislation that reflects certain basic goals of our society. In short, the Official Languages Act reflects both the Constitution of the country and the social and political compromise out of which it arose.

We would do well to give due consideration in this debate to the fundamental nature of the statute, to the fact that Parliament has already devoted considerable attention to ensuring that it is modern, forward looking and adaptable and that it meets the changing needs of Canadians in a changing time. Amendments that could disturb the equilibrium achieved by the legislation between respect for constitutional principles and their reasonable interpretation, amendments which could be tested in the courts, should not be undertaken lightly.

• (1520)

[*Translation*]

The original Official Languages Act passed in 1969 was extensively targeted for reform and renewal during the mid 1980s, a process which resulted in Parliament adopting the new Official Languages Act in 1988.

Our party which, while in office, introduced the first Official Languages Act fully supported the 1988 reforms.

The aims of this reform were fourfold.

Firstly, to ensure that the provisions of the act were consistent with the language rights guaranteed in sections 16 to 20 of the Canadian Charter of Rights and Freedoms.

Secondly, to put in place a more flexible legislative framework for applying constitutional provisions in a fair, reasonable and practical manner with a view to developing policies and related programs.

[*English*]

As my hon. predecessor the then Minister of Justice asserted in this House upon moving the 1988 act for second reading, reform of the official languages policy had to be undertaken. Parliament had a duty to bring the provisions of the Official Languages Act of 1969 into line with the Charter of Rights and Freedoms.

As the present Minister of Justice and therefore in a sense as the legal custodian of the Official Languages Act, I believe it is incumbent upon me to review with hon. members of this House some of the guiding principles of the legislation to the extent that they relate to the motion before the House today.

The approach of the Official Languages Act is essentially one of institutional bilingualism. It is a functional approach. It requires government bodies to organize themselves so as to have the capacity to provide services in either official language to the extent necessary to serve the public or to allow public servants to work in the official language of their choice in accordance with the act.

[*Translation*]

The first three parts of the act flow directly from constitutional requirements which Parliament and the Canadian courts have upheld since Confederation.

The Supreme Court of Canada held that the aim of the legislation's provisions was to guarantee "equal access for francophones and anglophones to legislative bodies, the law and the courts".

[*English*]

I can therefore only welcome that portion of the opposition motion that would have the House resolve that the government should continue to facilitate the use of English or French in parliamentary and judicial proceedings as well as the use of both languages as the languages of federal legislation.

The Department of Justice has particular responsibilities in ensuring the drafting quality of legislative texts that must be equally authoritative in both official languages. It must ensure that representations made before federal courts on my behalf as Attorney General of Canada are done in the official language chosen by the non–governmental party.

[*Translation*]

Part IV of the Official Languages Act pertains to the constitutional right of Canadians to communicate with and receive services from federal institutions in the official language of their choice.

[*English*]

Section 20 of the charter clearly provides that any member of the public in Canada personally has the right to services in English or in French from any head or central office of an institution of the Parliament or Government of Canada.

Section 20 also provides that the public has this right with respect to any other federal office where either there is a significant demand for communications and services from that office in that language, or if due to the nature of the office it is reasonable that communications and services are available in both languages.

Simply put, all of us as Canadians, indeed all members of the public in this country have the constitutional right to deal with their national government in the official language of their choice. This includes departmental headquarters and at those other offices across the country where it is reasonable due to the nature of the office or where a significant demand exists.

• (1525)

I emphasize this is not just a minority language right. Whether they are part of the English speaking majority outside of Quebec, the French speaking majority within Quebec, the French speaking communities outside Quebec, or the English speaking communities within Quebec, all Canadians have these entitlements. These basic rights are reflected in the corresponding institutional obligations set out in the Official Languages Act and the regulations on services to the public.

[*Translation*]

The new act and its regulations respecting services to the public take an office–by–office approach which is both consistent with the requirements of the Constitution and more flexible and effective, the aim being to ensure the provision of services in both languages where numbers warrant.

[*English*]

The motion to amend the Official Languages Act would limit the circumstances where federal services should be available to official language minorities in their own language to situations where there is a demonstrable local demand. The act's criteria and the regulations thereunder are already largely directed to meeting local needs, although the burden is not placed on minority members of the public to demonstrate demand.

A significant concentration of the minority language population in terms of numbers and proportion is sufficient in most circumstances to warrant the provision of federal services under the act in both languages. It avoids the administrative costs of actually having to measure demand at each office. This also helps to put to rest a longstanding difficulty in living up to the promise of the act. In the past demand from minority communities was often stifled because there were no bilingual services and there were no bilingual services because there was little manifested demand.

This brings me to comment on that portion of the opposition motion that would amend the act to reflect the philosophy of territorial bilingualism. If this notion of territorial bilingualism is meant to reflect the predominance of French in Quebec and English elsewhere, then I would respectfully reply that the act already reflects this predominance to an appropriate degree.

If however what is sought is territorial unilingualism whereby English and French are not only the predominant but the exclusive languages for all intents and purposes, I would have to say this would contravene not only the basic principles upon which the act was built but also the Canadian reality.

[*Translation*]

I have already said that with respect to federal services made available to members of the public, the principle of bilingual services was not absolute and that availability varied according to demographic and other factors. With respect to internal services made available to federal employees and the language in which public servants perform their job, under section 16 of the Charter, the two official languages are guaranteed equality of status "as to their use" in federal institutions. This great principle of equality is reflected in the duties and functions of federal institutions set out in Part V of the act.

In the National Capital Region and in certain designated regions, particularly in the Montreal area and in New Brunswick, federal institutions must ensure that their work environments are conducive to the use of both official languages.

[*English*]

Outside the prescribed regions the duty of federal institutions is essentially one of preserving fair practices as respects the minority language.

In conclusion, I respectfully submit that the Official Languages Act is a worthy and reliable instrument for the protection and the advancement of Canada's linguistic duality. Amendments that go to the principles of the legislation and which may impinge upon its constitutional underpinnings would serve no useful purpose and would likely deflect our energies from the real issues of the day.

The administration of the Official Languages Act is required by the legislation to be reviewed on a permanent and ongoing basis by a committee of Parliament. It is at that level we should be working to ensure that the implementation of the principles of the act is in accordance with the best practices.

I therefore encourage the House not to support this motion. I thank hon. members for their attention.

• (1530)

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, I wonder if the Minister of Justice would agree that the current Official Languages Act plus the Charter of Rights and Freedoms adequately protect the rights of all minority language groups in the country. If so, how is it that we have the situation still en route in Quebec in which Bill 22, Bill 101 and Bill 178 together combine to make for injustice, which the United Nations has ruled on, against the country and against the province of Quebec? We still have not solved this problem with the existing legislation.

Mr. Rock: Mr. Speaker, in defence of the statute in its present form I referred to the compromise, social and political, out of which the statute arose. I think that in this country, with respect to this act as with so much else, what is required is a constant

monitoring of that compromise to ensure that it meets society's needs while still reflecting our underlying principles.

In dealing directly with the question I have been asked, I cannot speak for the legislatures of specific provinces which have seen things differently and seen fit to enact their own laws from time to time about language. I can say that as a national government and a confederation we defend this statute as reflecting principles of nationhood.

Yes, it is a compromise and yes, it is imperfect. At least to the present it is the best instrument that has been devised to reflect the linguistic duality of the country and the need which grows out of fairness to provide services where they are required in both languages to Canadians.

My response is perhaps not as direct as I would like to my hon. friend's question. I cannot speak for the legislature of Quebec or what may have motivated it from time to time in passing language laws of its own. I can simply say that from the federal perspective the Official Languages Act in its present form reflects the way this government sees the two languages in this country.

Mr. Ringma: Mr. Speaker, what I was really trying to get at is perhaps an admission on the part of the federal government, represented by the hon. Minister of Justice, that Canada has in effect been derelict in its duty in the case of Gordon McIntyre whose case was presented to the U.N. The Government of Canada has not fulfilled its obligation in being critical of the laws of the province of Quebec in this regard vis–à–vis the United Nations ruling.

Mr. Rock: Mr. Speaker, I disagree. I think that the federal government has met whatever obligations it faces in that regard. Certainly the position of the federal government was communicated to the United Nations committee that considered the matter and I am sure our position was taken into account.

Mr. Werner Schmidt (Okanagan Centre): Mr. Speaker, on behalf of the Whip of the Reform Party I wish to advise the House that pursuant to Standing Order 43(2), our speakers on this motion will be dividing their time.

As a preamble to my formal remarks I wish to recognize that whenever we want to introduce change, whether it is legislative, whether it is organizational change, whatever it might be, there needs to be first of all the acceptance of the recognition that something needs to be changed. There needs to be some ownership and some admission that everything is not as perhaps it ought to be.

My purpose this afternoon is to show that the federal language policy has failed in its primary objective which was and is to unify Canada. I submit it is doing the very opposite.

• (1535)

How does it do this? I will approach the answer from two perspectives. First, the federal language policy is unjust. Second, it is impossible or almost impossible to implement the provisions of the language policy.

On what grounds to I believe that the federal language policy is unjust? Justice is a word we use to describe doing what is right and fair. It describes the interaction of rights and obligations. A right is the legitimate expectation that one will be treated in a certain manner by other persons and institutions. An obligation is the duty of an individual or institution to treat another individual or institution in the expected manner.

Canada's language policy has not been guided by such a concept of justice. Instead it is the result of the strong dominating the weak, depending on where one lives in Canada. The concept that justice is nothing more than the personal interest of the powerful was successfully refuted many years ago by Plato.

It was Prime Ministers Pearson and Trudeau who had the great idea of bringing Canada long needed justice. Trudeau spoke often and eloquently about the just society. Simultaneously, with bringing about a just society these two Prime Ministers wanted to bring about national unity. They chose language policy as the vehicle to achieve it.

From the beginning, however, whenever the principle of justice clashed with the principle of unity justice was sacrificed. Thus the federal government took a contradictory stand. It subsidized French–speaking minorities outside Quebec and English–speaking minorities in Quebec. At the same time it was trapped into silently aiding an enforced French only unilingualism in Quebec.

Such a self–contradictory stand is unjust and in the long run destructive to national unity. Thus the federal government's policy has become inconsistent, confused and generally counterproductive.

Add to the injustice of this policy the perpetuation of ignorance among Canadians about the federal policy and we have the consequences of ignorance. When people are kept in ignorance about government policies that affect them there is great potential for breeding suspicion, resentment, prejudice and ultimately hatred.

Some of these attitudes are beginning to surface. If we want to unite Canada, we must have a language policy that is just and we must tell Canadians what it is.

Even the bilingual and bicultural commission understood justice in terms of the rights for the language minorities. It wanted a policy that was essentially utilitarian, the greatest good for the greatest number of people. It rejected the notion that every Canadian had the duty to become bilingual. The B and B commission report states a bilingual country is not one where all inhabitants necessarily have to speak two languages. Rather,

it is a country where the principal public and private institutions must provide services in two languages to citizens, the vast majority of whom may very well be unilingual.

In contrast to that fair and just position, federal language policy is now more in line with asymmetrical bilingualism. In practical terms, every day operational terms, that means protect French everywhere in Canada, especially in communities where there are few francophones, but do not extend the same rights to the English in Quebec.

This policy results in contradictory explanations of the federal language policy. In Quebec the policy is explained asymmetrically. In the rest of Canada it is explained from a utilitarian perspective.

The most disturbing aspect of all of this is that there is no single comprehensive vision of Canada and its linguistic identity. To achieve that requires a just language policy. Let us remember that only with a government that is just will we have a stable country.

I move to my second aspect of the federal language policy. I submit that the present language policy is difficult if not impossible to implement.

• (1540)

I wish to direct my attention particularly and the attention of this House to the third goal found in the 1988 Official Languages Act. The goals are that the proportion of French speakers and English speakers in the public service reflects Canada's linguistic make–up. This proportionate level of representation is to be achieved in the overall composition of the public service and at all levels of seniority and all fields of operation without infringing on the merit principle, hiring and promotion.

The hon. Minister of Justice talked a few minutes ago about the pragmatic application of that particular act. I suggest that in order for us to meet that goal it is impossible to hire on the basis of merit alone and that in some cases people will be hired on the basis of language alone.

Most recently the hon. Minister of National Defence on February 25, 1994 gave an even better illustration of how difficult it is to administer this act: "I want to tell the member that by 1997 anybody aspiring to the lieutenant–colonel rank of the military will have to be bilingual. That means we are putting on notice anglophones who want to be generals or chiefs of staff that they have to be totally and absolutely bilingual".

There are two problems. First, are anglophones the only ones who are being put on notice or are francophones being put on notice as well, or is this another example of asymmetrical bilingualism?

Second, can anyone ever claim to be perfectly bilingual?

After all is said and done regarding these things, the real issue for me is that I want Canada to be united, a country in which we can work together and respect one another in either of the two official languages without forcing each other to become individually bilingual.

Our country is bigger than any one of us individually. It is bigger than any one province or territory. It is only as we preserve justice for all that we will have a stable country. If we become greedy for power, for the power of self–serving, for special treatment, in this case because of language, we will tear this country apart.

Let us create a just language policy. Such a policy will combine common sense with reality. It will be affordable and make Canada an example of what a country can and should be.

That is the purpose of this motion. That is what we are debating. We hope the House will see it that way as well.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I listened attentively to the member of the Reform Party.

I have a short preamble to my question. If one were taking a drive through the province of Quebec right now and turned on the radio it would not matter what station, one could hear Anne Murray, Gordon Lightfoot, not just francophone recording artists, Canadian anglophone recording artists.

When driving outside Quebec, in any other part of Canada where there are another 1,400 or 1,500 radio stations, one cannot hear francophone recording artists.

Because these are Canadian airwaves, not French or English airwaves, does the member not think that as a measure of fairness it would be a good idea to have Canadian recording artists heard on all radio stations in Canada?

Mr. Schmidt: Mr. Speaker, the answer to that is yes, of course. The answer also is one can hear French recording artists in Kelowna, Vernon and Armstrong. These are little cities in British Columbia. One can hear them in Alberta, Saskatchewan and Manitoba.

I would encourage the hon. member to drive through those provinces and to tune in to those radio stations because this does occur.

• (1545)

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, I listened to the hon. member give his speech. He said that the present law was unjust because in part it was asymmetrical with respect to the anglophones in Quebec. He said that the provisions of the federal Official Languages Act did not protect the anglophones of Quebec as they did the francophones outside Quebec.

I am an anglophone from Quebec. I know of no provision that applies in a lesser way to the anglophones of Quebec than it does with the francophones outside Quebec. I was surprised to hear him say that.

Our problem in Quebec as anglophones has not been with the federal law. The federal law has protected our rights and enhanced those rights. Our problems have been with Quebec Bill 101, Bill 178, Bill 22 and others, not with the federal law.

I would like him to tell the House where the federal law provides lesser rights to the anglophones in Quebec than to the francophones outside Quebec. I doubt that he can provide the House with that information.

Mr. Schmidt: Mr. Speaker, the point clearly is the difficulty with Bill 101.

Mr. Allmand: That is not a federal law.

Mr. Schmidt: That is correct. The fact of the matter is that the infringement on the constitutional rights of Canadians by the provincial law is not being enforced by the Canadian government. That is where the problem lies.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I would just ask the members if they would accept reciprocity, that is, Quebec anglophones would be treated exactly as francophones throughout Canada. Use the rights of anglophones in Quebec as a basis. I am sure that if francophones outside Quebec received 25 per cent of what Quebec's anglophone minority gets, they would be very happy.

Would the ideal not be to have a kind of reciprocity? That is what I ask the hon. member, with respect for his opinion. Any right taken from Quebec's anglophones would be taken from francophones, but any right given to Quebec's anglophones would be given to francophones in the rest of Canada as well. Would he agree to that?

[*English*]

Mr. Schmidt: Mr. Speaker, that question is not answered easily. It takes time. It is a difficult question and a good question.

Reciprocity assumes that equality applies and that this is done logically. The point remains that the Court of Appeal in Ontario indicated that where numbers warrant, 12 people would constitute such a group. The Court of Appeal also said the only way the French language rights could be preserved in the educational system was by having separate French school boards.

If reciprocity means that in every community even where there might be five or ten people there would be a school board, we would end up with a proliferation of school boards which would add tremendous costs. This is only one example. There are many others. There are trustees to be paid, superintendents to be paid, other administrative and professional staff, support and so on.

Therefore reciprocity is not an easy question to address directly. In principle I would agree.

The Deputy Speaker: The time is up for questions and comments.

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, our motion today deals with facts.

The fact is that the Official Languages Act is a total failure. It is divisive. It is so overwhelmingly expensive it would even be impractical in a booming economy with an overflowing treasury, neither of which we currently enjoy.

One of the most curious aspects of the act is that no one asked for it. Quebec did not ask for it. Most certainly neither did the rest of Canada.

Quebec wanted the French language in its own province and we agree with that. It wanted access in French to key federal institutions such as Parliament and the Supreme Court and we agree with that. It expects federal services in French. We agree with that where there is sufficient demand to warrant cost effective provision of that service.

• (1550)

Given that the majority of the people in Quebec are not concerned about it and even a larger majority of Canadians in the rest of Canada are not in favour of continuing with it, why are we spending so much money to maintain a program that does not work, that we cannot afford and that no one wants?

One theory generally follows the concept of Newton's first law of physics that an object in motion will remain in motion unless acted upon by an external force. In other words, the status quo reigns supreme.

In actual fact, given that the program is in fact flourishing it appears many are operating under their own special agendas without concern for the fact that the time for this program to end has long since past.

I would like to focus today on one particular aspect of the bilingual implementation program. The area I am personally concerned about is the introduction of bilingual services to the air traffic control system. These implementation programs are horrendously expensive and at times compromise the safety of the Canadian traveller.

Air traffic control primarily uses two types of services: tower control, which controls the movement of traffic on and in the immediate proximity to the airport; and radar control, which controls aircraft flying by use of aircraft instruments within a defined area of airspace.

The Official Languages Act imposes a duty on all federal institutions to ensure that the public can obtain all services

available from federal offices or facilities within the national capital region in either official language.

In keeping with that, Ottawa tower became fully bilingual 16 hours a day as of June 1990 and 24 hours a day as of March 1991. The cost of this was and still is outrageous. The staffing of Ottawa tower calls for 17 controllers but at present there are only 9 controllers available for duty. Part of the problem is that all positions are designated as bilingual imperative. This means a controller must be fully bilingual to even apply for the position.

I for one have no problem with the concept of providing bilingual service where demand is sufficient to warrant cost effective language services. I already mentioned this at the beginning of my talk. Just how much demand constitutes sufficient is a questionable point and well worth examining here.

Before I begin to discuss the need in the tower I would like to add that the full bilingual service is in place at Ottawa tower. It is now in the process of being implemented in Ottawa terminal.

Let us look at how one might determine what demands are and how much service is needed to satisfy those demands, if in fact they are in need of being satisfied.

Simulations were run on equipment then located at the research and development department in Hull. Operating from a single bilingual position, traffic that included 30 per cent French speaking pilots was handled acceptably. This establishes a rate at which we can then look at staffing plans if it can be determined that the demand exists. What of the demand? Controllers at Ottawa tower record each contact requesting service in French. The optimum amount of requests they receive is 2 per cent, one–fifteenth of the amount that has been demonstrated can be handled safely from a single position.

A little side note on that 2 per cent figure, these figures include Air Canada pilots who can obviously speak and operate in English. It includes an airline whose next stop after Ottawa is Boston. It includes pilots from Transport Canada who fly all over this country.

I suggest there is no justification at all for bilingual air traffic control services in the Ottawa area. If there is, it should only be in that single position originally envisioned which could demonstrably control not only that amount of traffic but a tremendous and unexpected amount of growth in the future.

The cost of this bilingual service is just one of the concerns of this program, but it certainly is a significant one. At present the combined cost of the overstaffing needed to implement the bilingual program in Ottawa terminal plus a shortage of three bilingual controllers from the tower who are now on training for the terminal to staff the new bilingual positions is almost $1 million per year. There are English speaking tower controllers in Ottawa who can relieve this cost but they are not allowed to control in the tower because they do not speak French. These costs are only the tip of the iceberg.

At the beginning I also mentioned the concern about safety. The source of this concern is the way the English speaking controllers are being dealt with during this highly questionable implementation of bilingual services. Incumbent rights are being ignored. Original implementation plans are being scrapped. Controllers' futures are up in the air, no pun intended.

• (1555)

I fly a lot, as do most of the members in this House. I would not want to have open heart surgery from a doctor whose face I had just slapped the night before. Why then are we doing the same thing to the people whose hands we place our lives in every time we take to the skies?

This is but one small example of the problem caused by the Official Languages Act. However it is a very important example of the extent to which this is getting out of hand.

The time to end the problem is now. It is time that we became the external force that will put an end to the motion of a program that has never worked in the interests of anyone.

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, for a moment I did not know where I was, until the member had concluded his remarks.

I want to correct the record. This capital city has already declared itself bilingual. In excess of 30 per cent of the people in this city speak both official languages. There are over 1.1 million people who live in the national capital region and use the international airport. I would say that over 55 per cent of those people speak French and English.

Is the hon. member trying to tell me that if I were a francophone living on the Quebec side and I used the international airport that I should not be entitled to speak to somebody in French?

On the other side there is a correction to the hon. member's comments. The Ottawa international airport not only serves other municipalities across Canada and the United States but it also serves some places in Europe. It is an international airport.

It is our intention to enhance the bilingual services at the Ottawa international airport. My hope is that we will reach a point where every airport in Canada will have the same flexibility and the same kind of services that are now provided at the Ottawa international airport.

I was not born a French or English Canadian. I came to this country a few years ago. I look at it as an enrichment and an honour for me to be able to speak French, English, Arabic and a little bit of Italian. I am working on my Chinese.

If anything we should be moving toward trilingualism in Canada and not just bilingualism. The whole world is moving toward not just one or two but three languages. The hon. member should travel to Europe to see that. In Europe the vast majority of people speak at least two languages.

Is the hon. member suggesting we should deny the majority of the people who live in the national capital region the right to services in French as well as the right of other people in the national capital region to services in English?

Mr. Gouk: After that counter speech I am not quite sure where to begin.

First, does the hon. member who posed that convoluted question think that 55 per cent of the French speaking people who live in the national capital region go up to the cockpit while they are on some flight, use the radio and handle the aircraft control procedures for the pilot?

The two per cent is documented. It is the optimum figure in terms of the French language used in the national capital region.

I would love to compare passports with the hon. member. I suggest that I travel at least as much as he does and probably quite a bit more. English is the international language of aviation.

I have no problem with the idea of using French in Quebec because that is the language there. I would even go along with providing the service here. However, we are going so far beyond the amount necessary to provide the service to those who require it that it is absolutely ridiculous.

When the member talks of implementing this right across Canada it is no wonder the budget is so totally out of control.

Mr. Andy Scott (Fredericton—York—Sunbury): Mr. Speaker, I would like to point out there is some inconsistency in what the hon. member has said. He started out by saying that one of the problems with the official languages legislation is that it is divisive. I suggest that if there is a divisive element in this it is the putting forward of some of these bizarre notions as fact.

• (1600)

Twice categorically the member said that nobody in this country wants this. I do, so he is wrong. A lot of people do. Come visit New Brunswick and see how many people are lined up to get into immersion and programs like that. The suggestion that it is a failure disregards reality. Reality has it that in 25 short years in the context of the history of a country that large numbers of people are becoming conversant in a second language who would not have that opportunity outside of the official languages policy.

The suggestion has been made repeatedly that somehow this legislation forces people to become bilingual when in fact it has exactly the reverse effect of allowing people not to become bilingual and get services from their government.

If you speak French in Saskatchewan you do not have to be able to speak English to get services from your government. If you speak French in Fredericton, New Brunswick, you do not have to be able to speak English to get services from the government. That is what is provided, not the requirement to become bilingual but the opportunity not to be.

Finally, I would suggest that the cost argument that is put and is put often is very divisive in this debate. Consider the numbers of people who are being served by the provisions in this legislation relative to cost. I think of my province of New Brunswick and the numbers of people who get service. There are 250,000 Acadians who are being served by the federal government in their first language. Much of it is enhanced by this legislation. The cost relative to the numbers of people is not excessive at all. It is a divisive argument. It is an unfounded argument and I would ask the member to respond.

Mr. Gouk: Mr. Speaker, the member does not like my use of the word divisive but found many uses for it himself.

Yes I said that no one wants it and the member challenged that. I suppose he is right. There is absolutely nothing I can think of where there is absolute unanimity all across the line.

I would point out to the member that the last survey I saw suggested that 63 per cent of all those surveyed in Quebec did not agree with the national bilingual program and there was a higher percentage than that in the rest of Canada.

The hon. member suggest that because many people take French language training that they are in favour of this. I have taken Spanish and I have taken Portuguese and I am not in favour of Canada implementing bilingualism in Spanish and Portuguese either. Therefore, his argument does not hold much water.

With regard to the fact that no one is forced to take bilingual training because of the provisions of the bilingual service, tell that to the controllers at the Ottawa terminal.

Mrs. Marlene Catterall (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I will be dividing my time with the member for Carleton—Gloucester.

[*Translation*]

I am glad to speak on behalf of the President of the Treasury Board in this debate—

[*English*]

—and to be able to express the point of view of the Government of Canada, the government of all Canadians, on the motion by the member for Nanaimo—Cowichan on official languages in federal institutions.

First I would like to express some amazement with respect to the position taken by the hon. member on this motion, an amazement that I am sure is shared by many members of this House and many Canadians.

The motion seems to display a perhaps deliberate misunderstanding of the very purpose and spirit of the Official Languages Act and its regulations. It seems to be challenging the very make–up of Canada's approach to language rights and, indeed, one of the founding principles of this nation.

The main purpose of the Official Languages Act, to make it clear to members opposite, is to guarantee the equality of status of French and English Canadians in the use of the two official languages in federal institutions.

• (1605)

The act rests on the principle of institutional bilingualism, the principle that federal institutions must be able to serve Canadians and to communicate with them in the official language of the choice of the citizen. In fact, the act forces neither English speaking Canadians to speak French nor French speaking Canadians to speak English. Rather it is offices of federal institutions that must be bilingual in localities where demand is sufficient for services to be in both official languages.

These are important distinctions for anyone wanting to address the issue of official languages in this country and specifically the Official Languages Act.

[*Translation*]

Institutional bilingualism does not mean that all employees of federal institutions must be bilingual, but that federal institutions are responsible for bilingualism. It is up to them to take all necessary measures to ensure that, wherever required by law, members of the public can be served and receive the information they need in the official language of their choice.

[*English*]

Institutional bilingualism means as well that Canadians of both linguistic communities may obtain employment and have a career in the federal public service in the official language of their choice. They may do so while remaining unilingual if that is their choice.

These are the principles that underlie the official languages program in federal institutions. These principles are simple and fair. They are a reflection of the rights conferred upon Canadians by our constitution. They lie at the very heart of our identity and our cultural heritage. They embody the very essence of Canadian linguistic duality, one of the fundamental characteristics of this country.

These principles guarantee Canadians, whether English or French speaking, the right to receive federal services and information in the language of their choice.

[*Translation*]

These principles give federal employees the right to work in the official language of their choice, in circumstances and regions specified in the legislation. They also give Canadians of both linguistic communities equal opportunities for employment and promotion in federal institutions.

These basic principles are an integral part of the laws of this country. And federal institutions must see to it that Canadians can exercise these rights.

The official languages regulations on communicating with and providing services to the public enforce specific provisions of the Official Languages Act.

These regulations define the circumstances in which federal institutions must serve the public in both official languages. It may be because there is sufficient demand for their services or because of the very nature of the services provided.

The official languages program is the instrument through which federal institutions implement the official languages legislation.

In short, these are the basic principles underlying this program. I would now like to explain why, in my opinion, these principles are valid.

[*English*]

In my view the Canadian approach to language rights has two fundamental characteristics. It is both reasonable and just. It is reasonable because it gives Canadians the right to receive federal services in the language of their choice but, at the same time, limits the scope of these rights notably by defining significant demand. It is just because it gives Canadians open and easy access to the services of their government in both official languages enabling the vast majority of Canadians to receive services in the official language of their choice.

• (1610)

What is also remarkable about the Canadian approach is the sense of fairness and balance. In fact, that is why there is not one and only one definition of significant demand for services.

The variations that the regulations in the legislation allow may be based on the importance of the service to be provided, for instance, where health and security are involved. Obviously, any Canadian has to be able to understand the service they are being provided and to communicate.

When it is a matter of such issues as transportation in which any Canadian may be involved at any time, of course they have to be entitled to the services of their government in the official language of their choice.

I want to conclude very briefly by saying that we could have taken a different approach and as some would have it, we could have applied a simple rule that is based purely on mathematics. We chose not to do that. We chose to do it based on need and importance of the service.

We have decided to remain true to the principle of fairness, to rules that make it possible to meet the needs I mentioned earlier and the legislation was intended to meet. That is simply for Canadians to have accesses to the services provided by their country's institutions.

We want Canadians to be able to work together in the official language of their choice in the same institutions within bilingual regions as provided for in the act. The government has made a commitment to the equitable participation of Canadians of both linguistic communities in federal institutions. It is committed to ensuring that federal institutions reflect the presence of English speaking and French speaking Canadians, taking into account their mandate and their locations.

The Canadian approach whether it deals with service to the public, language of work, or equitable participation reflects the choices made since the beginning of the history of this country. I remember a time in this city when if one was a francophone one was unlikely to get hired by one's own government and if one did get hired one certainly did not get promoted. As one who believes in equity in employment, I would not tolerate that situation again in my community or in my country.

I also want to refer to the phrase territorial bilingualism. In my view we have had far too much of territoriality in this country in recent years. We have had far too much of pitting one person against another, of looking at every public policy issue from a selfish point of view. It is time to start realizing that our different communities have to work together toward common goals and common purposes. That is what makes Canada unique, a country respectful of our differences and proud of what we have in common.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I appreciated hearing the hon. member's comments. I have a couple of questions for her.

First, I would like a response to the fact that in a community in my constituency, Kindersley, members who receive cable television are not able to understand much of the proceedings because they do not get services in the language that they all understand but in the language of the floor.

If one is bilingual that is well and good. However the members in my riding who receive this do not even know what the Official Opposition is saying. In fact, we are not even getting service in our part of the country that we can understand.

The other thing is that for environmental consideration I have suggested and I expect others have as well that considerable savings could be made if we provided publications in language of choice rather than having every publication bilingual where one receives both languages. This uses twice the paper and it is twice the cost to put these documents together.

I know most Canadians would prefer these documents in one language or the other because they only use one. I would like to have the hon. member's response in the way of environmental and fiscal responsibility as to providing services in the language that is required, not in both languages.

• (1615)

Ms. Catterall: Mr. Speaker, my first comment is that we could save an awful lot of money if we simply closed down the Government of Canada and ceased completely to provide services to Canadians.

We could save an awful lot of money if we ceased having a national postal service, if we ceased having a national transportation system. However, certain prices go with the very nature of the country, its diversity and its size, and as a famous Canadian said before me, I for one pay those prices gladly.

Naturally we are always interested in ways of reducing the cost of implementing any government program or policy. In fact the cost of providing official languages has dropped significantly in the last couple of years. I would be pleased to give consideration to the comments of the hon. member and to discuss them with the minister.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, it may be difficult for Reform Party members who can function in English every day to imagine how French Canadians who do not always have the opportunity to do so in French feel.

In Canada, it is hard to imagine that our children, whether they are French or English–speaking, cannot receive an education in their mother tongue, or have no choice but to participate in socio–cultural activities, or rely on essential services and vocational training, in a language which is not their own. Yet, for more than 1.6 million Canadians, which includes francophones outside Quebec as well as English–speaking Quebecers, being able to use their mother tongue is something they cannot always take for granted.

The French and English languages are integral parts of the Canadian identity. Language is a vital component of what it means to be a Canadian, and has been since the very beginning. The fact is that close to 99 per cent of Canada's residents speak either French or English. However, close to two million Canadians live in provinces and territories where their mother tongue is the minority language. This linguistic duality is therefore a basic social reality in our country, and Canadians are proud of

that reality which distinguishes us from other nations such as the United States.

This is why francophone communities, of which I am a member, want their children to be able to preserve their language in a primarily English–speaking environment. This is also why anglophones in Quebec are concerned by their decreasing numbers and the need to preserve their social, cultural and educational institutions.

[*English*]

There are real concerns in the daily lives of many Canadians who are members of linguistic minorities. This is the reason why the federal government works with community groups to support their efforts to turn things around and to help them take charge of the development and future of their communities.

It would be hard to imagine promoting the use of English and French across Canada without strongly supporting their every day use in a community context.

It is through education that the federal government has mostly contributed to the development of the minority communities while respecting the fact that matters concerning education are under provincial jurisdiction.

When Canada adopted the Canadian Charter of Rights and Freedoms in 1982 it took a stand in favour of the rights of minorities, including linguistic rights. Section 23 of the charter guarantees minority official language communities not only the right to education in their language but also the right to manage their own institutions.

These rights have been clarified by two decisions of the Supreme Court of Canada, the Mahé decision and the reference on education rights of Manitoba in March 1993.

As citizens of Canada we must respect those rights. That is why the federal, provincial and territorial governments are co–operating to provide opportunities for English speaking Canadians in Quebec and French speaking Canadians outside Quebec to be educated in their own language and for all Canadians to learn English or French as a second official language.

[*Translation*]

Moreover, the federal government recently extended the scope of its action to support minority language education.

• (1620)

Indeed, the government adopted special measures to help some provinces set up structures which will allow a minority to manage its schools, as provided by section 23 of the Canadian Charter of Rights and Freedoms, and facilitate access, for francophones outside Quebec, to post–secondary education in French.

This support will help provide young people who belong to linguistic minorities and who are tomorrow's adults an equal opportunity to participate actively in our country's development and prosperity.

In my province, for example, these special measures by the federal government allowed for the setting up of a network comprising three French–language colleges, including the Cité collégiale, here in Ottawa, which is already a resounding success.

The Franco–Ontarian community has been working relentlessly for years to ensure the creation of colleges in certain regions and the success of the Cité collégiale confirms the real need for such institutions.

[*English*]

The importance of minority language education to minority language communities is obvious. As the B and B commission pointed out, the absence of adequate education prevented these minority communities from contributing fully to Canadian society. Only now are we beginning to reverse the impact of these previous deficiencies.

I belong to the French speaking minority community and I am proud of my origins. Like me, almost 978,000 people living outside Quebec have French as a mother tongue. Furthermore, some 665,000 persons living in Quebec have English as their mother tongue. This is an important segment of the Canadian population. In fact these minority communities are more numerous than the population of several provinces.

Our official language minority communities are spread out across the country. As a fourth generation Franco–Ontarian, I am proud to state that half a million francophones live in Ontario alone. The Acadians form one–third of the population of New Brunswick, Canada's only officially bilingual province. The largest provincial minority of all is the English speaking community in Quebec.

Numerous or not, concentrated or scattered, those communities are important contributors to Canadian society.

[*Translation*]

The motion before us proposes territorial bilingualism, which is described by Reform Party members as territorial unilingualism, as a new linguistic arrangement in Canada. The Reform Party proposes a form of ethnic cleansing. This territorial solution, which exists in some European countries, may seem attractive at first glance. However, on closer examination, we see that it does not reflect the regional and demographic realities of Canada.

For example, unlike Switzerland and Belgium, where linguistic groups live in well–defined areas, the two Canadian linguistic communities are present right across the country.

Canada has a real interest in ensuring that official language minorities participate fully in the social and economic life of our society.

[*English*]

The Liberal Party has contributed more than any other party in the House toward building a united Canada, a country united in its cultural and linguistic diversity. We will continue to work toward that goal. Our vision of our country is one wherein all francophones and anglophones are first class Canadian citizens regardless of where they live in Canada.

[*Translation*]

Canada has been thriving thanks to the co–operation displayed by the two major linguistic families, and it will continue to thrive in unity and prosperity, as long as we will be wise enough to protect what unites us and courageous enough to eliminate what could divide us.

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I appreciate the comments of the hon. member for Carleton—Gloucester. It is good to hear that he has settled down, at least I sense that his speech came from his heart.

I would just like to present a few statistics from the 1991 census for the member and ask for a response to a question.

My riding is quite different from his riding. Perhaps in his riding official bilingualism, as we practise it and it is legislated, fits. However, Kindersley—Lloydminster has a population of 63,871 people. English is spoken by 61,325 and French by 35. Then there are some non–official languages, such as Chinese, 130; Spanish, 40; German, the largest after English 1,130.

• (1625)

Another interesting statistic is English only: English as the only spoken language 61,645; French as the only language is zero according to this census.

I want to turn back a few pages to another riding in the province of Quebec, the riding of Saint–Maurice, which is represented by the Prime Minister. There are some very interesting statistics: the total population is 75,185; English is the home language if 555 residents; French 73,370. There are very few non–official languages, 10 Spanish, 60 German and a few others. Those able to communicate only in English is 45 people; those able to communicate in French only is 61,405 people.

Carleton—Gloucester is not actually representative of all of Canada. In Kindersley—Lloydminster because of lack of funding, school are being closed, education services are being restricted. Several hospitals in my constituency have been closed for lack of funds.

I wonder if the hon. member understands the feelings of people who see services that are very important to them close down partly because of services provided to people of which there is not one person in my constituency. No one in my constituency relies on services in one of the official languages. To the north of me are the native people who were here before the anglophones and francophones but they have no official status whatsoever.

It all seems very unfair and just does not seem relevant to a Canada which is about to go into the 21st century. That is why we need to move forward. I would like to see the minister get in step with that and prepare Canada for the next century, not looking back to the 19th century.

[*Translation*]

Mr. Bellemare: Mr. Speaker, I find the comments made by the member for Kindersley—Lloydminster and House leader for the Reform Party to be insensitive. He gave us statistics and said that in his riding, unlike mine, there are very few francophones. Is the member trying to tell Canada

[*English*]

French is not wanted in Kindersley—Lloydminster, or if you are French, we do not care about you and do not dare ask a question en français, especially to your federal government since that is where the services are. I wonder if that is really his attitude, his attitude of caring for Canada, his attitude of wanting to provide for minorities.

I find his attitude similar to those of all the other Reform Party members who spoke earlier. He asked me: "Does he understand the feelings of the people?". Does he really understand what prejudice means? It is one thing to practise it, but it is another to receive it.

I will tell a little story. I remember getting my first job in this city as a student. I got to work as a summer student, 16 years of age, and I had forgotten my lunch. I lived downtown. I wanted to call my mom because I knew she would take the bus and deliver the lunch. I asked permission of the secretary of the office if I could call my mother. She said yes.

I called my mom and I said to her: "Mom do not bring my lunch. I forgot it. It is my fault. I will go and get it. I have my bike. Do not worry". At that very moment the superintendent of that division of the federal government grabbed me by the arm and said: "Young fellow, if I hear you speaking in French once more in this office you will be fired".

I wonder if your party is really thinking of what you are saying. I wonder if your party is really thinking of what you are telling French Canadians. I think all of you are a bunch of bigots.

• (1630)

The Deputy Speaker: Having heard the story that the member just recounted, I wonder if he was carried away in the heat of the moment and if he would not agree to withdraw that word as being one that does not help the atmosphere of the House.

Mr. Bellemare: I am sorry, Mr. Speaker, I did not have my hearing aid on.

[*Translation*]

The Deputy Speaker: I repeat what I said. I appreciate the story just related by the hon. member, but I wonder if he is prepared to withdraw the word "bigot"?

Mr. Bellemare: Mr. Speaker, I did not accuse Reform Party members of being bigots.

[*English*]

It was a thought and perhaps my tongue projected my feeling. I truly feel that because of the manner in which they act. One always judges someone according to his acts. I really feel that.

Because it is unparliamentary I will withdraw this French word "bigot" because they find it extremely offensive. I am not sure if it is because it is a French word or the definition or that they are uncomfortable with the definition.

The Deputy Speaker: I would like to thank the hon. member for withdrawing that word.

Mr. Hugh Hanrahan (Edmonton—Strathcona): Mr. Speaker, I would like to begin by expressing my anger in regard to the term ethnic cleansing in terms of linguistic ethnic cleansing used by the hon. member.

I have been accused because I am a Reformer of supporting such atrociousness. We do not support that. I would like to go on the record as being an Albertan who has a daughter in grade eight. She has been in French immersion since day one of her education. We are proud as a family that this is an opportunity that she has as a Canadian.

I would also point out that it costs the taxpayer of Alberta an extra $450 per student to be educated in French. I believe that extra amount should be paid by the individual who is receiving the benefit, the student involved or the parents.

I would like to ask the hon. member for his comments on that situation.

Mr. Bellemare: Mr. Speaker, the member from the Reform Party takes great objection to my comment about ethnic cleansing. I remind him that the member for St. Albert, a Reform Party member, is the one who brought up that topic a while ago when he said that the problems around this world are ethnic in origin. He made references to activities across the ocean that are occurring right now.

If the problems are of ethnic origin, if he and his party want to create a Quebec français and an English Canada, is that not the member's definition of ethnic cleansing? If it is not, what exactly is it?

As far as paying to go to school, is the member suggesting that only those who can afford an education have a right to that education?

• (1635)

They give us an example that there is a school closing here and there and a hospital closing somewhere. It is certainly not Klein's fault. Whose fault is it? Is it the fault of minority language?

Are the school closings in Alberta and B.C. caused by the province of Quebec, caused by Saskatchewan, caused by everyone but them? No, it is always a question of over spending.

What they would like to do to this country is take the key and lock it and every time they come up with whatever topic, helping the poor, assisting the minority groups, respecting official languages, respecting their country, all they want to do is shut down this country, shut down the government and go back home. That is all they want to do.

The Deputy Speaker: I would be very grateful if we could avoid using terms such as were used by both speakers just now. As you know, a word to be unparliamentary has to be disruptive. The word used by the hon. member did not seem to be disruptive with the Reform Party members but I would ask members, particularly given what is going on in the rest of the world, if we might try to avoid words which are so loaded with emotion and strong feelings that they do nothing to create good will and what I think Canadians would want us to do in this House.

Mr. Chuck Strahl (Fraser Valley East): I would just like to ask a question of the member. I guess we do not all realize that we are all trying to arrive at a better solution for Canada. I guess that is not accepted and I do not know what I can do to put the concerns of the hon. member to rest on some of these things.

Just as an example of a policy gone too far, I have an electrician in my riding who tried to get a copy from Employment Canada of the major contractors and locations of the major projects in British Columbia. This document is available and was submitted to the employment office in British Columbia. It is a catalogue, something like a Simpsons–Sears catalogue, and it is a significant document with hundreds and hundreds of locations, jobs and so on.

When he found out about this he went to the employment office and asked if he could have a copy of that so he could get on with his job search. He has been out of work for several months. He was told, although the document was brandished across the desk, that until it was translated into both official languages he

was not allowed to have it so that he could get on with his job search.

He sits, as I speak, at home waiting for the translation. It will take several weeks, in which case he sits there, and he has been on my doorstep as well, asking why can he not get that when in my riding I think there are 40 unilingual French people.

I realize we can provide the service to them but for the 70,000 people, a good number of whom are looking for jobs, they want to have access to that document.

It seems that it is a good idea sometimes, a good concept, but it is pushed so far, pushed to such an extreme that this person sits on the unemployment roles waiting for access to this document.

[*Translation*]

Mr. Bellemare: Mr. Speaker, I am sure that the Reform Party member made a slip of the tongue when he referred to the Simpson Sears catalogue, because I am convinced that Alberta is living with its times and that Albertans know that, for at least 20 years now, it has only been Sears.

I also want to illustrate another mistake made by the member, who just found out, talking to someone from Alberta, about the difficulties Canadians can experience when they contact federal offices. He said that the person could not get a document in English because the French version had not yet been published.

• (1640)

I apologize to him, but the federal government often experiences problems. Particularly in the last eight years. The federal government's policy is to publish in both official languages in order to serve all Canadians. If he knows someone in his region who worked for the federal government and who had a document in English only, then that person also had a French version, because both are always published at the same time. Documents are only distributed once they have been prepared in both languages, so that people who request a copy can get it either in English or in French.

The hon. member forgot to mention the case of the francophone waiting in line at the manpower office. When his turn finally came after a close to two–hour wait—and I am relating situations which I witnessed or which were reported to me—the francophone was told: Sorry, I do not speak French but we do have a bilingual person working here and would you go back to the end of the line, which means another wait of 45 minutes or more, so that maybe that particular officer will be available when your turn comes again.

Yes, it is hard to serve people in both languages, but what we are trying to do in Canada is create an atmosphere that makes us proud to be Canadians, that makes us feel good to be Canadians. It is because of attitudes such as yours that many Quebecers got fed up and sent us grumblers like Bloc Quebecois members.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, I was faced with two choices. Either I refrained from saying anything at all, or I spoke from the heart. I have chosen the latter course of action.

What I have heard since the start of this debate convinces me more than ever that Quebec is doing the right thing. It is clear that Quebec has made the right choice to embark on its march to independence.

I realize that the junior member from thirty–five kilometres away will try to cut in, but since I have listened carefully almost all day to the speeches of the other members, I would ask them to extend the same courtesy to me and to refrain from commenting while I am speaking. I will be happy to field questions and comments later.

Canada's official languages are guaranteed under the Constitution. Education rights are also guaranteed under the Constitution. That is all well and good, but what about our francophone minorities outside Quebec? They are having trouble getting schools—

Mr. Speaker, would it possible for you to ask that members refrain from making comments while I have the floor?

The Deputy Speaker: If the members opposite could be quiet for a few minutes, other members could also be heard.

Mrs. Tremblay (Rimouski—Témiscouata): I recently completed a trip across Canada. I visited all of the provincial capitals, with the exception of Charlottetown. I met with francophone minorities outside Quebec. I heard some amazing stories.

A resident of British Columbia was told that there were no bilingual stenographers in all of Canada, whereas there are at least 17 bilingual court stenographers in Montreal alone. A person was asked if he would agree to a preliminary hearing in English and was promised that the transcripts would be translated into French afterward. That person was later told that the $20,000 cost of translating the transcripts was too high. When the time came for that person to go to trial, he was told that since his preliminary hearing had been in English, then surely he was also capable of understanding trial proceedings conducted in English.

• (1645)

In my office, I got a lot of information and press clippings intended to show me how well French is doing outside Quebec. I picked up only four before leaving my office this morning.

In Ontario, for the school census, they are unfortunately unable to correct the form, which says that the photocopiers

cannot print on both sides. That is the reason which the ministry gave to Ontario's francophones.

In 1994, a key year for Franco–Ontarians, the Auditor General of that province criticized the Ministry of Education for not providing francophones with good services and he says that the services given to francophones are inferior. Our friend from Carleton—Gloucester is quoted here: "Deploring the lack of bilingual judges, six–year wait for civil cases in Ontario, backlog of 1400 trials".

The gem is Mr. Vastel's article, where it mentions that someone is looking for "sewers, preferably bilingual". Let me explain. In Kingston, the city where they want to relocate the military college because it is bilingual, the Employment Centre has an advertisement for a "sewer"; let me spell it out in case I do not pronounce it correctly, so that there is no ambiguity. It should be translated in French as "couseur" or "couseuse", but the advertisement says "égout"—quite a different sewer!

Another situation. I just heard someone from Saskatoon ask the Minister of Heritage a question. There is an advertisement in the Saskatoon Employment Centre for a "cook for menu in family style restaurant", which was translated "faire cuire de menus dans famille coiffée de restaurant". Those are a few gems.

To get back to something more serious, although we need to laugh a little, we will talk about bonuses. I admit that bilingualism is costly. We talked about bilingualism bonuses, for example. Do you know that such bonuses have existed since 1888? In 1888, bilingualism bonuses were established. They were $50 for any francophone civil servant who could take English dictation or for any anglophone civil servant who could take French dictation. So Canada has always wanted to recognize bilingualism with a bonus. In reality, in constant dollars, $800 is not much compared to the $50 offered in 1888 just for writing a dictation. Now they are given a bonus to be operational, so that they can respond and give service. I do not think that $800 is a lot.

If you want to make cuts in bilingualism, I do not think that is the place to do it. Training is where the cuts should be made. If you need to be bilingual for a position, you should be bilingual before you are hired and not have someone take courses and more courses and still more courses, which is very expensive. Why take a public servant from his office and send him for three months of immersion somewhere, the Château Frontenac, perhaps, for the Christmas holidays, or maybe Toronto, if he is French–speaking.

• (1650)

I find it inconceivable that, 25 years after the passage of the Official Languages Act, we continue to send unilingual public servants on language training at public expense. If bilingualism is a condition of employment, then they should be bilingual at the time they are hired. I am not talking about refresher or upgrading courses, which are relatively inexpensive. But to pay for the basic language training of unilingual civil servants is too expensive. We could easily save close to $96 million a year, if you count the training costs plus the program administration costs. That is no paltry amount.

I would like to call imagination into play. In a draft article which was sent to me, Professor Bouvier calls it the ignorance bonus versus the bilingualism bonus. The latter, the bonus paid to those bilingual civil servants who fulfil their duties satisfactorily, should remain. As for the other one, the ignorance bonus, we could do away with it.

According to an article published in *The Ottawa Citizen*, the report just produced by Mr. Goldbloom must be seen as conveying a double message, both a judgment and a warning. Why a warning? Year after year, we are reminded in that report about all that is going well and all that is going wrong in Canada. Let us face it, it is not a bed of roses for francophones outside Quebec.

When you think about ways of preserving your language, it is important to know that you can get served in your own language. I can remember back in my youth, when we went out shopping. We could safely go to Dupuis Frères knowing that we would be served in French. But beyond Saint–Laurent Street, you were sure to have to ask to be served in French because it was not automatic; they would answer you in English. We had to besiege Sainte–Catherine Street to get the restaurants to translate their menus. Is it through these little day–to–day battles that Quebec was able to assert its French and French–speaking colour more and more.

I listened carefully to the hon. member for Nanaimo who spoke first, I think, on behalf of the Reform Party, as he enumerated all the milestones, but I could not help but notice that he had major memory blanks. He systematically failed to mention any legislation passed in Quebec that favoured anglophones. He only talked about those that anglophones had trouble with, like Bill 101 and Bill 178 on signs for example. When I travelled in Canada, I saw unilingual signs everywhere except in airports.

I drove to Calgary to visit the Dinosaur Museum—the real ones— and along the way I encountered no road sign that bore anything beside directions in English, not even international symbols. The same thing last week in Newfoundland, I saw nothing but English all over the place. So, when they come and tell us that there were trials and cases were taken all the way to the United Nations because poor little English Canadians were treated badly in Quebec, give me a break. People should come and see for themselves that it is possible to live both in French and in English in Quebec. In fact, it is the only place where it is

possible. It is not possible to live in both official languages anywhere in Canada except in Quebec.

I am talking about entire provinces. Of course, in Northern Ontario there are towns that are 100 per cent French–speaking. That is true, there are some in Northern Ontario.

• (1655)

There are towns in New Brunswick where people can live in French even when surrounded by English. But there are others in the Prairies, in Western Canada, in the Maritimes, and if their numbers do not warrant it, they may obtain nothing. We read in the newspapers about what happened in Kingston; they may be up to 4,999, but there is still one missing; I may move there to bring that number to 5,000 so they can receive services in French.

What seems extremely important to me is to stop dreaming and realize that Canada is an English–speaking country. When one lives abroad—I lived in Portugal for ten months and whenever I said *e esto Canadense*, everyone would speak to me in English. Nobody thought that I could be francophone. And as I spoke French, they said, "Ah, there is some French there."

In every embassy except in Paris, we are addressed in English. Let us stop putting our heads in the sand. Canada is an English–speaking country. Why did the Trudeau government pass a law in 1969? To stop the rise of nationalism in Quebec. That is why Mr. Trudeau drafted his law in 1969. That was the only reason.

Section 23 of the 1982 Constitution Act protects the rights of French–speaking communities outside Quebec, with respect to their schools in particular, but even Supreme Court decisions were not enough to put this in practice. Mrs. Landry, the Minister of Canadian Heritage, had to give $112 million to the provinces, and I agree with our friends from the Reform Party that it costs the federal government a lot of money because the provinces do not assume their responsibilities. The provinces do not respect the Constitution and the federal government's only recourse is to give them $112 million so that they can respect their minority populations.

I think it is extremely important to realize something else. Among the many symbols we are very proud of in this country is the national anthem we still have in common, namely O Canada, which was first performed on June 24, 1980, and officially proclaimed as our national anthem on July 1, 1980. The music was composed by Calixa Lavallée and the lyrics were written by Mr. Routhier. I remember very well the debate that took place in this House, and it would be quite informative for the members who did not have the opportunity to follow that debate. I remember how difficult it was to draft the English version and even today I meet anglophones who are surprised to see that we changed the lyrics of their national anthem. It is time to set the record straight. Canada comes from Quebec. That is where Canada got its start, just like the national anthem. It should be pointed out that when each province joined the Canadian community, the majority was French–speaking. If francophones' rights had been respected from the start, we might not be where we are today.

Before I sit down, I want to remind members of one last thing, namely that belonging to a country has its price. Here, Canada decided to be bilingual. Those who find it too expensive can move to the United States. It is cheaper to live in the United States. But there is a price to pay for living in a bilingual country. It seems extremely important to me, and Quebecers are also aware that, costly as it is to be Canadian, it may be a little more expensive to be a Quebecer, but at least we will have all the tools we need to grow the way we want.

• (1700)

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Mr. Speaker, personally I am disappointed by the hon. member's speech, and I am sure Canadians must be surprised at the position and views of the Bloc Quebecois on official languages.

I have a question. The other day, the hon. member, who is the heritage critic, asked and I quote:

[*English*]

"When will they," meaning the provinces, "start treating French Canadians as well as the English are treated in Quebec".

[*Translation*]

Her leader, commenting on the same subject, said and I quote:

[*English*]

"The Quebec government did not do enough, even the Péquistes did not do enough. The federal government certainly did more than Quebec. I am ready to admit that".

[*Translation*]

Mr. Speaker, my question is, why do Bloc members not speak the same language?

Mrs. Tremblay (Rimouski—Témiscouata): I think we do, Mr. Speaker, but I did not think that was the point of this debate. I am glad the Parliamentary Secretary to the Minister of Canadian Heritage asked this question, because I am disappointed as well.

What I find particularly disappointing is the position taken by the Liberal Party—I do not know whether I am supposed to say that here—by the government, I should say. It is the same thing. What I find disappointing is that the minister arranged for two planted questions, and trick questions at that, one from the hon. member for Madawaska—Victoria and one from another member who talked about Saskatoon today, in which they praised the government for not making any cuts.

Francophone communities are in dire straits, and the minister was very sympathetic to the needs of francophone communities. Budgets have been cut. Last year, there was a 10–per–cent cut in funding for these associations. They expected another 10–per–cent cut this year, and they got another 5 per cent on top of that. In some cases, some associations will cease to exist or they will have to lay off several staff members.

When we no longer have associations to defend our rights, it means being left without any protection whatsoever. That is what is so disappointing. Our position is clear. We respect the francophone community. We want to work as partners when Quebec becomes a sovereign nation, and we will do everything to try and defend that community as long as we are part of Canada. However, we cannot give them the 5 per cent the government refuses to give them and which they need so badly. That is the truth of the matter, Mr. Speaker.

[*English*]

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, I will be sharing my time with the hon. member for St. Boniface. Unfortunately in the 10 minutes I will have and the 10 minutes he will have, we will not have enough time to respond to all of the arguments that have been put forward in this debate, especially some which I believe are false and misleading.

The hon. member from Nanaimo of the Reform Party proposes three things in his motion. First he proposes to amend the Official Languages Act to provide territorial language rights. Generally speaking it would mean there would only be one official language in Quebec, which would be French and one official language in the rest of Canada which would be English.

While he did not accept that extreme expression of the territorial principle, some members in his party in speaking to the debate have supported it. The Reform Party has not been completely together on this one. He said that bilingual services should apply in the east and north of Ontario, in the northeastern part of New Brunswick and west of Montreal. He gave those as examples. When I questioned him on it, he said he was not hard and fast on the examples but at least it gave us an idea of the territorial bilingualism he had in mind. As I pointed out in the question which I put to him, it would leave out the anglophones in the eastern townships, the anglophones in the Gaspé and the anglophones in the Outaouais region. It would leave out the francophones of Manitoba that have had historic rights in that province. It would leave out the francophones in Nova Scotia, the Acadians.

• (1705)

What we are talking about is how wide or how narrow is interpreted the expression "when numbers warrant". It would seem that the hon. member from the Reform Party would interpret it widely so it would be very difficult for many minority communities to qualify. He would interpret it in a way that would leave out, to a greater extent than we do, minority language communities.

We oppose the first proposition in his resolution because we believe that the one million francophones outside Quebec, as citizens of Canada, have rights and those rights should be protected. The approximately 800,000 anglophones in Quebec have the same rights, to be protected under the federal Official Languages Act and policy.

The second point in his resolution is to provide for English and French in the Parliament of Canada and the institutions relating to the Parliament of Canada and to the Federal Court. That is the law and the policy right now. I do not know how that part of his resolution would change anything. I may be incorrect. He did not spend much time speaking to that part of his resolution.

The third part of his resolution asks that we refrain from spending on those aspects of language which come under provincial jurisdiction. He did not speak to that part of his resolution either but if we were to adopt that policy, it would mean cutting assistance to the provinces for minority language education and second language education, including immersion. That would be a bad thing.

The money the federal government provides to the provinces for second language education, including immersion, and for minority language education is a good thing. It is done for the national unity of the country because many of the provinces could not afford to give adequate minority language education.

The hon. member from Nanaimo asked that we keep an open mind. I came to this debate with an open mind but I must say in listening to the speeches, as a party the policy has been unclear and ambiguous. I am not saying all of them. I listened to them all. I was here for the entire debate. They gave different versions. In fact some of them proposed things that were contrary to the resolution. Some of the proposals they spoke of were truly retrograde, a step backward in protecting the language rights of Canadians, including minority language rights.

He said in his opening remarks that the act was not working well, therefore it had to be changed. He said in many cases it was divisive and too expensive. He suggested that commissioners of official languages had supported that criticism.

That is not correct. It is true that from time to time, and the reports of the official languages commissioner will attest to that, they are critical of the administration for not following the provisions of the act or where there have been mistakes or errors. That is the role of the Commissioner of Official Lan-

guages, to point out where the administration has failed to live up to the principles in the act.

No commissioner that I know of has criticized the principles and the general policy of the act. As a matter of fact, all commissioners agree that without the act things would be much worse with respect to our language minorities.

As to whether it is working well or not working well, these are relative concepts. In fact, there are now 162,000 francophones outside Quebec in 700 French primary schools. There are 23,000 francophones outside Quebec in 45 colleges and universities. Four million Canadians, or 16 per cent of the population, speak both official languages.

• (1710)

The second criticism he made is that it is too expensive. Again, I do not know of any Commissioner of Official Languages who criticized the entire policy as being too expensive. The present commissioner criticized the bonus program and suggested we get rid of it but he has not said that the policy is too expensive in a global sense.

Commissioners have criticized specifics within the policy and asked that they be corrected, but not that the entire policy be cancelled or cut back.

With respect to expense, in fact it only costs 20 cents out of every $100 that the federal government spends on programs. That comes to three cents per day per Canadian. In response to the member of the Reform Party, it will not keep many hospitals open that are closing in his constituency. The cost for official language policy is a very small percentage of our entire budget.

Finally, he says it is divisive. Again I do not know of any Commissioner of Official Languages who says that the principles of the act are divisive. It is divisive in the sense that some people will not accept the principles in the Official Languages Act. It is their democratic right to oppose it and we hear that today. I do not think the reason, the cause of the divisiveness, is the principles in the act. It is just that some people will not recognize the rights of linguistic minorities.

The polls that I have looked at—I do not want to spend too much time, but they are on the record—indicate that from 60 to 75 per cent of Canadians support the policies in the Official Languages Act.

The purpose of the Official Languages Act is to provide legally enforceable language rights and language justice for the two official language communities in Canada, that is the one million francophones outside of Quebec and the approximately 800,000 anglophones in Quebec. It is also to serve the interests of the six million francophones in Canada, including those in Quebec because they are a minority in the entire country.

It is a law that is based principally or inspired by a need for tolerance, understanding and generosity. I am pleased that our government is going to bring back the court challenges program because it is no use having rights in law if you cannot enforce them in the courts.

There is no obligation to become bilingual under the Official Languages Act but I heard members of the Reform Party once again saying today that French is being thrust down their throats. No language is being thrust down the throat of the consumer of services. It is true that if you are going to provide those services some people have to speak French and some people have to speak English in order to provide the services but generally speaking that is in the institution.

By the way, 70 per cent of all federal government positions are unilingual either English or French. Only 30 per cent of the positions are bilingual.

I thought I had until 5.15. I wrote down the time. How much time do I have left?

The Deputy Speaker: Zero.

Mr. Allmand: I have zero time on such an important subject.

Unfortunately we do not have the time to debate this important matter in the way it should be debated. I have many points I would still like to make. I will have to come back on another day.

Please put the motion before the House again so we can all get at it once more.

Mr. Darrel Stinson (Okanagan—Shuswap): Mr. Speaker, I listened to the hon. member say that the Reform Party has been saying this is being thrust down people's throats. No, it has been thrust on to the backs of the taxpayers at the sacrifice of hospitalization in this country. We have to prioritize. This is all we are saying on this side of the House.

How can I tell people in my constituency that they have to wait for months for hospitalization and for operations and still fund official bilingualism from the pockets of the taxpayers? They do not understand it. It is not a priority out there. We do not have the numbers.

• (1715)

Mr. Allmand: Mr. Speaker, of course health care is important. I do not have the figures here today as to how much at both the federal and provincial levels we are spending on health care, but it is probably not enough. However, to suggest that you can save hospitals with the little bits of money that we are spending on our bilingual program at the federal level is to mislead Canadians. It plays to the minds and hearts of bigots when you do that.

I am not saying that the member is one, but when you suggest that you can save the health care system with the budget that we have for official languages that is distorting the situation.

I will give examples. They could be given in English Canada as well. An elderly anglophone who is close to me went to a hospital, in this case in Quebec but it could happen to a francophone outside Quebec, for health care and could not communicate with the nurses or the doctors in that hospital because nobody could speak English. I know there are many examples on the other side where francophones go to hospitals and they cannot get service in French and they are trying to describe their ailments, which is not easy even if you have a doctor or nurse who speaks your own language.

Therefore, to suggest that it is either one or the other, it is health care or official languages policies or services, is to mislead Canadians. Both are necessary on a basis of justice and social policy. I suggest that you will never save one hospital or one major health care program in this country with the little bitsy budget that we have for official languages.

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, I wish to address a couple of points made by the hon. member. One part of the problem is the costs of official languages. The problem is that we do not know what those costs are.

Now we are told $601 million per year. We are told three cents on every $100. Frankly, I have received correspondence from the Department of National Defence specifically telling me: "Here is our figure of cost of this thing but we cannot tell all because of Treasury Board rules and regulations".

It is our perception that much of the cost of official languages is hidden somewhere or other. We would really like to unearth it. Perhaps that is the procedure that we can follow in the standing joint committee.

The other point that I would like to address which was made by the hon. member concerns the overall. What is it that we are trying to do here in examining the Official Languages Act? He was taking territorialism as an example and using the example that I was giving and saying that it did not go far enough. I agree. Let us take St. Boniface, Gravelbourg and Maillardville outside of New Westminster as places where it does merit it. Surely what we should be doing is studying the thing and not just rejecting it out of hand and saying the act is good, most people agree with it, therefore let us not look at it.

Please, let us go at it step by step and examine things that come up with a policy that works for all of us.

Mr. Allmand: Mr. Speaker, on his first point, with respect to the true costs, I would agree with him. If the present costs that are put forward by the government are not the complete costs then let us have the complete costs. I do not think it serves the debate well to have varying versions of the costs.

I do not know whether these costs are the full costs or not but we will have a chance in the committee to tie officials down on that. I think all the costs should be put on the table and then we can judge. I am sure, however, that in comparison to other programs they are still very small as a percentage base compared to health care, social services and so on.

His next point was with respect to what should be the exact definition of where the people demand the services. I was on the official languages committee in 1968–69 for the first act. We spent almost a year on it. I was on the committee in 1988 for the second version and we went through at great length the points that are being raised by the member: How narrow or how wide should the definition be in covering minority language communities? Should you cover Gravelbourg or not cover Gravelbourg? Should you just cover large areas like the east and north of Ontario and leave out, let us say, the Acadian community in Nova Scotia? We went through that for months and months in 1988.

• (1720)

The hon. member and myself are both on the official languages committee and we will have a chance to go through it again. That does not strike to the heart of the legislation, to the principles. Here we are debating how wide or how narrow, that concept of which populations should be served and where, how big that should be before we give the services. We will have a chance to go at that.

It comes also to a question of justice. Take the eastern townships as an example. There is a majority of francophones in the eastern townships now but the first Europeans to come to that part of Quebec were anglophones who fled from the United States to towns like Cowansville, Knowlton and Frelighsburg. I have lived there. I lived in Sherbrooke. They built a university there and they built colleges; Stanstead, Bishop's, Compton Hall and so on. Now it is mostly French speaking. Are we to leave these people out altogether with these long historic rights? That is a very important question.

We studied it before and we will study it again.

[*Translation*]

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, as a francophone member from Western Canada, I am pleased and honoured to speak on this motion.

Our policy, that is the policy in force at the present time, is to ensure that our country is one in which all Canadians, francophone and anglophone, can feel at home, regardless of where they choose to live.

I had planned to speak exclusively about French language education governance.

[*English*]

Having heard some comments, I cannot help but address not only the government's French language schools and post–secondary opportunities in French but the proposal being made today.

Many people will know that the key to growth for minority language communities is quality education. The government has assisted in the management of minority language schools. The charter recognizes this right. The management of schools, that is its realization, has required much effort. It is still not complete, but for those where it is not complete the federal government is available to render some assistance.

The point I would like to make is that if you are going to develop the French language or English language community you need quality education. You cannot have the highest quality education unless it is the people themselves who govern, who manage, and that is a basic issue that we need to understand.

We also need to understand that without the help of the federal government this would never, never have happened.

Look at the language rights accomplishments of provinces throughout the years, whatever the political stripe. It has never been terribly generous. Quite to the contrary. They have done as little as possible in spite of judgment after judgment to do it to the contrary. That is where the federal government has that important right. It has an important responsibility to the people of Canada.

Where do you think immersion schools would be today if it had not been for the federal government's involvement? Where do you think the management of schools would be? Where do you think post–secondary opportunities in French would be if the federal government had not been willing to assist in their financing?

Without the federal government we would have accomplished a great deal less.

[*Translation*]

I would like to quote from a document that I read recently. I think it will be extremely useful since it expresses what I have been saying. I quote: "The establishment and expansion of centres of excellence for francophone communities outside Quebec was made possible thanks to the assistance of the federal government". For example, the *Collège universitaire de Saint–Boniface* in Manitoba has become the finest French–language post–secondary institution in Western Canada. Each year, the international centre for French common law at the *Université de Moncton* in New Brunswick welcomes several dozen interns from a number of francophone countries. Its reputation now extends beyond Canada's borders.

• (1725)

[*English*]

We are richer for those particular institutions at a time when countries' boundaries are no longer nearly as important as they were, at a time when we talk about globalization, when we reach out and we talk to other countries not only about economic development but other types of development.

It would seem to me that our minority communities, indeed all language communities, are a tremendous asset to this country.

I want to talk about the proposal. I will not dwell too heavily upon some of the points that have been made, but what is territorial bilingualism. I fear territorialism. We have territorialism in the former Yugoslavia, I fear.

It is a little tent here for someone with a little tent here for someone else. We put the tribes into those tents and sometimes they decide not to talk to each other.

Is territorial bilingualism really not French for Quebec and English for the rest of Canada? Is that not a nice way of saying it? Is it not a recognition that if that were to happen that over time those small fragile communities, very often with very few people, would disappear?

What is demonstrable local public demand? What percentage is it? Who is that makes the request?

There is a French language school in St.–Lazare, Manitoba, which is several hundred kilometres away from Winnipeg. Is there a demonstrable local public demand there? What is it exactly?

We talk about the costs. What I resent most is there is a suspicion that the costs are much more than the $601 million that has been mentioned. Rather than wait for the proof they prey on the prejudice of people who think that. Rather than say let us find out in committee, oh, no, that is not good enough.

This is why I deplore this particular proposal. It is insidious. It is malicious. I think it is intellectually dishonest. It is preying on the prejudices of people.

It is saying to the crowd "What do you want? We are prepared to give it to you because we want to keep your support. We want to keep your support".

Why give languages back to the provinces? Why? They know the records of most provinces. They know that provinces have not been generous. They know that over time the provinces would reduce those particular language rights and that is the

intellectual dishonesty. They know that and they are trying to put forward that position without owning up to it.

To suggest as was suggested before that the budget attributed to official languages would keep hospitals open is the height of irresponsibility. I said irresponsibility. There are other words that could have been used.

As I indicated before it is the old tribalism back at work. We have our tribe. You can have your tribe. Within each of those tribes, and we have seen that, there are some members who are more valued than others.

We are having a debate about official languages. What will be the next target? Multiculturalism? Aboriginal self–government? Obviously there are people out there who are concerned. I share those concerns and I am quite prepared to talk about them but let us be honest about it.

I do not deny, I have never denied, and I have written professionally about this topic, that the Official Languages Act costs money. I have said it. I have outlined the costs and I will continue to say it. But you have to look at it in perspective. You have to stop pretending that for the deficit and the debt and the hospitals there is a miracle cure. I am tired of hearing that kind of nonsense and I think a lot of others are tired of hearing that kind of nonsense as well.

If the Reform Party of Canada is truly interested in official languages why would it not look at what we have and try to build upon it as opposed to destroying it? It is among the first who would blame the Bloc for wanting to separate and destroy a country. I have asked the Bloc: Why not stay with us and help us build a better country? I say to the Reform Party rather than destroy the official languages, rather than perpetuate the myths that are out there which are frightening people, why not join in a debate that is intellectually honest?

• (1730)

Why would you not say that if the federal government does not continue to be involved that those small communities will disappear? Those small communities are fragile. Have you ever lived in one of those small communities? Do you know how difficult it is for someone to retain that language? Do you know how long they fought to do it? Do you know what price they had to pay? I doubt it because if you did—

The Deputy Speaker: Order, please. The hon. member knows very well he is to put his remarks to the Chair. The reason we do not want members saying "you" is to avoid emotions getting too high. Will the member please do that.

Mr. Duhamel: Mr. Speaker, I suggest that if the hon. members who brought forward this motion had lived in minority language situations as many people have had to do, if they had had that experience they would not have brought forward this motion.

I ask them, through you Mr. Speaker, to put away their prejudices and look at how we can improve it. Of course it can be improved. There is not a program in government that cannot be improved. Of course money can be saved. There is not one program in government that cannot be improved in terms of more efficient use of funds.

That should be the focus of the debate. The debate should consider what kind of Canada do we want. What kind of investments are we willing to make in our minority language communities? How are we going to make sure we make the investments that are sufficient not only to sustain them but to permit them to grow?

[*Translation*]

Mr. Speaker, in conclusion, I have one final comment. Like my colleague who preceded me, I would have liked to have a little more time. I would simply ask my hon. colleagues to try and be constructive, rather than destructive.

[*English*]

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, first I will address the comment of whether any of us had lived in minority situations. I was a kid in Vancouver and I was one of those foreigners and heard: "His parents are foreigners. What is a name like Ringma anyway? That is funny sort of foreign name to me". I have lived it probably more than others in this House.

I heard the last speaker talk about intellectual dishonesty. I want to say I heard some intellectual dishonesty coming out from there saying why would we not build on the official languages policy rather than destroy it. It is precisely what we are trying to do. We are saying to amend the Official Languages Act, not chuck it out. We are saying to amend it and build on what is good in it.

I heard talk about intellectual dishonesty. If we are talking about bilingualism now, what will be next? Multiculturalism? Native rights? Do we not have a right, an obligation in this House to talk about these matters without emotions coming to the fore and people saying: "You cannot talk about that". This is nonsense. That is what Parliament is for. I will stand on my rights to talk about all of these subjects. It is my duty, how much it may hurt.

Finally, demonstrable local public demand is the phrase that was picked out of the motion. I agree it is a difficult one. It equates to what is in the act today, where numbers warrant. That is an area we should go at together. We should specify whether it is 5,000 or 10 per cent or 2 per cent of the population and under what circumstances. Let us put it out. Let us not just deny it.

• (1735)

Mr. Duhamel: Mr. Speaker, first I want to make certain that my colleague who just spoke does not misrepresent what I said. I at no time said that we should not be talking about these topics. I said we should be talking about them in an intellectually honest way. I object so much to the suggestion that the costs are such that hospitals are closing and people are suffering as a result of that. That is the intellectual dishonesty to which I refer.

When we talk about territorial bilingualism and demonstrable numbers there is a significant difference in what the critic and some other members of his party are saying. They have to decide whether or not they are talking about the same terms in the same way. I have heard significant differences in the speeches today. I will try to do a standing order statement on those differences just to point them out in case some people think I am exaggerating.

The member suggests I am saying we cannot talk about this. Of course I did not say that. I said we need to build. I suggest that what is being proposed today is destroying and not building. The provinces will not protect minority language rights. Looking at their record, it has not happened over time. That is what would happen.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est): Mr. Speaker, this is a subject that I care deeply about. The rights of francophones outside Quebec are very much affected by the Official Languages Act and this law—

[*English*]

Official bilingualism in Canada is a complete failure. There is no doubt about the fact that it is a complete failure. The Reform Party talks about costs in dollars and cents but does not refer to the human costs of the failure of official bilingualism in Canada.

There are some MPs who talk about rights, especially anglophones in Quebec talk about their fundamental rights. If there is a community in Canada that has never had their rights respected, it is the francophones outside Quebec. Their rights were denied in spite of guarantees in the Constitution. Those rights were abolished illegally by every single province in Canada, every single one, right after Confederation. It was just Quebec that respected its English speaking minority. Every other province in Canada, every single province abolished French language rights in those provinces.

[*Translation*]

The Deputy Speaker: The answer must be brief; time is already up.

The parliamentary secretary has the floor.

Mr. Duhamel: Mr. Speaker, I understand very well that there has been a huge loss for Canada, the whole country, because minority communities like francophones outside Quebec were neglected for years. Because of this neglect, it took extra effort to help them rebuild their infrastructure.

I know that it is not much use making comparisons because we all have our prejudices; I prefer my solution, you prefer yours and so on. Nevertheless, when dealing with such a sensitive subject as this, I would like us to consider people first and what can be done to help them keep the language they had since birth, whether it was French, English or some other language. For me, a Canadian very strongly aware of his roots, I most certainly want all Canadians, not only francophones or anglophones, to be able to keep their language and culture and at the same time to work and join with others.

[*English*]

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I will dive right into my speech without commenting on some of the things that have gone on.

• (1740)

In his report to the Prime Minister of England a century ago, Lord Durham's characterization of Canada was profound and enduring. He described English and French Canada as two nations warring within the bosom of a single state. We cannot hide the unfortunate reality that there have always been varying levels of tension between the two groups.

Because of their numbers the English have in times past enjoyed the lion's share of political power within Canada. We find an example in the federal civil service which employed very few francophones in proportion to their share of the population. Federal services were almost unavailable in French, which was clearly unjust. In Ottawa, the nation's capital and an hour and a half from four million francophones, many services were simply unavailable in both official languages.

For nearly a century there was very little overt reaction but Quebec underwent a fundamental transformation after the second world war. After it had served there so nobly like a sleeping giant, Quebec shook itself awake and it defined itself as Confederation's underprivileged partner. Its intellectual elite began to pursue redress with a vengeance in a quiet revolution.

The Canadian way is the way of compromise. Some see this as a political weakness. That can be true, but in general the way of compromise is the way of peace and reconciliation. Rwanda is a nation without compromise. The democratization of South Africa we hope will be an example of noble compromise.

The Liberal government saw that compromise was necessary in order to keep Quebec within Confederation. Under Pearson

the federal government began to right the old wrongs in part by providing services in French and hiring more francophones.

It also passed an act of Parliament in 1969. The Official Languages Act was designed to quell calls for Quebec's independence. Its architect was Pierre Trudeau and his purpose was to satisfy other Quebec intellectuals by making federal services bilingual across Canada. The notion that some federal employees might not want to become bilingual did not appeal to Mr. Trudeau. The fact that there might be no demand for it in certain regions did not concern him. The cost of this venture went unestimated.

Twenty–five years later what do we find? Has the purpose of the act been fulfilled? Is Quebec satisfied? With the expenditure of over $600 million a year is Quebec now more comfortable within Confederation? I should say not. Quebec is closer than ever before to separation and the Bloc Quebecois is calling the act a failure.

On April 12 the Commissioner for Official Languages tabled a report that describes in detail not how civil servants across this land have embraced bilingualism, not how services are now adequate in both languages, not how the administration of the policy has been cost effective, no. The commissioner reported a litany of bilingual woe across Canada.

Many offices designated as bilingual can hardly deliver the service. Offices that have virtually no demand are hounded by the commissioner's language police to display bilingual signage. Imagine a Canada employment centre in Saskatoon being rebuked by the commissioner for putting up an ad for a job that was not translated perfectly. This rebuke came in response to one complaint and this is in Saskatoon. The commissioner forced the letter of the law upon an unwilling office.

Let me talk about a small post office in my constituency in the community of Sardis, B.C. The Official Languages Act says that where there is a significant demand for two languages, the service shall be provided by the Government of Canada. There is no definition of the word significant in the act although it does define a bilingual district as an area where 10 per cent of the population speaks the minority language.

To transfer the meaning of the word significant to my constituency, it would require a population of at least 8,000 people with French as their mother tongue to require services in French. After the last census the government determined there was a significant number of francophones who needed bilingual services in the tiny Sardis post office.

What does the word significant mean to the government? One point seven per cent of the population identifies their mother tongue as French. That is 1.7 per cent. Far fewer actually speak the language. That is their mother tongue. To top it off there was not one request in the post office for service in French, not one ever. Yet bilingual service must be provided. This is just one example of a silly policy that becomes horrendously expensive when it is repeated in different ways thousands of times across Canada.

It is no wonder bilingualism costs $660 million every year. That is only the official figure. Add in the administrative inefficiencies, enforcement, lost opportunities and the opportunity costs and the real world figure is much higher.

• (1745)

A comprehensive study done by Scott Reid says it seems reasonable to set this overhead cost at approximately 5 per cent of all public service staffing costs or $951 million per year.

Donald Savoie, a noted Canadian scholar, hikes the figure to 20 per cent.

Is this incredible cost necessary to hold Canada together? Are French and English bound only by the glue of this frustrating, burdensome regulation, inefficiency and waste? Why maintain a charade of bilingualism when after trying and spending for 25 years people still do not want it?

If the loss of the Official Languages Act would cause Quebec to separate then the act must be one of the main pillars on which this country rests. We managed for a century without such an act. Is bilingualism really the substance of Canadian unity? I do not believe it.

Canada is much greater than that. Canada possesses the only cords strong enough to bind a nation together. They are not the shackles of language law, they are historic ties, unity within diversity, the bonds of shared sacrifice, shared elements of culture, shared hopes and values, bandaged where necessary with generosity and good will.

Petty arguments over language cannot sever the fundamental oneness felt between all Canadians. Like a storm on the ocean, there may be tumult above but beneath the waves the deep waters lie undisturbed.

I am grieved that the Bloc Quebecois, along with other intellectuals, has created such a storm in Quebec. Even though the problems of inequity are largely resolved, the media and the politicians have for 20 years repeated their perception that vast inequities still persist. They have trumpeted this concept and held out false promises to persuade people to pursue them in their folly.

What will be the result of their actions? Every Canadian of every group will suffer, chief among them the people of Quebec.

I question the attitude of the Bloc when I hear of its support for unilingualism in Quebec, asserting at the same time that even if Quebec separates the federal government should force bilingualism on English Canada. This is not the spirit of the tolerance and generosity that has helped make Canada one of the

best places in the world to live. This is the kind of political ambition that breeds mistrust and anger.

The Commissioner of Official Languages expressed a great principle at the beginning of his report when he quoted Montesquieu: "Nothing is just merely because it forms part of the law; rather, it should be law because it is just".

The commissioner said that the form of law must reflect the substance of justice. The law simply reflects an underlying reality. I agree fully with that concept. Where there is significant demand, as our motion states, it is only just that bilingual services reflect that demand. The Official Languages Act is an attempt to change Canadian reality, to shape a different Canada, to create a new reality by forcing bilingualism coast to coast on what is frequently an unwilling population. It is expensive, it is intrusive and it is unnecessary.

The Reform Party does not oppose bilingualism. All Canadians would profit by learning another language if they would like to. Reformers are not unkind or insensitive to the rights of minorities. The Official Languages Act is not the act that makes us kind or sensitive. It is my desire and the desire of Reformers to make law reflecting underlying reality by giving jurisdiction over language to the provinces and using federal powers to protect all minorities from linguistic injustices.

We live in a changing Canada. Millions of new Canadians today were born neither French nor English. They too deserve to become part of the Canadian language equation.

The Reform Party of Canada wants to effect a new Canadian compromise, to reach out to French Canadians to cement and rebuild our great national home, not on the artificial, unstable basis of language or ethnicity but on the sure foundation of mutual respect, understanding and equality for all races, cultures and languages; on the desire for peace and prosperity rather than on power, anger or unrest.

To this new vision of Canada we pledge ourselves today and I invite all members to join with us in this grand adventure.

• (1750)

[*Translation*]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, I have endured the debates all afternoon, but now, I know that my time is short, but I will try to speak calmly.

The Official Languages Act was a late attempt to right serious historic wrongs, and to answer the question forthwith, Mr. Speaker, before it is overlooked, as a young francophone from Ontario used to say: "What you call Quebec's French unilingualism, we would really like to have as Ontario's bilingualism."

Come and see the reality of rights. Come and see the reality of rights in schools, in social services, in hospitals for English-speaking people and in the debates within the Parti Quebecois to preserve these rights. And I would like it if, in Canada, they had the same debates to preserve rights when Quebec is gone. Because I will tell you one thing: a debate such as the one here today will not give anyone in Quebec the desire to stay in this country.

There is an historic dimension missing. Perhaps I should apologize for the fact that my ancestors arrived around 1647. I must apologize for that. Their name was Tremblay and others came later. I must apologize for what they built at the time. They were Canadians, real ones, the first "Canadians".

They were all over the continent you know, they also explored the West, but we do not have time for a history lesson. After the conquest, "Canadians" were mostly confined to the territory of Quebec, but over the years, they maintained the desire to go all over Canada.

I would like to mention one fact. In 1928, headlines in *Le Devoir* stated that Montrealers were worried because francophones, instead of going West where there were some good lands, were emigrating to the United States. For a hundred years, 10,000 French-Canadians a year went to the United States—there were large families in those days—but why did they not go West? Because in 1928, it would cost $48 to have a family come over from Liverpool, but $928 for the same family, that is ten children—as was common in those days—and two parents, to cover the same distance but from East to West.

We must realize that "Canadians" tried desperately to make a place for themselves, their schools and their own religion in this country but they were kept from doing so. Mr. Trudeau tried, although belatedly, to remedy the situation, yet he knew full well that in Quebec things had already started to move and that the measures he was implementing were no more than a paper barricade.

[*English*]

Mr. Strahl: Mr. Speaker, there was not really a question at the end of that but I certainly caught the gist of the member's comments. I can try and understand historically some of the frustrations, not being from Quebec.

Overall the French culture and the French language have done very well within the Canadian context. The people the member mentioned who went south into the United States were not able to hang on to their culture and their language by and large and they have lost that and have become assimilated.

As I mentioned earlier, there were wrongs in the past. To take note of them and try to rectify them where we can is obviously what Canadians have tried to do. A further mistake would be to

try and redress past wrongs in a way that exacerbates another problem somewhere else.

Our motion is to try and get at the nub of the issue which is where numbers warrant and where there is significant need for the French language outside of Quebec then those services should be provided; likewise in Quebec where there is significant demand for the English language.

I will use my own province as an example. French barely makes the top ten languages in British Columbia. Chinese is by far the second most frequently used language. In my own riding people who are either unilingually German or use German as their mother tongue outnumber French–speaking people perhaps 200 to 1.

• (1755)

Where there are numbers and where we can justify it and where we can financially afford it, for that reason, because we want to provide it, I say let us provide it. We cannot have a Canada wide policy to try to redress some wrongs from the early part of this century. It is not practical. I do not think we can afford it. I do not think it redresses those wrongs and makes people feel better. If it did we would have unanimity. As it is we have people who are actually driven apart by the act.

The Deputy Speaker: The time has expired for questions and comments. The member was dividing his time with the hon. member for Calgary North.

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, my colleagues have discussed at some length the problems we have had in Canada with the policy of official bilingualism and I would now like to take a look at how the policy has worked in the public service.

The recent annual report by the Commissioner of Official Languages echoed Lester Pearson, as annual reports have done practically since the inception of official bilingualism, with the following words: "The Official Languages Act requires federal institutions to ensure that English–speaking and French–speaking Canadians have equal opportunities for employment and advancement within their ranks".

This is a high minded and noble goal, one that all of us in this House can agree with. It is hard, however, to reconcile this ideal with a statement made by the hon. minister of defence, for example, on February 25: "We are putting on notice anglophones who want to be generals or chiefs of staff that they have to be totally and absolutely bilingual". This is in *Hansard* at page 1855.

He later commented: "Anglophones have more to be worried about than francophones because of the tougher bilingual requirements for senior officers".

It seems pretty clear and obvious from these completely opposed statements that the ideal and the reality of official bilingualism are two different things.

I do not believe for one moment that the hon. minister of defence favours French–speaking Canadians over English–speaking Canadians, but I think the minister is faced with the problem of having to defend an inherently flawed system.

There is good reason for the fact that of the 3,000 communications received by the ombudsman under the Official Languages Act over half were complaints of one sort or another.

To put it very simply, the current implementation of official bilingualism does not work. It does not work for anglophones and it does not work for francophones.

The term bilingual describes a person who is equally proficient in both official languages. By this definition there are very few Canadians who can claim to be fluently bilingual and yet we persist, after 27 years of failure, to believe that this policy will somehow be made to work if only we wish harder and spend more money.

By way of example let me draw your attention to many of the members on both sides of this House, myself included, who would not be eligible for employment in virtually all the senior positions in the public sector today because our command of the other official language is less than functional.

It is ironic that although many of us in this House are not bilingual we expect anyone who wants to advance in the public sector to be fluent in both languages.

The reality is that the great majority of Canadians are not bilingual and those who claim to be often are not.

The second problem is that the designation of bilingual postings is increasing, often doing so when there is no real need for bilingual services, as my hon. colleague has just indicated.

One example of the unnecessary designation of public service posts as bilingual was uncovered by the Ottawa *Citizen* in 1991. In that case there were eight positions designated as bilingual. It turns out that the eight employees were asked to use their bilingual capabilities just once in the past two years and that was when an English–speaking caller had a wrong number and the employees were able to direct him to the right one.

• (1800)

The example I have just given is one of scores which show that many public service positions are unnecessarily designated as bilingual.

There is an alternative to the present implementation of official bilingualism which will not only allow public servants to speak in the language of their choice, but will also eliminate language based discrimination.

In 1977 in response to the problem of de facto discrimination against francophones, the royal commission on bilingualism and biculturalism recommended that the public service be reorganized into two parallel hierarchies of unilingual work units. French would become the language of about 25 per cent of those work units and English would be the language of the rest.

It is important to keep in mind that this would not be a quota system because anglophones could try to win jobs in the French language work unit and vice versa. However, in each case workers would be allowed and required to communicate with fellow employees in the language of the work unit.

The big picture within the public service as a whole would be that employees could choose whether or not they wanted to make the substantial financial investment required to learn the other official language. Either way there would be a place for them to work in the language of their choice. Not only would the choice have been left to the employee, but the enormous cost of government sponsored language training would have been saved.

This proposal has been tested in the private sector and has been very successful in bilingual companies. Most positions can be filled by unilingual speakers of one language or another and only a few bridge positions need to be filled with bilingual employees. Had this model been adopted when it was recommended 27 years ago full equality between the languages would have been achieved by now and there would be no meaningful discrimination against speakers of either official language.

However, Trudeau chose to adopt another model in which every individual position was designated as to the official language skills it required. Francophones and anglophones would be expected to work in close proximity throughout the public service which means that many posts, including all posts beyond the most junior level would involve regular communication between speakers of two languages.

In this situation two unfortunate results were inevitable. First, the traditionally dominant language, English, would continue to dominate. This is why virtually all public service meetings continue to this day to be held in English. Second, there would be a huge need for bilingual people to occupy all supervisory positions since the rules now proclaimed that each person must be supervised in the language of his or her choice.

It is in the wildfire spread of bilingually designated posts that the real tragedy has occurred. On the one hand the system helped to boost the number of francophones employed by Ottawa. This is because two–thirds of the designated bilingual posts in the public service are occupied by francophones. On the other hand between 60 and 70 per cent of francophones in Canada do not speak English. For this majority the chances of finding employment in the public service have been reduced by the system of designating individual posts as bilingual.

In fact between 1974 when the policy was introduced and 1992, the number of positions in the federal civil service open to persons capable of speaking only French dropped from 34,000 to 25,000. This is a drop of 26 per cent. Even more staggering is the impact in Quebec itself where over half of all the jobs in the federal public service are open only to persons who speak English as well as French.

If the majority of francophones face discrimination the situation among anglophones is even worse. Nearly 90 per cent of Canadian English speakers are incapable of speaking fluent French. This means that most English Canadians are ineligible to rise above the junior public service or above the rank of major in the armed forces. The result of this situation is dramatic.

In a 1990 survey by the Professional Institute of the Public Service of Canada over one–third of anglophone respondents stated that the policy of designating individual posts had negatively affected their advancement opportunities in the past. Over half of the respondents stated they believed the policy would hurt their promotion opportunities in the future. Nearly 42 per cent stated that on at least one occasion in the past they had not even bothered to apply for a post solely because of the restrictive language requirements.

• (1805)

In other words, because they structured their reform so poorly, the federal government managed to actually increase the level of discrimination faced by the average francophone and simultaneously introduced discrimination against the average anglophone. Canada is probably unique in having managed to systematically discriminate against both its major language groups at the same time by means of the same policy.

The way out of this mess is to toss aside the present system and to finally adopt the system of French and English language units proposed by the B and B commission 27 years ago. New Brunswick has recently adopted elements of this model for its provincial language service. It seems to be a success. That would be our territorial bilingualism policy within the public service. We believe it is time for Ottawa to follow this example.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I have been listening to the debate all afternoon. I would like to say most respectfully that the members of the Reform Party have been intellectually dishonest in this debate.

The member from Calgary said, or implied at least, just a few moments ago that because very few Canadians are bilingual that represents failure of the bilingualism policy of this country. Nothing could be farther from the truth because there was never any intention of the Official Languages Act of 1969 to cause all Canadians to become bilingual.

Similarly and earlier the member for Fraser Valley East said that he was not against bilingualism. He said that he was in favour of Canadians picking up a second language. Again it is not the intention of the Official Languages Act to cause Canadians to become bilingual. It is the intention of the government to provide bilingual service to the founding language groups in this country.

It offends me that the members would use—

The Deputy Speaker: Does the member have a question? There are two other members who wish to ask questions or make comments too.

Mr. Harvard: Mr. Speaker, I will ask a question by framing it this way. Earlier it was said that the Reform Party would like to see priorities set and spending cuts with respect to cutting back the provisions of the Official Languages Act. I would ask this: What would be a greater priority than the federal government providing French language service to the four million unilingual French speaking residents of Quebec and also service in English to the millions of English speaking—

The Deputy Speaker: Order, please, the hon. member for Calgary North.

Mrs. Ablonczy: Mr. Speaker, I will be brief.

The first thing I would like to say is that we do not see the policy of official bilingualism as making Canadians bilingual. What I was talking about was the need of the policy to provide equality of opportunity for all Canadians to participate in civil service jobs and in the defence sector in our country and that it has not done.

Second, the member asked what greater priority would the government have than to make sure that there was a provision of services for both official language groups in the country. I would like to point out on behalf of over 12 million Canadians whose mother tongue is neither French nor English that this government is to serve and to meet the needs of every single Canadian, of all Canadians.

It is time we recognize the fact that Canada is changing. I would say that the greater priority that this member asked about would be to ensure fairness for all Canadians, equality of service for all Canadians. That should be the greater priority that we should now be moving toward.

[*Translation*]

Mr. Yvan Bernier (Gaspé): Mr. Speaker, to start with, regarding the motion, I would like to tell the member from Western Canada that in my riding of Gaspé, which takes approximately 7 hours to cross by car, around 11 per cent of the population is anglophone.

• (1810)

If the notion of French predominance were to be accepted, that would mean that, for all intents and purposes, the anglophone communities of my area would be deprived of services. Even when Quebec is sovereign, I will be the first one to offer the people in this part of Quebec the right to speak their own language and to be served in both official languages.

The question I want to ask the member of the Reform Party is this: If the goal is to save money, it can be done through less emotional means than that, and will the member support a motion to eliminate overlapping, for instance? I would like to point at to her that only in training, we could save $250 million in Quebec, or one billion for Canada as a whole. A while ago, we were talking about a figure of $660 million. Would she be willing to vote in favour of the elimination of overlapping jurisdictions?

[*English*]

Mrs. Ablonczy: Mr. Speaker, I would first like to point out to the hon. member that we in our motion are suggesting that services be available to official language minorities in their own language in any part of the country where there is demonstrable local public demand. It would be a judgment that would have to be made by the government as to whether in this member's riding, with 11 per cent anglophones spread across a very large area, it would constitute a significant demand. I think it would certainly constitute larger demand than the one my colleague just spoke of where there was 1.7 per cent but still requiring bilingual services or at least the offering of bilingual services by the commissioner.

We want to be careful that we do not get into these matters simply on the basis of dollars and cents. We have to get into the situation on the basis of common sense and on the basis of this significant demand and not just ask where can we cut back. We need to ask where do we really need the services, where do Canadians really require these services. On that basis there can be savings. We are suggesting that because there are services provided where there is no real demand, there is no significant need, that money is being wasted.

We need to approach it from the point of view of the needs of Canadians rather than simply from a straight dollars and cents viewpoint.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, this will be one of the shortest speeches I have ever delivered. I think we have about three minutes left.

[*Translation*]

I am pleased to take part this afternoon in this debate on the Official Languages Act.

[*English*]

I do not agree with this business of territorial bilingualism.

[*Translation*]

I represent a riding in the province of Ontario, where the majority of people speak English. According to the principle of territorial bilingualism, as defined in the motion before the House, English would be the predominant language of the other provinces, hence of my province of Ontario. Most of the people in my riding are French, and they live in a province where the vast majority of people speak English. Like myself, almost 70 per cent of my constituents have French as their mother tongue. According to the hon. member, in such a case, territorial bilingualism would apply at the riding level, but that would not work either. What would such a policy do to some of the communities in my riding, to the 35,000 anglophones living in my riding?

[*English*]

Thirty–five thousand anglophones in my riding, if you applied this territorialism at the riding basis, would be denied their rights; 65,000 if you applied it on a provincial level. That is how impossible that proposition is.

[*Translation*]

I would have liked it if we could have used today's debate to criticize the flaws of the Official Languages Act, since all legislation has flaws, and to suggest changes to the Official Languages Act to ensure it can better serve the people of Canada, and by that I mean the unilingual people of Canada, because if the population were already bilingual, we would not need an Official Languages Act.

Neither the member for Quebec–Est nor I need this legislation, for we are both fluently bilingual, but the people we represent have the right to be served in their own language. It is for them that it is important to have an Official Languages Act, not for the member for Glengarry—Prescott—Russell personally and not for my colleague who is also a Franco–Ontarian, sitting across the way, from the riding of Québec–Est.

So I would have liked to learn today how we could use this Official Languages Act to unite both founding peoples of this country, not to divide them. That is the topic I would have like to have debated today. Speaking of the history of these two great peoples, I heard one member speak earlier of her ancestors who came here around 1640—mine arrived in La Prairie in 1680—and of all the other members who are new Canadians who came here a few years ago, like some of my colleagues in this House, or whose ancestors have been here almost forever, as in the case of our native colleagues. So I regret that we had this debate today, especially with this slant; I would have preferred it to be otherwise, needless to say.

The Deputy Speaker: It being 6.15 p.m., in accordance with the provisions of Standing Order 81(16), it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

[*English*]

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 45(5)(a), I have been requested by the deputy whip to defer the division until a later time.

Pursuant to Standing Order 76(8), a recorded division on the proposed motion stands deferred.

[*Translation*]

Accordingly, pursuant to Standing Order 45(5)(a), the division on the question now before the House stands deferred until tomorrow at 5.30 p.m., at which time the bells calling in the members will be sounded for no more than 15 minutes.

[*English*]

It being 6.18 p.m., the House stands adjourned until tomorrow at 10 a.m.

(The House adjourned at 6.18 p.m.)

HOUSE OF COMMONS

Tuesday, April 19, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to several petitions.

* * *

• (1005)

[*Translation*]

INCOME TAX ACT

Mrs. Christiane Gagnon (Quebec) moved for leave to introduce Bill C–238, an act to amend the Income Tax Act (child support payments).

She said: Mr. Speaker, the purpose of this bill is to amend the Income Tax Act so that child support payments can no longer be deducted from the income of the individual paying child support and are no longer added to the income of the person receiving the payments. The bill ensures that child support payments are covered by the definition of earned income included in the provisions on deductions for child care expenses.

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

* * *

[*English*]

PETITIONS

KILLER CARDS

Mr. John Maloney (Erie): Mr. Speaker, pursuant to Standing Order 36, I present a petition on behalf of the constituents of Erie. I wish I did not have to present this petition because I wish that the circumstances around this issue did not exist. However, they do.

A growing number of Canadians are fiercely opposed to the importation of killer cards. This petition adds 475 names to this list. These cards are contrary to moral and ethical standards. Canadians abhor crimes of violence against persons. Killer trading cards offer nothing positive for our children or adults to admire or emulate. Rather, they contribute to violence.

Not only do these cards glorify murder and the criminals who commit horrific acts of violence, but they act as a daily reminder to the victims, families and friends of the brutal violence that has struck down their loved ones as well as their security and faith in humanity.

A clear message must be sent to any printing company and/or distributor that this material is not acceptable to Canadians. A great number of Erie residents are opposed to this product and I join them in calling for an amendment to the laws of Canada prohibiting the importation, distribution, sale and manufacture of killer cards.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, question No. 23 will be answered today.

[*Text*]

Question No. 23—**Mr. Taylor:**

Will the government implement recommendation No. 3 in the fourth report of the Standing Committee on Aboriginal Affairs, entitled: "A Time for Action" (34th Parliament, third session), which calls for the transfer of control of housing programs to aboriginal people and, if so, when and how, and, if not, why?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): The federal government plans in the near future to consider a new housing policy that would improve housing conditions as well as strengthen aboriginal control and accountability. As stated in its Liberal plan for Canada entitled "Creating Opportunity": "The government will work with aboriginal peoples to develop an approach to housing that emphasizes community control, local resources and flexibility in design and labour requirements".

The new policy would also reduce the gap in the availability of adequate, affordable housing; increase self–reliance through greater employment and business opportunities, including those

identified in recommendation No. 3; encourage broader participation by private sector business and financial institutions; and promote skills development initiatives.

[*English*]

Mr. Boudria: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Kilger): Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

The House proceeded to the consideration of Bill C–9, an act to amend the Income Tax Act, as reported (without amendment) from the committee.

Hon. David Anderson (for the Minister of Finance) moved that the bill be concurred in.

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

Some hon. members: Agreed.

Some hon. members: On division.

(Motion agreed to.)

The Acting Speaker (Mr. Kilger): When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

• (1010)

Mr. Anderson (for the Minister of Finance) moved that the bill be read the third time and passed.

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I would like to take this opportunity to lead off the debate on third reading of Bill C–9. The bill proposes to implement a number of amendments to the Income Tax Act that were announced by the previous government.

Legislation to implement these measures was introduced last June but the bill died when Parliament was dissolved. For these measures to have legal effect new legislation must be passed now by this Parliament.

Let me be clear at the start by explaining why we are going ahead with this legislation. Simply put, these past tax measures were introduced some time ago and many were said to be effective immediately when announced.

Many thousands of Canadians took the government at its word and relied on these announcements when making important personal decisions. Many have, for example, used their RRSPs to buy or build houses. Other Canadians have relied on these announcements in making significant investments or hiring new employees.

The commitments these taxpayers have made are for the most part irreversible. Consequently, if we were to reverse course many people would be put in a difficult position, an unfair situation, and the trust that Canadians have in their government, a trust that we must always strive to keep and enhance, will be dealt a powerful blow.

However, we do not approach this question as prisoners of the previous government's actions or inactions, to put it more precisely. We have carefully reviewed the measures in this legislation and believe we can support them in their own right.

With this in mind, let me review briefly the measures in this bill. First of all, there are measures that affect individual taxpayers. One is the extension of the homebuyers plan by one year through to March 1, 1994. As I mentioned before, to renege on this program would cause undue and unfair difficulties to many thousands of Canadians.

As well, the legislation provides that starting next September certain higher income Canadians will have to make quarterly instalment payments on their taxes. At the same time some 300,000 low income filers will be excused from quarterly payments and required to pay only once a year.

Another area addressed by this legislation is one of the few small attempts of the previous government to foster job creation. The December 1992 economic statement announced a one–year program of relief for unemployment insurance premiums for increased employment by small businesses.

This program has come and gone unnoticed by the far too many Canadians who are unemployed in this country. Nevertheless, a number of small business people have taken the government of the day at its word. We shall honour the bargain as a matter of public trust.

The same considerations also apply to other measures targeted at small businesses. These include the temporary small business investment tax credit for purchases of eligible machinery and equipment from December 2, 1992 to December 31, 1993; the extension of the small business financing program to the end of this year, allowing small businesses in financial difficulty to refinance up to $500,000 of debt at low interest rates; the removal of any limits on holdings of small business shares in RRSPs and RRIFs; and the extension of the 35 per cent investment tax credit available to small Canadian controlled private corporations for eligible research and developmental expenses.

In addition, this legislation will give effect to some general improvements in the tax credit incentives offered to encourage Canadian research and development. As well, it removes the annual limits on investment tax credits. This limit introduced by the previous government in 1987 reduced the effectiveness of

the ITC incentives for rapidly growing firms, one of the engines of job growth in this country.

The bill also assists resource companies by allowing 100 per cent of the first $2 million of oil and gas development expenditures to flow through directly to shareholders and be deducted by them. As well, it gives these companies greater flexibility in managing their affairs by removing the mandatory deduction of Canadian exploration expenses.

• (1015)

Finally, the bill puts in place new, more flexible rules for investments in labour sponsored venture capital corporations.

We did not hold out the measures in the bill as any solution to the challenge of job creation, but we do recognize the attempt. Of equal importance we recognize the commitments made by Canadians who have relied on these proposed measures.

This bill should be viewed simply as a question of parliamentary housekeeping and therefore I urge members to support it.

[*Translation*]

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, I welcome this opportunity to speak in the debate on third reading of Bill C–9. Previously, I had an opportunity to speak to this bill during the debate on second reading.

At the time, without in any way denying the benefits of certain measures contained in Bill C–9 as described by my hon. colleague, the Secretary of State for Finance, I warned the present government not to make the same mistakes as the previous government. These mistakes are, in a way, reflected in Bill C–9. Let me explain.

When we look at Bill C–9, we see that it contains measures which, although beneficial, indicate a lack of vision on the part of the previous government in dealing with a world that is becoming increasingly globalized. We often talk about globalization and opening borders, and we need measures to help our companies and workers adjust to these changes. These measures must provide a framework within which companies can be confident about developing their competitive potential.

During the debate on second reading of Bill C–9, I also warned the present Canadian government about the kind of measures it should take. The budget had not yet been tabled, and I asked the Liberal government not to make the same mistakes as the previous government, which had failed to take steps to bring public finances under control, and as you know, our public finances are a disaster.

So what has happened since the second reading of Bill C–9? First, the North American Free Trade Agreement was signed, but the present government failed to put in place measures to promote Quebec and Canadian companies or help them adjust to this new agreement, which includes Mexico. Instead, a big show was made of signing and implementing this Free Trade Agreement. The Prime Minister and his Minister for International Trade played their part, just to say they had managed to reopen the North American Free Trade Agreement and introduce certain provisions on labour standards and protecting the environment.

Our analysis indicates there was nothing of the sort. There was no bilateral or trilateral agreement with our U.S. or Mexican neighbours, no measures that would ensure protection for our social standards, our labour standards, and so forth.

Despite all that, the Prime Minister and his Minister for International Trade bragged that they had obtained everything and that they were now quite ready, with appropriate measures, to face the challenge of the North American free trade.

Meanwhile, and I had raised the issue at the time, the world was signing the biggest international trade deal since 1947, the eighth GATT Agreement. Once again, while the Prime Minister and the Minister for International Trade were boasting, sticking out their chests and thinking they had made exceptional gains on the North American level, they were losing on all fronts on the international level. The fact that this government did not shoulder its responsibilities could be very costly to Quebecers in the next few years.

• (1020)

For example, there is the farming industry, where Canada, despite all it was saying, and in the middle of a debate on Bill C–9, lost clause XI.2c)(i) of the GATT, which had made flourishing milk and agricultural industries possible.

The Liberal Party, when in opposition denounced the Conservatives for not having taken all the necessary measures to protect that clause. Well, the Liberals did exactly the same thing.

They bragged that they had obtained everything, even though one of the fundamental pillars of Canadian agriculture had been discarded by the GATT settlement.

We are not against the GATT settlement; quite the contrary. We are free–traders and we have always said so.

We are for improvement of trade on the international level. We are for economic growth linked precisely with our capacity to produce, to export and to capture international markets.

But it is almost indecent for the Liberal Party of Canada to tell us, Mr. Speaker, despite the fact that we are all intelligent people, that Canada won everything, at that time, and that

Canada, faced with market globalization, has put in place more consistent measures than those that are in Bill C–9.

Mr. Speaker, we also asked the Liberal government, when we considered Bill C–9 at first reading, not to repeat the mistakes of the past, not to repeat the mistakes of the Conservative government and to apply such a restrictive monetary policy, that at the peak of the recession, between the end of 1990 and the beginning of 1991, there was a 5 point difference between American and Canadian interest rates.

It was an unacceptable situation.

Therefore, we suggested that the government review the whole monetary policy to ensure a fairer balance between the desire to control inflation in the long term—which is a very commendable objective—and our short–term need to create permanent jobs that about 1.5 million Canadians, including 500,000 Quebecers, are still awaiting impatiently.

But instead of that, since first reading of Bill C–9, the government of Canada, that is to say the Minister of Finance, has appointed Mr. Thiessen, the right–hand man of John Crow, the former Governor of the Bank of Canada, as his successor.

At the time of this appointment, the Governor of the Bank of Canada restated the monetary policy of his predecessor, which consisted in struggling against inflation at any rate no matter if, in the short term, we were following the same pattern the Liberals had denounced before. And yet, the need for jobs is desperate.

Mr. Speaker, from the first through the second readings, we have been asking the government not to repeat the errors made in the previous budgets, the Conservative budgets and in the present one, which shows a lack of long–term vision.

Not only did the Liberal Party of Canada repeat the same mistakes, but it has done worse and that is where the actions of the government are most reprehensible.

When I discussed Bill C–9, I would never have thought that the first Liberal budget would be so terrible, so outrageous, that it would be even more so than the most dreadful Conservative budget.

Let us recall the facts. I think it is important when considering a budget, when one is about to pass budgetary measures, to remember that this government without vision has taken similar measures, sometimes harsh ones, as a result of Bill C–9.

• (1025)

First, cuts of $5.5 billion in unemployment insurance over the next three years, by reducing the number of insurable weeks of employment and by targeting the poorest in years to come.

As you know, for years members of this government denounced, not lightly but in the strongest possible terms, any Conservative initiative that they deemed antisocial. For years, Liberals have practically portrayed themselves as leftists. They portrayed themselves as champions of the poorest in our society; yet, as soon as they came into office, they slashed unemployment insurance by $5.5 billion. Since last week, desperate workers, unemployed people actively seeking employment and trying to regain their dignity, have come to realize that they have been fooled by this government. I understand that the budgetary measures reducing the number of insurable weeks have really been applied only since last week.

Since then, in my own riding of Saint–Hyacinthe—Bagot, I have met desperate people. Those people are desperate because they had put some hope in this government and in the measures announced in the red book, but mainly measures announced elsewhere because the red book is nothing but a rag when assessed on its own merits. Those people had a lot of hope and saw this government, unlike the previous one, as a government that had a long–term vision, one that would create permanent jobs and would give them back their dignity.

For instance, I think of Yan, 20 years old, who wants to finish high school but who, because of this careless government, its laxness and the fact that it tends to consider every request of Quebec regarding decentralization of labour training as a whim, because of that, Yan, 20 years old, living in the riding of Saint–Hyacinthe—Bagot, will not be able to finish his job training. There is also the case of Jean–Yves, 45 years old, who will not be able to get training this year because of red tape and delays. He was told perhaps next year or in two years, depending on the federal financial support that has already been cut in several areas.

Claude, 25 years old, has a university degree and is looking for a job, but he has just been penalized by the unemployment insurance reform. Claude, 55 years old, who lives in Quebec, is the victim of a plant closure, is unemployed and has been on social assistance for a week. Last week, I was really shocked by the story of Jacques, 35 years old. Unemployed, he was given training by the federal government, but by the time he entered the labour market, the training he had received was completely outdated and would not meet business needs. I met many people in that situation. Every week, the movement Action–chômage meets with many people in that situation, such as Rachel, 40 years old and a mother of two children, who is on welfare.

Instead of helping those people by introducing humane measures such as the ones we need right now to allow these people to go back to work, to get adequate training and to obtain permanent jobs, the members opposite, the Liberals, who were saying that they wanted to give back their hope and dignity by creating

jobs, instead made cutbacks in unemployment insurance. I consider them antisocial.

Another measure that I did not expect from a first federal budget, following the speech that I delivered about the Senate, is the lack, in that first federal budget, of concrete measures to promote job creation, except for the infrastructure program. We have nothing against the infrastructure program, but that program only meets about 3 per cent of market needs. There are 1.5 million unemployed in Canada, including 450,000 in Quebec, and all we have to offer them are 45,000 jobs. Mr. Speaker, these 1.5 million unemployed Canadians will fight for the 45,000 jobs available; there will be violence.

• (1030)

I also noticed that since the first and second readings of Bill C–9, this government has taken no concrete measure whatsoever to create jobs, permanent jobs in reasonable quantity and of reasonable quality. Everything concerning the creation of jobs has been dealt with in a shameless fashion. I am talking here about the Job Development Program where the government recently made some cuts.

Another measure in the first Liberal budget which I could never have imagined coming from the Liberal Party of Canada is the abolition of the age credit. This government, those Liberals shamelessly reduce credits for seniors, they who used to denounce in the strongest possible terms any intention on the part of the Tories to take away from the seniors or any attempt to de–index their pensions or even cut them as was the case in the beginning. I thought these people were sincere and I now see that they never were. Under the guise of a social democratic approach, a humanistic approach, they have fooled the people of Quebec and Canada, and they will pay for that.

Nor was I expecting a $2.5 billion cut over three years in Established Programs Financing, especially in the portion earmarked for post–secondary education. Members on the other side of the House—I am looking to see who is present today—keep talking about education, they keep telling us that education is of extreme importance in order to face present challenges, to face the growing competition that results from the globalization of trade. But they cut into funding for post–secondary education.

Nor did I expect that the government would renege on a commitment made at the beginning of last year by the Liberal Party of Canada, maybe even in 1992 if I remember correctly the first statements regarding social housing. When the Conservatives cut the $600 million budgeted for the construction of new social housing units, the Liberals said that they would restore this financing, that they would start afresh with a new social housing development program. When they assumed power they quickly forgot that promise, and ignored the 350 persons who demonstrated in Ottawa three months ago to ask for decent housing conditions, for a dignity they lost a long time ago. These 350 persons were spending anywhere from 30 to 50 per cent of their income on housing, at least. This is intolerable, and even more so when you hit a stone wall like the one that the Liberals put up.

After giving hope to low income people I consider it indecent that the Liberal government is not coming through with a program, thus dashing the hopes of these people.

Analysing Bill C–9 at third reading gives me a chance to discuss, as I did at first reading, the whole vision of the government that tabled this budget. I realize the government does not have a vision and will never have any. Why? It is the same basic question over and over again. Everywhere in the world, in any democracy, when there is no clear and democratic law providing for public financing of political parties, there is always the risk that the ruling party, upon taking control, will be unable as a government to make real decisions, good decisions such as abolishing all the fiscal inequities of our system.

• (1035)

I remember very clearly that when Liberals were the Official Opposition they denounced almost daily the inequities of the federal fiscal system. They denounced tax evasions. They even denounced family trusts. They were probably trying to win over supporters of the New Democratic Party, which has almost disappeared since then. Along with members of the New Democratic Party, Liberals denounced the fiscal inequities of the Canadian fiscal system.

However, since the last budget, nothing was done to redress the situation. Family trusts still exist enable very rich families to avoid paying between $350 million and one billion dollars a year to the federal Treasury. The same is true of numerous agreements between Canada and countries considered tax havens. They still sign the same kind of agreement; they still have regulations allowing businesses with parent companies in such tax havens to pay hardly any taxes on their profits, while the losses they incur in these tax havens can be deducted from profits made in Canada.

Knowing what the position of the Liberal Party of Canada has been in the past, I cannot understand why they are doing the very thing they were denouncing when they were the Official Opposition, and why, after deceiving us for so many years, they are now totally lacking in vision and concern for social justice.

In his recent budget, the finance minister did nothing along the lines of what we recommended during the first debate on Bill C–9. Worse yet, he managed to do even worse than all the previous Conservative budgets. Within three months, his budget, totally devoid of any sense, lost all credibility; even

thoughhe cut $7.5 billion in social programs, the financial world reacted very negatively to his budget.

This budget harms the poor and the financial world. In financial circles, people say that the government has lost control of the public finances, that it will not be able to bring the deficit down to 3 per cent of the GDP as it has been promising for so long. Finance people are not disconnected from reality, they have a very good analytical mind, just like the Bloc Quebecois. They know that the tax revenue projections in this budget are as unrealistic as those contained in all of the previous government's budgets. They know full well that since 1988 or thereabouts, each time Canada's GDP increases by 1 per cent, federal revenues do not increase by 1 per cent, but only by a mere 0.4 per cent.

In other words, given the growth of the underground economy and the whole range of factors tied to the elasticity of tax revenues compared with the rate of taxation—I will spare you the technical details—economic growth in Canada results in lower tax revenues. Financial circles have their own highly skilled analysts who also know full well that this budget is not realistic and they have proven this over the past month. On reviewing all of the short–term and medium–term financial data, one can see the extreme volatility of interest rates, for example. The spread between interest rates on 90–day Canadian Treasury Bills—in my view, the most telling indicator of how the budget was received, of the economic situation and of the government's state of indebtedness—as compared to U.S. bills, was 213 points yesterday, when a mere two months ago, prior to the release of the Finance Minister's budget, the spread was only 40 points.

It is also clear that foreign investors have lost confidence in the Canadian dollar. A similar loss of confidence was experienced while the Conservatives were in office, but the situation has taken a turn for the worse under the Liberals.

• (1040)

On the one hand, then, the budget contains some extremely unpopular measures which target the least fortunate, persons who should not have to suffer any more than they already do, while on the other hand, it caters to financial circles. The Canadian government will have to pay an additional $3 to $5 billion at the end of next year in extra interest charges. The government is responsible for the increase in interest rates. It has turned its back on those who have recently renewed, or who will be renewing their mortgage shortly, by allowing interest rates to creep upward. All of this stems from the lack of credibility of the latest Liberal budget. This budget is as lacking in credibility as any of the previous Conservative budgets.

The situation is very sad indeed, Mr. Speaker, and others share our opinion. The fact that the Dominion Bond Rating Service Ltd recognized that with this budget, Canada had failed to gain control over its public finances and that consequently, it lowered Canada's rating from AAA to AA+ is significant indeed.

Considering that Scotiabank, Burns Fry Limited, the *Association des manufacturiers du Québec*, the Bank of Montreal, the *Conseil du patronat du Québec*, hardly a proponent of sovereignty, *Globe and Mail* analysts and the *Financial Post* all agree that the latest Liberal budget is as damaging as the previous Conservative budgets and totally lacking in credibility, then there has to be some truth in what we are hearing, Mr. Speaker.

When you are down to saying, as the Prime Minister did in this House on April 13, that the budget can be set aside, that what will determine what cuts and what measures to control spending need to be done and how public funds are to be managed is not that budget, but non–budgetary measures, even if the Prime Minister is somewhat disparaging about the latest Liberal budget, there is a semblance of truth somewhere in there.

This means that the most recent Liberal budget is not only as bad as the Conservative budgets were, but actually worse, because never had a previous Prime Minister of Canada run down the budget tabled by his Minister of Finance as much as this Prime Minister has.

So, and I will close on this, third reading on Bill C–9 has allowed me to see the progress made in the implementation of the measures, to see what actions this government has taken, after the alarm I tried to raise in my speech when Bill C–9 was read for the second time. I realize in the light of the actions taken, and the last budget in particular, that not one of the sensible, rational, well–thought–out recommendations made by the Official Opposition, recommendations that were mindful of social justice, human dignity, seniors, as well as young people actively looking for work and the unemployed, were taken into account for the action plan developed following the debate at second reading of Bill C–9.

I was following the goings–on in the federal political arena long before becoming a member of Parliament and before having the privilege of debating with you and I used to think that the Conservatives were the most right–wing politicians in Canada's political history. I considered their actions to be inhumane, senseless measures that did nothing to address the problems resulting from overliberal budgeting or the Canadian government financial difficulties. I felt that the social price of these measures, especially the price to the less fortunate segment of society, was too high.

Now I realize, Mr. Speaker, that the Liberal Party of Canada is even worse. Their ways are more underhanded. They cleverly wrap up right–wing, inhumane measures that hurt the most disadvantaged people in a progressive discourse, apparently intended to be open, humane, conciliatory, a discourse with a

distinctly economic flavour to it I would say, but based on economics of the modern kind, where economic analysis is combined with a profoundly humane sociological approach. It takes an anti–poverty stand. It takes a very economic approach, but a new kind of economy, which combines dollars and cents with a very humane sociological approach.

• (1045)

So it covers its inhumane acts with its very humane–sounding rhetoric in order to deceive the people. From the election campaign until today, we have seen that this government has no shame about fooling the people as it has done.

I will quote you a passage from an article by Laurent Laplante published in *Le Droit* on April 12. Speaking of the ineffective measures being taken by the Liberal Party of Canada to support economic growth, he says: "The Conservatives, by concentrating their whole attention on the inflationary threat, finally dragged Canada into the first fully made–in–Canada recession. Mr. Martin has decided to do better; he wants to make this recession go on forever." I find that this passage says a lot about the difference between the Conservatives and the Liberals and I hope that we will soon be out of this regime with our heads held high, with dignity and a real plan for society, a plan to create jobs, a plan for full employment in a sovereign Quebec that is open to the world and takes a responsible attitude to the challenge facing us in an era of global markets.

Thank you, Mr. Speaker for giving me this opportunity to talk about what this government has done since the first reading of Bill C–9.

[*English*]

Mr. Ray Speaker (Lethbridge): Mr. Speaker, certainly it is a privilege to be able to make a few remarks on third reading of Bill C–9, an act to amend the Income Tax Act.

I must confess that I have certain mixed feelings about addressing the bill. It introduces measures that were introduced by a previous government, and here we are today putting the measures into law. In a sense it is kind of a reverse process.

When a government enacts or wishes to carry on some type of policy or objective it should move the legislation into the House, pass it and then implement the programs. We are kind of following a reverse procedure that certainly gives me mixed feelings in my legislative responsibilities. However it has happened and we are here today examining the bill as such.

On the one hand it would seem only prudent that we support the bill. It is generally referred to as a housekeeping bill. As I have said, much of the policy in it has been enacted during the past year and we are just getting around to proclaiming the law today.

In my presentation I will not pretend for a minute that it would be anything but irresponsible of us to oppose these measures merely on principle because of the circumstances. On the other hand I wish to make clear there are some principles to which I am strongly opposed, as is the Reform Party.

The Income Tax Act, as we all know, has become a very unwieldy monster symbolizing what many Canadians see as the problem with government in general and that in general there is just too much government for all of us.

The last attempt by a government to amend the text and change it led to other kinds of reforms. It led to an income tax surtax, an alternate minimum tax, tax deductions, tax credits and the complicated GST that is before the finance committee at the present time. All these have rather confused the matter.

• (1050)

We as Reformers believe it is time to review the Income Tax Act and the variety of methods and means by which we collect funds to operate government. We think it is most important at this point in time. Even the forms need revision.

Today I was given an article from a newspaper about the fact that Revenue Canada workers have been issued a memo inviting them to consult with some of their colleagues in filling out their tax returns. The memo says: "The time for filing your income tax return is approaching. Should you require any information or assistance in the preparation of your return, you may contact one of the employees whose name and location appear below".

Not all citizens of Canada have that privilege, but the point we want to make is made by the writer of the article and others who have commented on it: if tax department employees cannot figure out how to fill out their own returns, imagine how the rest of Canadians feel. That is a very apt comment under the circumstances.

An hon. member: Make all MPs do it here. That will help.

Mr. Speaker (Lethbridge): Right. That is what should happen here, to see if we need consultation or not.

That is an impression. It is certainly a comment on the complications of the Income Tax Act. I want to speak about that in my remarks today and where we feel the process should go in reviewing the tax collection system of Canada.

I would like to make clear there are some good aspects to the bill. We would like to see the government continue with some of these programs and certainly improve on them as we proceed in the legislative session.

We know young people today cannot afford to buy homes because they are paying too much tax. We should look at some of the details. While total incomes per capita have increased 170 per cent in the last 10 years total direct personal taxes have risen

some 235 per cent. How are we doing with respect to other countries?

Canadian government revenues as a percentage of gross domestic product have increased from 24 per cent in 1950 to almost 43 per cent in 1990. Also six years ago the tax burden in Canada was approximately 20 per cent higher than that of the United States. By 1992 it had risen to 25 per cent and was projected to increase to 30 per cent by 1997. My recent reading of statistics indicates that we are at that point today. It is not just young people who are feeling the tax burden; it is all Canadians.

The homebuyers plan that allows those saving for homes to withdraw from their RRSPs to make down payments is and was a good idea. It not only puts the dream of home ownership within the grasp of more people. It provides economic spinoffs all the way down the line.

A poll released in September 1993 by the Canadian Real Estate Association confirmed that the homebuyers plan was a big success. The Angus Reid poll was conducted in five major Canadian cities. First of all it found that four out of five buyers who used the plan said it was an important factor in their decision. It was especially important for 86 per cent of first time buyers.

Second, nearly half or 49 per cent said it would have been unlikely they would have been able to buy their homes without the plan.

Third, the plan helped a significant number of home buyers surveyed: 22 per cent of all first time home buyers and 17 per cent of buyers generally.

Fourth, repaying their RRSPs is a high priority. Eighty–one per cent of respondents said it was important to repay. Fully 88 per cent said they would repay at least at the rate required by the plan. Only 4 per cent said they would not repay and would declare their withdrawals as income.

Fifth, home ownership was seen by 84 per cent of those surveyed as being at least somewhat important to retirement planning. Fifty–four per cent said it was very important. Owning a home was rated by far the most important source of income for retirement.

Sixth, the Department of Finance has already reported that the numbers have been very impressive with nearly 200,000 participants to the end of July 1993. These are indeed impressive numbers. As we well know the number of housing starts is a reliable indicator of the overall health of the economy.

• (1055)

The housing industry directly employs, to name a few, general contractors, carpenters, electricians, plumbers, drywallers, painters, landscapers, building product suppliers, real estate agents and lawyers. We are encouraged by such measures as the homebuyers plan and the results it has had. I am sure the limited extension of that program will be of benefit to many other Canadians.

In more general terms it is our hope the new government makes meaningful, effective reforms of the Income Tax Act, as I have already mentioned, with an aim to simplifying the process and certainly making it less complicated and fairer.

We in the Reform Party support a taxation policy that has as its principle the objective of raising funds to pay directly for government programs. We support a balanced budget concept. If we look at the history of the act it was originally intended to collect taxes to ideally pay for the services provided by government. Somewhere along the line we have lost the original intent of the tax system and have allowed it to become a tool to influence the behaviour of people. As well we have used it as a social reform instrument rather than a means by which to collect funds to pay for services. That is inappropriate and has moved us away from a rational responsible budget process.

I say in a general sense now, and certainly some of my colleagues will talk about it in detail as the weeks proceed. We should be working toward a more simple, visible, proportional system of taxation: the flat tax that many people talk about or the single tax. We believe it could be fair, more applicable, more easily administered and more easily understood by the people who have to take responsibility for sending revenue to government each year.

As we sit here today to assent to the amendments before us that were proposed by the last government, I cannot help but be a little cautious in my optimism. All of us in the House should not need reminding of the resounding message sent to the last government on October 25. We must be responsible in our deliberations and make sure we are responding to the needs of Canadians, not to our needs as either a government, an opposition party or individual MPs. We cannot allow ourselves to slip into those ways even in the slightest.

I call upon government members to assure us they will give reform of the Income Tax Act the priority it deserves. In the hearings of the finance committee on a variety of proposals to change the GST, to fix the GST or on other options, one point made by a major number of presenters was that we needed to look at all taxing instruments of government and come up with a plan that is fair, more co–ordinated and more responsive to the needs of Canadians. At the present time they feel they are not co–ordinated. Often because of that some people in our economic system are taxed to a greater extent than others.

If the government makes a commitment to make the reforming of the Income Tax Act a high priority, it shows us as the opposition party that it is making good on its promise of a new way of doing business. It also sends a strong message to the provinces that they should follow the lead of the federal government. Most important, it shows Canadians that there is hope for a new way of government. We cannot let fear of media or any

other kind of pressure inhibit our effort at reform. We have to try.

In closing I take a moment to remind my colleagues in the House that there is a big, fast moving and exciting world beyond these walls. In my brief experience in this House I am often amazed at how this simple fact gets lost in the daily shuffle of papers this institution is confronted with. We often get distracted from some of our major causes or our major concerns. However we have to recognize there is another world out there where they are throwing around words and we are doing it in this House as well. They are words like information superhighway. We as legislators must strive to keep up and be ready for change.

• (1100)

I leave this portion of the debate with this final thought. Failure is not fatal, but in these times failure to change might be.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

An hon. member: On division.

(Motion agreed to, bill read the third time and passed.)

* * *

ELECTORAL BOUNDARIES READJUSTMENT PROCESS

Hon. Allan Rock (for the Leader of the Government in the House of Commons) moved:

That the Standing Committee on Procedure and House Affairs be instructed to prepare and bring in a bill, in accordance with Standing Order 68(5), respecting the system of readjusting the boundaries of electoral districts for the House of Commons by Electoral Boundaries Commissions, and, in preparing the said bill, the committee be instructed to consider, among other related matters, the general operation over the past thirty years of the Electoral Boundaries Readjustment Act, including:

(a) an assessment of whether there should be a continual increase in the number of Members of the House of Commons after each census, as now provided in section 51 of the Constitution Act;

(b) a review of the adequacy of the present method of selection of members of Electoral Boundaries Commissions;

(c) a review of the rules governing and the powers and methods of proceedings of Electoral Boundaries Commissions, including whether these Commissions ought to commence their work from the basis of making necessary alterations to the boundaries of existing electoral districts wherever possible;

(d) a review of the time and nature of the involvement of the public and of the House of Commons in the work of Electoral Boundaries Commissions;

That the committee have the power to travel within Canada and to hear witnesses by teleconference; and

That the committee report no later than December 16, 1994.

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am pleased today to rise and speak in favour of the motion to refer the issue of the electoral boundaries readjustment process to the Standing Committee on Procedure and House Affairs.

The current process of adjusting constituency boundaries by independent commissions has been in existence since 1964 when the Liberal government of Lester Pearson passed the Electoral Boundaries Readjustment Act. Before then the House of Commons itself was responsible for electoral boundaries readjustment.

The current process has been in place since 1964. After 30 years the time has come for a fundamental review of all aspects of this process by the House of Commons which passed the 1964 law in the first place.

• (1105)

On April 13, 1994 this House adopted Bill C-18. It provides for a suspension of the current electoral boundaries readjustment process for a period of 24 months in order to allow for a fundamental review of all aspects of the process. All aspects of this matter should be reviewed by the Standing Committee on Procedure and House Affairs in a thorough and thoughtful manner.

Some dissatisfaction has been expressed with regard to the current process. I would like to take a few minutes to elaborate on this.

For example, the commissions published their initial proposals without having a chance to obtain input from interested parties. When published therefore, these proposals often come as a complete surprise.

From my former days as a political science professor at the University of Winnipeg when I followed the electoral boundaries review process in a more dispassionate way, I can tell you those in the academic community who were watching the process were indeed surprised by the results at times. They were more surprised at how difficult it was to learn in detail exactly how the new boundaries were set.

Although some commissions explain the reasons for the proposals, they are not required to do so. It is therefore very difficult for a person who intends to make representations, to intervene with a commission, to know the reasons behind the

proposal and to make objections or present alternatives in an effective manner. In that respect the public participation process is not what it should have been.

The criteria the commissions must use to set the boundaries may have to be rethought. The criteria are quite general and, depending on the approach taken by each commission, the rationale for drawing electoral boundaries can differ considerably from one province to another. That has created a lot of controversy in this process for setting boundaries since 1964.

The continual increase in the number of members in the House of Commons after each census is another issue of some concern. Since Confederation the number of seats in the House of Commons has increased steadily from 181 in 1867 to the current level of 295. All of us have heard the electors express frustration with the constant growth of government, the size of the House of Commons and the cost associated with Parliament. This issue should not be passed over lightly.

The above examples are but a few of the areas that should be thoroughly reviewed by the standing committee. The government has therefore decided to ask the House of Commons to refer the electoral boundaries readjustment process to the House of Commons Standing Committee on Procedure and House Affairs for review and to develop improvements to the current procedure.

The standing committee's terms of reference provide that it can bring in a bill respecting the system of readjusting the boundaries of electoral districts.

The committee shall consider the general operation over the past 30 years of the Electoral Boundaries Readjustment Act, including the following major issues: whether there should be a continual increase in the number of members in the House of Commons after each census as now provided in section 51 of the Constitution Act; a review of the method of selection of members of the electoral boundaries commissions; a review of the proceedings of the commissions, including whether they ought to make alterations to the boundaries of existing electoral districts wherever possible; and a review of the involvement of the public and of the House of Commons in the work of the commissions.

I may add to that if we make improvements, as this House does in so many other areas in the way we deal with the country, in the way we involve people, then many of the problems we meet in a process such as we have in the last month in this particular domain will be solved. It is incumbent upon all parliamentarians to think of ways to improve public participation, in the ways in which the general public influence such major decisions such as the nature, shape and composition of their constituencies.

• (1110)

This committee is to report no later than December 16, 1994.

Using one of the new procedures adopted by the House when it approved the government's parliamentary reform package at the outset of this Parliament, the committee will be authorized to frame legislation implementing its proposals.

Again there are benchmarks in the new House where we try to convince Canadians and try to show by example that we are serious about the role of individual members, serious about the role of people outside of the ministries doing work as fundamental as preparing legislation. As I said, this will turn out to be a benchmark in the way we redevelop this House and its approach to problems.

This will be the first opportunity for a parliamentary committee to initiate legislation in response to requests submitted by the government. We are following through on our commitment to strengthen the role of members of Parliament in developing legislation.

The redistribution of electoral boundaries is an important matter for the whole country. We are requesting the standing committee to not only study the issue but to develop and recommend legislative measures it feels may be required to solve this problem.

In conclusion, the readjustment of electoral boundaries touches important questions of democratic representation in the House of Commons. Now is the ideal time to have a thorough review of the process undertaken by the House of Commons itself and to hear Canadians from coast to coast to coast through the standing committee. The committee hearings will be public and outside witnesses will be heard.

[*Translation*]

Mrs. Monique Guay (Laurentides): Mr. Speaker, previous speeches made in this House pointed out the essentially democratic nature of the Bloc Quebecois and, in this regard, its willingness to respect the integrity and autonomy of the people it represents in every county of Quebec.

One of our party's basic objectives, particularly in anticipation of Quebec's independence, is to exercise the democratic process as widely as possible.

Today we take this opportunity to support government motion M–10 proposing that the Standing Committee on Procedure and House Affairs be instructed to prepare and bring in a bill respecting the system of readjusting the boundaries of electoral districts.

Our goal in supporting motion M–10 is, as you know, to respect the regional integrity of these communities without hampering the regional decentralization process currently taking place in Quebec.

However, the Bloc Quebecois will only support this government motion on certain conditions.

First, we must denounce, once again, the arbitrary and inconsistent new boundaries drawn up in recent years and, in this regard, we must also mention the importance of administrative divisions in Quebec.

Not only are these administrative zones strategically important for Quebec but they are based on fundamental geographical, economic, industrial and cultural elements.

As long as Quebec remains, in spite of itself, a member of the Canadian Confederation, the federal commissions responsible for readjusting electoral boundaries will have to consider regional municipalities, counties and administrative regions.

As we said in a previous speech, our second reservation about motion M–10 is that the decentralization of decision–making powers should, in our opinion, be an essential element of regional policy in the year 2000.

The Canadian policy advocated by a Liberal government big on centralization lacks a socio–economic development perspective.

We see the decentralization of political and economic decision–making as essential to creating jobs in RCMs.

In line with Minister Picotte's reform and the consolidation of regional development councils, the Bloc Quebecois has made a commitment to direct political and economic decision–making to the regions.

• (1115)

The Bloc Quebecois proposes that the State of Quebec no longer act alone in planning coherent economic development. In our view, the general framework for this development must be redefined, starting with the regions. Decentralization of the bureaucratic monster which the central State has become requires Quebec's political sovereignty.

The Bloc Quebecois wants to go beyond changes to the political structure. We recommend regional self–management based on fundamental democracy. We advocate the creation of highly decentralized and antibureaucratic organizations. In short, we reject the authoritarian social and economic management policies which are pursued by the unified political power representing central States and which are ruining the public finances of Canada and Quebec.

A two–year moratorium, during which decentralization of the decision–making process will be stepped up under the Parti Quebecois in Quebec, will allow riding residents to concentrate more on ensuring regional development rather than on building a Canada that can never be.

For all these reasons, the Bloc Quebecois recommends that the entire federal Electoral Boundaries Readjustment Act be reformulated, and that the process be undertaken as soon as possible within the framework of the Standing Committee on Procedure and House Affairs.

We must take advantage of the two–year moratorium on the redistribution of electoral boundaries to weigh carefully all the implications of adjustments of this nature to ridings.

[*English*]

Mr. Jim Abbott (Kootenay East): Mr. Speaker, I stand here today as a very proud member of the House of Commons representing the province of British Columbia. The reason I say it that way is because with all due respect to my Liberal counterparts from our province, they have remained silent on this issue. It is an issue of great concern to the people of British Columbia.

We received by fax a copy of a letter that our premier sent to the Prime Minister. I will read part of it:

> I am appalled that your government, with the support of six B.C. Liberal MPs, has betrayed the best interests of British Columbia in introducing this measure with closure. Your actions will deny B.C. its fair representation in the House of Commons.

He goes on to point out:

> As you know, with the defeat of the Charlottetown accord, B.C. lost gains it made in that agreement which would have given this province five more seats before the 2001 census. That was to build on scheduled redistribution for 1996 when B.C.'s representation in the House of Commons was to increase by two seats. This was a clear recognition of B.C.'s severe under–representation in the House of Commons.

At the risk of being branded one of those crazy BCers, here we go all over again, let me also state that I am a proud Canadian citizen. I stand for a united Canada as I believe the vast majority of people in B.C. do.

However, why is it that every time we turn around in British Columbia measures are taken in this place, even when we have representatives on the government side, that we do not consider to be rational and fair representation? We feel we are almost being abandoned.

The leader of the opposition, Mr. Gordon Campbell, also wrote to the Prime Minister. He states:

> Mr. Minister, the bill makes no sense.

He is referring to Bill C–18.

> Parliament does not strengthen the country by disenfranchising its fastest growing region nor does Parliament strengthen its bond to the people it serves by further weakening the principle of one person, one vote.

One of the interesting things I have found since coming to Ottawa is that the amount of news that flows in this direction into the awareness of people in central Canada about the concerns of the people of British Columbia seems to be minuscule. If I did not have my constituency office in Cranbrook constantly feeding me information from the western press I

would think that it did not even exist. For the interest of the House I might mention that Mr. Mel Smith, former constitutional adviser to the province of British Columbia, in the lead paragraph in an article he has just written says: "British Columbians of every political stripe should be up in arms over the current scheme by the government to subvert the most fundamental principle of democratic society, representation by population and in the process deprive British Columbia of seats it is entitled to in the next House of Commons".

• (1120)

What can we do to get proper representation for the province of British Columbia? We recognize that we do have one particular anomaly with respect to representation by population and that is Prince Edward Island where the average population per seat ranges between 30,000 and 34,000. So be it. It is a fact of history. It is an anomaly.

What about the province of Ontario? Under distribution as we currently have it, seats range in population from 63,000 to 209,000. I would suspect that the constituents that are represented by the member for Mississauga West must be wondering why the Liberal government in absolute union stood up en masse and said that was fine. For Mississauga West we can have 209,000 population versus 63,000 population. It is all right.

It is fair and good to say we are going to redistribute the seats in Parliament. We are going to do things differently. We are going to go into the process. However someone has suggested that many of the processes in Ottawa resemble glacial time. An ice age will come and go. We are going to be fighting the next election based on 1981 census figures.

What has happened in metropolitan Toronto? What has happened in Alberta? What has happened in Vancouver? In these areas we have had an absolute explosion of population and now these people are under–represented.

Let me also state that another problem is one of geography. Coming from an area that is bounded by mountains I recognize the difficulty in representing the number of people that I represent versus the number of people that are represented in constituencies in greater Vancouver. Again we have anomalies or variances. It is something we will have to discuss when we are talking about geography because of travel and distances. As a consequence substantial dollars are spent. If I, as a member of Parliament, am going to be representing more people we are going to be into more costs.

The Reform Party stands for representation by population in the lower House. We suggest that this motion is a tactic, it is a fait accompli because the Liberal government used closure to inflict on us these anomalies. Perhaps we even have to take a closer look at the other place. We are currently represented by people appointed there.

Canadians should be aware of the fact that Premier Filmon, as I understand it, is presently taking a look at the possibility of putting a ballot forward at the next provincial election in Manitoba in the same way that the province of Alberta did concerning the election of a senator.

I would suggest to all Canadians watching this broadcast that they give serious consideration to writing the premier and supporting him in the hope of getting proper representation within Canada. In the lower House we would have representation by population, if indeed we ever get around to it, and in the upper House we would have at least one more of the *E*s which would be an elected member in that Chamber.

I listened with interest to the Secretary of State when he mentioned that the results of redistribution were published without input. Perhaps some people would find it amusing that he is bringing up the point just at a time when we will be having public input. At the time when ordinary Canadians were going to have the opportunity to have input to this most fundamental part of our democratic process, the Liberals shut down the process. That is rather interesting.

• (1125)

However, to make something good of something bad, we recognize there is a strong desire on the part of all Canadians to see a cap on the number of members of Parliament. The secretary stated that earlier in the debate. He said that Canadians are tired of the continual increase. Canadians want to see a change.

Therefore, I would like to move an amendment to the motion. I move:

That the motion be amended by deleting paragraph (a) and substituting the following:

"(a) a formula to cap or reduce the number of seats in the House of Commons:"

Ms. Margaret Bridgman (Surrey North): Mr. Speaker, in my address I shall focus on the aspect of the motion of whether the number of MPs should continually increase. In the course of this I shall include some thoughts on the geographical and electoral boundary concerns.

In keeping with the concept of representation by population or each MP representing approximately an equal number of Canadians citizens, two factors influence this. One is the constant increase in the number of Canadians and the other would be the movement of the population within our borders.

Two options present themselves as methods of achieving this representation by population, the first one being that we could establish the number of MPs we would have in the House and divide that number into the total number of Canadians to obtain the number of citizens that each MP would represent. This representation number becomes the variable that would change each time we address this process.

The second option would be the reverse of the first. That would be to establish the number of Canadians that an MP would represent and divide that number into the total number of Canadians. This would make the number of MPs the variable that would change each time we reviewed and updated this process.

Two points to note are that regardless of which option is employed the electoral boundaries of constituencies will change. In both options the existing boundaries within our country do not influence the designating of federal electoral boundaries. It is strictly on head count.

• (1130)

Before moving on to the geographic concerns I wish to comment further on these two options. I favour the establishing of a given number of MPs, say 295, and increasing the number each represents as required.

If we were to do the opposite and increase the number of MPs each time we would be creating problems that would repeat themselves each time we updated our electoral representation or legislation and we would look for solutions each time.

The first problem that comes to mind is accommodation of the added MPs. A possible solution to this requires an expansion of this building or the room and that in turn would generate or create the problem of finding the dollars to pay for it. The expansion of this building or the room would not apply if we had a cap on the numbers of MPs and increased the numbers they represented each time.

A second possible solution to increasing the number of MPs is to utilize the communication highway where we could all stay at home and chat with each other from there. The ramifications of this present a debate in itself and is best left for some other day. I cannot help but wonder that if this ever came to pass considering the size of our country the first obstacle that we would probably debate would be the start and finish times of MP duty times.

A third possible solution to increasing the number of MPs, and this would be taken over using this approach over a long period of time, is that we could possibly end up with so many MPs that the solutions to address that issue at that time may be such things as shift work or breaking up into small groups of MPs and rotating one or two of us through the House Monday through Friday.

To get back to the reality of now, we have 295 members and the House is full. There is probably not even enough room here now to suggest a renovation activity to provide the same amount of leg room for the MPs in the top three rows as in the bottom two rows. We are that full.

If each member spoke for 20 minutes and then responded to 10 minutes questions or comments we would need 147.5 hours of agenda time. Along with this we are in Ottawa approximately 26 weeks of 52, or half a year, and if each of these weeks were allowed 25 hours of agenda time, we would have a total 650 hours. If we divided that by the number of MPs and each participated, each one of us would be able to speak 2.2 times a year.

By increasing the number of MPs we would decrease the number of opportunities that each of us would have to participate in the debates in this House and other business. There is not time.

Keeping the number of MPs in the House constant and varying the number that each represents can create some problems or concerns. The most notable would be the inequity in the number of square miles of each constituency. To achieve the numbers involved in the two options the densely populated areas would be geographically small and the less dense would be large to horrendously large.

A possible solution to this and in keeping with representation by population is to address the process aspect of this procedure and adjust the MPs' constituency budgets to accommodate this. For example, in small geographic areas one constituency office is close enough to each constituent to allow them to visit their MP when he or she is in the area. In large geographic areas two or more offices may be necessary to achieve this same effect. Along with the budget adjustments to accommodate the extra offices we would probably have to look at travel expenses. This implies a cost consideration. A cost consideration would also be applicable if we increased the number of MPs. There may be other possible solutions within the process area to address this issue.

• (1135)

Another possible concern in relation to keeping the number of MPs constant would be the ability of the MP to adequately represent the ever increasing numbers of citizens. I believe the solution to this concern lies within the realms of communicating and the availability of the communication vehicles to do so.

To comment on the electoral boundaries for a moment, we seem to have restricted our approach to establishing federal electoral boundaries by attempting to work within some of the existing internal boundaries. We have three levels of government and all are elected by the people and each have a specific number of elected representatives. City and municipal governments do not divide their areas into boundaries. Their geographic areas are small enough not to.

Provincial governments have larger areas and do divide them, not necessarily according to the city or municipal boundaries but according to population numbers.

A possible approach to this on the federal scene is to consider the boundaries on the federal scene as those of the country and again the whole area would be divided according to population.

In closing, capping the number of MPs in the House of Commons and achieving the concept of representation by population through the adjustment of the number of citizens each MP would represent and establishing electoral boundaries accordingly is the solution I favour.

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, I have a few thoughts to add to this motion to refer the matter of redistribution to a committee of this House and on the amendment of the member for Kootenay East to look at capping the number of members of the House of Commons. I have seven short points to make on that, the perfect number for those in the House who would like to have something to count.

First, we need to look at the cost considerations of increasing numbers of members in the House of Commons. The Canadian public is becoming increasingly critical of the cost of its government, the inefficiencies it perceives in the allocation of moneys that go to support government; the budgets, the support systems, the salary costs, the pension costs. All of the liabilities that we incur as a country because of increased representation should be a factor because they concern the taxpaying public.

Second, and this has been mentioned, the physical limitations of the House of Commons are a consideration for us and another reason to support the amendment that has been brought forward to this motion.

We have now a very full complement of seats in this House. Many members, especially those members considerably larger than I, have complained about the cramped space for the work of debates and participation in the House. It is very clear that adding more bodies and more physical demands on the space in the House is going to be very difficult to accommodate.

Third, particularly in the system we have had to date there is a very limited role for many of our members of Parliament, particularly backbench members of the government. The decisions generally are made and taken by cabinet and those who advise cabinet. The purpose of the backbenchers in the House seems to be to support those decisions. Simply having more people standing up and voting for decisions that are taken by a small group does not seem to be a very needed addition to the way our system works at this time.

• (1140)

Fourth, it is fair to say that most Canadians would not see an increase in the number of members of Parliament as being equal to better representation for them. I believe from talking to Canadians and from comments that many of us have heard across the country that most Canadians would argue that they are not as well represented today as they were 10 years ago, even though the number of seats has increased. It is not the number, the quantity of representation, it is the quality of representation that is important to Canadians. It is clear that it is the quality of representation that Canadians want to see addressed, not the quantity.

Fifth, these points have been made and I think bear repeating. Canada is over represented as a population compared with other democracies. For example, in the United States members of Congress number about a hundred more than in Canada with 10 times the population. They have only about 30 per cent more representation with 10 times the population.

It is very clear that other democracies manage to give quality representation with far fewer representatives per component of the population. We need to look at that as well.

Sixth, it should be emphasized that Canadians want fewer politicians. We do hear this over and over and this is not disputed. All members of the House when we discussed these issues agreed that the feedback they get from their constituents and from other people in Canada is that they do not want to see more politicians, they do not want to see more representatives, they do not want to see more MPs. They want to see the ones who are here be more effective, they want the system to be changed so that decisions are more representative of the judgment of Canadians. There is no cry for increased numbers of representatives.

We should not forget who we are supposed to serve. Our decisions should be taken in a way that meets with the approval, that carries the judgment of the people who are paying the bill, the people who are asking for the service that we provide. It is very clear that Canadians do want fewer representatives rather than more.

Seventh, when we talk about capping the number of MPs, how do we address the problem of regional representation? In my view it would be unwise to make regional representation too strong a feature in how we structure the way our representatives are chosen and the proportions from particular provinces or areas. It is clear that we do have some anomalies like Prince Edward Island, which has been mentioned, which perhaps need special consideration.

In our view the principle of representation by population should be adhered to as closely as possible in the way we structure the choosing of our members of Parliament. Regional representation and the need for that element in our political system, in our law making bodies, should be addressed through changes to the Senate rather than through changes to the House of Commons to ensure that certain proportions are made and do not change for different regions or provinces.

We have put forward as the Reform Party specific proposals for the reform of the other place in order to achieve those objectives.

The bottom line today when we consider whether to support the amendments that have been proposed is whether we are responsive as members of Parliament to the clear wishes of our constituents and the citizens of this country, to the economic

resources which they are able to provide for the operations of government, and to considerations of fairness and practicality.

Canadians would welcome a commitment on the part of this House to limit the number of representatives they must support and instead work more on increasing the quality of representation rather than the quantity of representation.

• (1145)

I urge members of the House to support the amendment that has been put forward and to instruct the committee of the House working on these issues on our behalf to factor into the proposals it brings back to us at the end of its deliberations a specific proposal to cap the number of members of Parliament and, if possible, to reduce it.

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, the remarks of the hon. member who just spoke were very sensible and well thought out. Her predecessor in the debate suggested that it might be worthwhile to say a word or two in support of the concept of reducing the number of politicians in the Canadian political system.

We have 295 members of Parliament in the House. Some years ago we had a total of 181. When I was last a member there were 265. With due respect to everybody in the House, I do not believe the efficiency of a political body increases with increases in numbers of members.

The member quite correctly, and with some precision, pointed out that we were overpoliticized compared to some other jurisdictions and that we had more politicians per capita than many others. As I heard her words I made a quick calculation on the back of an envelope and would like to suggest that the United States senate would need 1,500 members to have the same representation proportionate to population that we have in Canada with the House of Commons. I suggest the hon. lady is quite correct in saying that an attempt to increase the size of the House depending on a formula in relation to numbers of voters and representatives would ultimately destroy the efficiency and effectiveness of the political body.

I suggest the United States senate with its 100 members is a body that works quite effectively. To have 1,500 members would create a body which would not work effectively. Therefore within those two parameters we can all determine where the appropriate level should be. The comments made are well worthy of careful thought.

Canadians have legislatures with large numbers of people. Over 15 years the legislature of British Columbia increased from 55 seats to 75 seats. If we continue that rate of increase in the legislatures of the provinces, if we continue the rate of increase in the Parliament of Canada, the House of Commons of Canada, we will wind up with quite ineffective chambers in terms of rational, logical debate. That is one point.

These chambers are designed for one person speaking at one time. The more people we squeeze into them, the more limits we need on what they can say and the more rules about time limits or their opportunity to represent their constituents. Those points must be taken into account as well.

For example, with no disrespect, we are not many here today. It was possible with an uncrowded House for us to listen to each of the speakers. That happens when we are in smaller groups. We listen to one another. We tend to go through the logic and say: "Gee, that makes sense" or "Boy, that is dead wrong". We tend to listen. How many people in the House today have not risen, made a speech and sat down afterward just a little irritated that everybody was doing something else, that it was simply a speech for *Hansard*, or that it was not part of the vital process of democracy?

We must remember that as we constantly increase the size of the House the effectiveness of the body is less and less, and more and more we are simply speaking for the record, speaking for the newspapers or speaking for some other purpose than a true debate among members of the House.

Again with no disrespect to this body I believe, looking at my experience in politics at both levels of government, that with 55 members in the British Columbia legislature we spent a lot more time in debate thinking about what the other person was saying, listening to what the other person was saying, and adjusting our ideas in accordance with what the other person was saying. Without suggesting that the House of Commons should have 55 seats, I simply say that smaller bodies tend to be more effective political organizations from that point of view. I was most struck by the words of the hon. member and the previous speaker from another party. I am quite willing to say that I am in complete agreement with much of what she said. The House is too big. My personal belief is that it would be more effective in the range between 220 and 260 seats rather than over 300. It will be over 300 if we do not adopt the process of cutting it back.

• (1150)

I supported the process of putting the whole business of the number of seats to a committee because I believed that the 300–member point was a tripwire. If we cannot keep the House below 300 members we can kiss goodbye any real effort to cut the costs of government in Canada at the political level. If we cannot do something to cut back on the cost of government and at the same time to increase efficiency, why bother asking other elements of government such as the civil service to try it? We as politicians should think very closely about the importance of cutbacks on numbers.

As we know this process is to send the whole issue of redistribution to a committee. That was proposed by the minister. That was spoken to very eloquently by the hon. parliamentary secretary and spoken to, I might add, in general terms very eloquently by members of the opposition.

I am not a believer in curbing the committee with caps, restraints or limitations. I believe we should let the committee decide what is appropriate after it has heard from people on the issues involved. I trust the hon. member who has just spoken will be a member of the committee. Her views on the issue are very attractive to me. It may be that considerations will come forward that will modify her views or mine as the case may be. I do not believe we should be setting limits on the committee and attempting to determine the outcome of its deliberations before it actually meets to consider the issue of redistribution.

I do not wish to take any more time, except to say that the concept of cutting back on the number of seats in the House of Commons or the concept of cutting back on the number of elected representatives in the provincial legislatures is extremely attractive. Only if we start making these bodies more effective can we make individual members more effective parliamentarians and representatives of their constituencies.

Therefore I applaud the thrust of the argument of the previous two speakers. I am attracted to it. I am quite willing to say that while they may be on the other side of the House they have met a very responsive chord on the government benches, as indeed they know full well frequently happens. We wish to incorporate their views on the issue of redistribution and on the issue of how many seats there should be.

My final point, again in agreement with the hon. member, is that when she stated there should be proper representation across the country based upon population she was dead right. We can make the odd exception. We have always made an exception for P.E.I., but that is the exception that should prove the rule. The rule is rep by pop. The general rule, given the limitations of large areas of the country with very few people and making allowances here and there for special circumstances, is rep by pop.

Therefore I do not see the approach of turning over the boundary commission proposals to a committee of the House to be anything in the nature of taking something away from a province. For instance, my hon. colleague from Ontario is listening to me at the moment. I do not think our proposal is to take four seats away from Ontario which would otherwise occur. I do not think our proposal is to take two seats away from British Columbia. It is a question of saying that we have reached the point where the House will have over 300 seats and it is now time to do something about it.

Mr. Pearson was probably right in the sixties, some 30 years ago, to set up this type of system. However it has ground on remorselessly giving the House more and more members and it is now time for us to call a halt to automatic mechanisms that simply churn out more expense for the public and perhaps reduce the efficiency of the House. That is why I am happy to support the government's approach in this regard and to commend hon. members on their speeches.

• (1155)

Mr. Jim Silye (Calgary Centre): Mr. Speaker, I follow on the heels of the Minister of National Revenue who pointed out that there were some advantages in the proposals made by members of our party. I appreciate his candour, his openness and his willingness to enter into a spirit of non–partisanship on something as important as this matter.

There is no question the cost of government is ever increasing. The only way we can put a halt to it is through attrition. We should not increase the size of the House. The committee should be given direction. All we are asking in our amendment is for the committee to be given enough direction or encouragement to consider the possible downsizing of the House of Commons and to consider the possible freezing or setting of the cap at 295 for the House of Commons, as we are presently designed now.

All we are asking in our amendment is that these points be made to the committee for its consideration. If after due deliberation the committee comes back and says in the spirit and principle of rep by pop or in the spirit and principle of the act of Confederation that it must continue its present course, so be it.

We happen to believe the committee should be given the opportunity, the authority and the right to come back to the House with a report reflecting and including representation by population and the fact, as the member for Calgary North pointed out, that increasing the size of the House does not necessarily mean it will perform any better.

We have a government, a cabinet and what we call backbenchers. Backbenchers are usually assigned to various committees. They select the various chairmen of committees. Sometimes cabinet gives good leadership and cabinet ministers give those corresponding committees direction, responsibility and duties. However that is in the minority.

In the majority of cases cabinet ministers give no direction to their subcommittees or their committees, give no follow up to those committees and give token appearances to the committees. Sooner or later during the course of the Parliament they lose interest and know they are there to vote on a partisan basis.

In return for the support of the Minister of National Revenue on this issue I would commend about four or five cabinet ministers of the government who have given their various committees direction, who have given them some authority to report back and get the feel and the will of the people. I believe

the chairmen of these committees and the members of government on those committees feel like they are making a contribution.

If that continues we can do some good for Canada and Canadians. However, if they do not do it, that is where I say increasing the size is just a waste of time and money. We have to reduce the cost of doing business in Parliament. We have to reduce the cost of doing business for government. We have to set the example.

When the Minister of National Revenue proposed Bill C–2 he indicated that he wanted to amalgamate two deputy ministers into one. It was an effort to streamline and lower the cost of doing business yet increase the efficiency and the effectiveness of government. We will be watching to see if the new super deputy minister of national revenue, taxation, customs and excise lowers the cost of the department, improves the efficiency and effectiveness of the services within the department and achieves the aims and objectives of the bill. We will be watching. Hopefully that will come about.

I would like to get back to representation by population. There are two ways to continue the principle of equal representation. We are not really on representation by population. We know that on the principle of what was guaranteed to Prince Edward Island in joining Confederation. It was guaranteed a minimum of four seats no matter what its population became.

• (1200)

Therefore what we are trying to do is come as close to representation by population as possible and emulate that principle in theory. Right now there are two options available to us.

The first option is to continue on the present course. Every eight years when there is a redistribution calculation we would look at the population shift and then increase the number of seats. That is representation by population and we would be giving everybody what they want. Consequently that is what increases the cost and size of government and we wish to diminish and reduce that.

The second option is to stray away from that philosophy, that principle and that theory which is flawed. Let us try to improve and accept a new theory that would look at redistribution and the formula for both urban and rural areas.

Whether the size of the House of Commons is the current 295 or it goes back to 260 or in the range the Minister of National Revenue recommended of between 220 and 260, whatever that number becomes, the size would be capped. Then future redistributions and future principles of following equal representation or representation by population could be accommodated in both rural and urban areas by simply reallocating the ministers in those areas and changing the boundaries to reflect the shift in population rather than adding the number of people.

Let me repeat for the purposes of the committee and for the purposes of my contribution to this debate. I am suggesting if the size of the House of Commons were set at a fixed number we could still be a democratic institution and still respect redistribution on the basis of shifting the boundaries but not increasing the number of people. That is something I hope the committee looks at.

The other point is the problem with the Senate which has to be addressed. We have to some day very soon look at this institution which can be elected, equal and effective. We can work together rather than always degrading that other House.

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

Some hon. members: Question.

The Acting Speaker (Mr. Kilger): The question is on the amendment.

Mrs. Ablonczy: Mr. Speaker, on a point of order. I had understood the amendment to read "including the possibility of a formula or cap to reduce". Are those words not in the amendment? That is what I had understood.

The Acting Speaker (Mr. Kilger): I thank the hon. member for Calgary North for her intervention. If she will give me a moment, I will consult with the table officers and do a verification of the amendment.

The amendment was correct in its first form. The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

• (1205)

And the bells having rung:

The Acting Speaker (Mr. Kilger): Order. Pursuant to Standing Order 45(5)(a), I have been requested by the chief government whip to defer the division until a later time. Accordingly,

pursuant to Standing Order 45(5)(a) the division on the question now before the House stands deferred until later this day at 5.30 p.m. at which time the bells to call in the members will be sounded for not more than 15 minutes.

* * *

[*Translation*]

CONTROLLED DRUGS AND SUBSTANCES ACT

The House resumed, from February 18, consideration of the motion that Bill C–7, an Act respecting the control of certain drugs, their precursors and other substances and to amend certain other Acts and repeal the Narcotic Control Act in consequence thereof, be read the second time and referred to a committee.

Mrs. Pierrette Venne (Saint–Hubert): Mr. Speaker, the Minister of Health tabled Bill C–7, an Act respecting the control of certain drugs, their precursors and other substances, but this legislation has nothing to do with public health.

The government is not being honest in tabling a bill under such misleading pretence. This bill concerns criminal law and nothing else. In its present form, it should bear the signature of the Minister of Justice or the Solicitor General.

Whichever way you look at it, it is hard to find in this muddled document anything but a new criminal law to control drugs. Therefore, for the purposes of this debate, I will assume that this legislation is nothing else than what it appears to be. Obviously, the government would want us to believe that this is a health bill, and for one reason only: Criminal laws have to be precise, clear and conclusive. They are passed by Parliament and leave very little leeway to cabinet regarding the definition of their scope. By making Bill C–7 look like an administrative measure, all the provisions allowing Cabinet to establish regulations become justified. This is perhaps the most comprehensive example of legislation by delegation.

• (1210)

There is no other reason why the government would claim that Bill C–7 is a public health measure. The pretence is simply too obvious. The Liberal government is trying to get full decision powers on the most important aspects of the legislation. It has neither the courage nor the honesty to tell Canadians that Bill C–7 is merely an attempt to fight drug trafficking. Why not be honest? Why is the government hiding its true motive? The government should admit that it is so suspicious of this House, that it tries to hide its real intentions. And those intentions are contained in the wording of the legislation.

Police forces are currently enforcing two complementary acts: the Narcotic Control Act which will be repealed by the bill before the House and the Food and Drugs Act, which will be repealed in part. The government maintains that the new act will give more flexibility to police services, because provocation and undercover activities will be authorized under the new regulations.

However, the explanatory notes of the bill are silent on the government's concerns regarding public health. The purpose of this legislation is obviously to control the movement of drugs and suppress trafficking. Why not clearly say so?

This is nothing but a new Narcotic Control Act, framework legislation, unique in itself, criminal legislation which gives cabinet exceptional discretionary powers as to its scope and its implementation, not unlike the former War Measures Act. This is the context in which we have to consider Bill C–7.

Having said so, I agree with the majority of Canadians that we have to provide police and judicial authorities with the tools they need to efficiently suppress drug trafficking. Therefore, I support the purpose of Bill C–7, to the extent that it tries to put a stop to the movement of drugs. From massive importing to individual possession, the legislative drafters covered all social problems associated with illegal drugs.

On this particular topic, I want to say that I am very pleased with the way the various stages of trafficking are dealt with. The bill considers separately such issues as drug production, and importing and exporting, offenses which carry a maximum sentence of life imprisonment. The exemplary nature of such sentences and deterrence must continue to apply. Harsh sentences such as those will not shock honest citizens.

Zero tolerance for illegal drugs means suppression by police and judicial authorities at all levels of distribution. So, I am pleased with the new classification provided in this bill. Offenses, like simple possession, trafficking, possession for purpose of trafficking, importing and exporting, production of substance, possession of property obtained by trafficking and laundering are now very well identified. Each category is treated according to the seriousness of the offence and carries proportionate sentences.

I do have some reservations about the way possession of cannabis is handled, but that issue can be reviewed by the parliamentary committee, and I look forward to the testimony of experts in this field.

This bill could meet with our approval if it were to lead to some true legislation, but unfortunately it is not the case. Bill C–7 is essentially the same as Bill C–85 which was brought in by the late Conservative government. The government party cannot claim to have created this initiative.

It would be a mistake to try to make people believe that this is a new measure, inspired and motivated by recent circumstances

and designed to give the police effective emergency powers of investigation on trans–border Indian reserves.

• (1215)

This is misinformation. This piece of legislation has been on the back–burner since Bill C–85 died on the Order Paper in the last Parliament. It was revived by the Liberals who have just missed an opportunity to produce a bill that would be easy to read and to understand and that would respect the jurisdiction of the Confederated States, which are still called provinces.

I am disappointed, because if the legislation is passed as it is, it may well miss the point, above all because it will be torn to shreds by the courts on the account of its lack of clarity and of its possible unconstitutionality.

I am disappointed also because we are again faced with a botched and improvised measure. Indeed, if Bill C–7 were to be passed exactly as it is, it would not be understandable for most Canadians, who have no legal training and who would need whole legal essays to distinguish all its subtleties and references to other laws.

Allow me to read two quotes taken from an outstanding study conducted by professors Usprich and Salomon, of the School of Law of the University of Western Ontario on the old Bill C–85, which I myself apply to the current bill. I think these comments are as valid for C–7 as they were for the old C–85, and I quote:

> It would not be exaggerated to say that the bill reads generally as if it had been drafted by people who are not familiar with criminal law and who have acquired their experience writing legal texts on income tax—
>
> In general, the legislation is badly written and even if we disregard several blatant mistakes, it is uselessly complex and generally difficult to understand. We consider this bill to be a step backward.

And yet, if it were only for the inaccuracy of the text, it would still be possible to send the minister back to the drawing board, but there is more. The federal legislator uses a style that is confusing, complex and twisted to describe and define very simple cases of trafficking, production and possession of illegal substances.

The bill often refers to other legislation for its interpretation and this makes for an obscure text with countless legal nuances and exceptions, a text so incomplete as to need Cabinet regulations before its final scope can be known.

We all want the bill to achieve its underlying objectives but we denounce the insufficient means it proposes to fight drug traffickers, who will successfully challenge it in court at the first opportunity. This is an amateurish piece of legislation, Mr. Speaker, mere window–dressing.

This bill should be sent back to the minister, not the Minister of Health, but the Minister of Justice, to be completely rewritten and brought back to the House as soon as possible. We will give our unconditional support to a complete, simple and effective bill in the same spirit, but not this one which was drafted by people who are completely out of touch with reality.

We are told that this would be an improvement compared to the present legislation, and that the bill is needed to control illegal activities on the Mohawk reserves. Nothing is farther from the truth. I challenge anyone to find something in this bill that gives the police more effective power than the present legislation does.

Finally, this bill is unacceptable because it is outright interference in provincial jurisdiction over civil law procedure and the administration of justice. In the disguise of a bill on public health, the government is actually trying to impose a real code of legal and administrative procedure. The administration of justice inside a province is its exclusive jurisdiction, as is public health, by the way.

• (1220)

Whether you approach the constitutional study of this bill from either of these aspects, namely public health or the administration of justice, the conclusion is the same: it is an unacceptable encroachment upon areas under exclusive provincial jurisdiction.

In order to ensure compliance with the forthcoming regulations, the bill allows the Minister of Health to designate inspectors who have considerable powers. As long as these inspectors do nothing else but examine stocks of designated substances held by licence holders, there will not be any problems. I think that the minister responsible for enforcing the legislation must have the administrative means to fulfil his or her mandate. But the bill authorises these same federal inspectors to contravene any provincial legislation regarding the confidentiality of medical records.

Quebec's privacy legislation, particularly with regard to access to medical records, serves as model. Through its Charter of Rights and Freedoms, its new Civil Code and its privacy legislation, Quebec has become a world leader in this area. In particular, medical records in Quebec are better protected than a fortress. Now, the Minister of Health introduces a bill that would authorize any federal inspector, whose qualifications could be inversely proportional to his or her partisan activities, to enter the place of business of a physician or a pharmacist, to demand access to records and computer data, to make copies of this information and to distribute it to all kinds of people within the federal government. We do not accept that.

Nor do we accept that, in a much more insidious way, the legislation authorizes the cabinet to make compliance regulations that will manifestly go beyond the scope of the bill and that will constitute new attacks on provincial jurisdiction. The minister has done her homework poorly, and, moreover, she leaves it to Cabinet to finish the job. Clause 54 empowers Cabinet to make regulations on what the legislation does not cover. Not only does the legislation say nothing about important

aspects of its implementation but we do not even know which minister will be responsible for it. This will be up to Cabinet to decide.

Even the professional corporations that should be the first to be concerned by this new legislation do not know whether their members will be affected by the bill. Again, it will be up to Cabinet to decide whether pharmacists, veterinarians, doctors and dentists will have to get a licence to sell and distribute designated drugs. If this were not legislation in the field of criminal law, we might be willing to leave it to Cabinet to make regulations. As in the case of several other pieces of legislation, we would only have to define parameters in framework legislation and give Cabinet extensive regulatory powers. In administrative matters, there is no great risk in proceeding that way. To the extent that Cabinet does not go beyond the powers with which it has been entrusted by Parliament, the regulations are generally valid.

It is quite another thing in criminal matters, for the citizen ought not to be forced to read every order in council to understand the content and the import of the bill. Yet with this legislation we are asked to give the cabinet the power to impose its will. Who can believe that we will accept, for instance, that Cabinet could use its regulatory powers to legislate on the conduct of members of the professions governed by the Quebec Professional Code? The activities of doctors, pharmacists, veterinarians and dentists in Quebec are exclusively regulated by legislation that controls the practice of their professions.

In addition to being submitted to their organization's monitoring, professionals in Quebec are governed by the Professional Code. When the government proposes that the cabinet be given the authority to determine the conditions of practice of certain professions, it is asking us to make a clean sweep of provincial jurisdiction in that matter, to disregard the exclusive privileges of professional corporations and to grant itself supreme authority over the main fields of activity of pharmacists.

• (1225)

We cannot tolerate that this government would take advantage of a piece of criminal legislation to give Cabinet regulatory powers that so blatantly intrude into provincial jurisdiction on professional practice.

Here are two examples.

When the bill, in the preamble to clause 54, entrusts to Cabinet the regulation of the medical use of drugs, it deals with medical practice and not drug control.

When the bill gives to Cabinet all powers over the sale, supply and administration of drugs, it deals with the provision of pharmaceutical, dental or veterinary services.

When the bill gives to Cabinet the power to deliver licences for the sale of controlled substances, its affects the provision of all pharmaceutical services.

When the bill hands over to Cabinet the authority over the sale and storage of those substances, over professional qualifications of people authorized to sell them, over records those persons should keep, over the dealings of a professional corporation with its members, it is really a code of ethics and a whole set of regulations that the government is trying to impose to pharmacists.

We could go on for hours about this bill, which ignores the fact that the Constitution of this country is based on a division of powers.

Two recent initiatives confirm our misgivings.

The bill has still not been passed and debate at second reading has yet to be completed and two ministers, with contempt for basic decency, announce enforcement regulations which show how much power Cabinet seeks.

I said that this bill was incomplete. I now add that it is only a general and confusing preamble to a series of regulations that Cabinet will be empowered to adopt at its whim and for any reason.

The Solicitor General announced, in a tendentious press release that the police would have a clear and definite legislative basis for engaging in clandestine activities.

What the minister does not say is that this clear and definite legislative basis for new police powers will be in the regulations and not in the law.

This technique could be called legislative trickery.

It is a blatant lack of respect for Parliament. As if we could not legislate intelligently in this House as the cabinet can behind closed doors.

And the Minister of Health announced through the media that growing cannabis could be allowed for commercial purposes.

This government is trying to acquire full powers. It is presenting a bill only for the sake of appearances.

It is not surprising that the Minister of Health, who is apparently sponsoring the bill, announces without batting an eyelash that she is already trying to amend the law without going through the House.

That shows what little consideration this governement has for the elected members of this House.

We will vote against this piece of legislation which is badly written and thrown together and cannot hide the ambitions of the government to regulate professions that fall under exclusive provincial jurisdiction and gives Cabinet unacceptable and excessive regulatory authority.

[*English*]

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I listened to some of the speech of the hon. member opposite. Perhaps my reading of the bill is different than hers but my understanding of the bill is that it is basically a codification of regulations that currently exist under two other acts.

I know that in the last Parliament when the Liberal Party was in opposition we fought very hard against government by regulation on many bills that were put before this place. We believe that when measures impact on the people of the country by way of regulation, wherever possible they should be codified. If flexibility is needed that is fine, but the place to debate major changes is certainly on the floor of the House of Commons. It is my understanding that we are not going in the direction of further regulation but we are going in the direction of codification of existing regulations under some acts.

• (1230)

She spoke for a bit about the pharmaceutical industry. I can certainly tell her that when Bill C–91 hit the floor there was great debate on all sides about the impact of that bill on both sides of industry plus consumers in the health care sector of Canada. One of the major things that this side fought for, and we had a particular point of view on it, was that the regulations inherent in that piece of legislation had to at least go before a parliamentary committee to be debated.

I do not know what the position of the members on her side was. I think they did support the bill but we did not. That was one of the reasons. We believe strongly that when we are dealing with things such as C–91 and indeed when we are dealing with enforcement under the Narcotics Control Act or the Food and Drug Act the place these regulatory changes should be debated is here on the floor of the House.

I would like to get her comments because she did mention the pharmaceutical industry. I would like for her to sort of broaden that out because I did not quite buy her argument insofar as it related to the pharmaceutical industry in Canada.

[*Translation*]

Mrs. Venne: Mr. Speaker, first of all, we are talking about the regulations which cabinet makes from time to time, as I said in my speech. In fact, cabinet may propose regulations in the case of administrative laws but not in the case of criminal legislation. However, the present wording of the bill gives the government or cabinet the right to make criminal laws.

We had a similar case in the debate on gun control legislation, and at the time it was said that the regulations would have to be tabled in the House 30 days before adoption and publication, during which time they could be discussed in the House. That is what we decided, and that is what will happen in the case of our gun control legislation.

As for the second part of the hon. member's question in which he referred to the lack of response on the part of pharmacists and the general public, who do not see these things the way I do, I simply want to say there is no response at the present time because they do not feel concerned by this legislation. They are not mentioned in the bill. Why should they respond? The same applies to dentists and physicians. At the present time, no one is responding and no one is concerned by the bill. Why? Because for the time being, the individuals and professions that will be in this bill have not been identified.

So this is one way to get legislation through Parliament without people realizing what is going on, until the regulations are tabled and people are told these apply to veterinarians, physicians and dentists, and then they will react, but it will be too late.

That is why, as a member of the opposition, I see it as my duty to condemn these practices the government is trying to get through the House.

[*English*]

Ms. Margaret Bridgman (Surrey North): Mr. Speaker, I would like to inform the House that the Reform Party members will be dividing their time.

This bill deals with substances as listed in schedules I through IV and involves those substances that: "when introduced into our bodies produce a stimulant, depressant and/or hallucinogenic effect".

I have some concerns regarding the clarity and the continuity of the intent in some areas of this bill. It is a large bill and to illustrate my point I will select a few sections to indicate this lack of clarity or continuity.

Commencing with section 23 and a few thereafter, this section involves the disposing of controlled substances. The bill states, and I paraphrase, that any person may apply to the justice in writing and within 60 days of the seizure date of the substances for their return. If the justice is satisfied a person applying is the lawful owner or legally entitled to possession of the substance, and if the minister does not have reasonable grounds regarding the safety of the substance and the justice agrees that the substance need not be disposed of, then the substance will be returned to the legally recognized owner.

• (1235)

The minister can do this also in another situation and in that case the legal owner gets paid for the amount of the drugs. Considering this disposal when a legal owner is recognized, if the substance here is not required as evidence, the bill provides for the owner, if he or she wishes, to give consent to have the minister dispose of the substance.

On the other hand the bill does not appear to provide this option to the owner if the substance is required for evidence. He or she gets it back. This could be an oversight or it could be an intent.

Other areas lacking clarity are sections 28 and 25. In section 28: "The minister may cause to be destroyed, on notification of the Attorney General, any illegally produced plant from which a substance under schedule I, II or III may be extracted". The decision is made by the minister and the plant can be disposed of by informing the Attorney General before any controlled substance is produced from it.

It is assumed that in this scenario the plant has been seen by the minister as a potential public health or a safety hazard. In section 25, if the minister has reasonable grounds to believe that the controlled substance constitutes a potential security or health and safety hazard, notice is given to the Attorney General again but at this point a justice is required to be satisfied with the minister's belief before the substance will be ordered forfeited to the crown for the minister to dispose of. In this case it appears that a justice is making the decision to have the drug disposed of.

Here it appears that the minister has the authority to dispose of the plants before the components become controlled substances. Once they become controlled substances the agreement from a justice must also be obtained. This may be the intent and if so I recommend a little more clarity or rationale to eliminate the questioning of this concept.

To leave the disposal section of the bill, I would like to look at the first few sections, specifically sections 2 and 3. These seem to allow for some substances not listed in the schedules to fall within the jurisdiction of the proposed act based on either their chemical composition or their effect on the human body or both.

This could be the beginning of potential problems in that the medical practitioner or the pharmacist or some other medical person is left with the decision as to whether the particular substance not listed in the schedules could or would not be considered a controlled substance.

Making this decision based on the chemical composition of the substance may be straightforward. Making the decision based on the effects on the human body is not. An example that comes to mind would be a substance that may on occasions in some people produce side effects that could be seen to fall within the parameters of the bill as stated now and may on the other hand not produce those side effects in other people.

I assume the intent of these sections of the bill is to provide a control mechanism for those substances created between the updating of the schedules, that those substances that may indeed end up as being classified as controlled substances when the schedules are updated. In this regard, I recommend that mechanisms be built into the bill that allow for frequent updating of the schedules without having to review or address the entire bill or act each time.

One possible solution may be the removal of the schedules which list the substances by name, which are from the actual content of the bill and appended to the bill and yet have a detailed description of the types of substances that would be listed on the schedules. Have that within the bill.

There are a couple of other aspects that I would like to address quickly. I am running short of time. One is the monitoring of prescription records and this is presently being done by Canada's bureau of dangerous drugs. I believe the data are submitted once every 60 days. The bill tends to suggest they would be submitted every 30 days.

• (1240)

I would question or wonder about the feasibility of this as an increased workload for both those submitting the data and those receiving the data, and if indeed receiving the data more frequently would enhance the effectiveness of the monitoring of, and thus more control over, these adverse situations.

The second clarification needed is in relation to criminal charges. Apparently the bill provides for criminal charges to be laid if a person is in possession of drugs that are in schedules I and II. If they are in possession of drugs that are in schedule III the intent for trafficking would have to be proven.

In closing, I would have to oppose this bill based on lack of clarity in a number of areas.

Also at this time I would like to propose an amendment to the motion. I move:

> That the motion be amended by deleting the words after the word "that" and substituting the following therefor:
>
> "Bill C–7, an act respecting the control of certain drugs, their precursors and other substances and to amend certain other acts and repeal the Narcotic Control Act in consequence thereof, be not now read a second time but that the order be discharged, the bill withdrawn and the subject matter be referred to the Standing Committee on Justice and Legal Affairs."

The Acting Speaker (Mr. Kilger): The amendment is in order.

Resuming debate, the hon. member for New Westminster—Burnaby.

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, I rise in the House today to respond to Bill C–7 presented by the Minister of Health.

This bill is a near duplicate of Bill C–85 from the 34th Parliament. From my counting it is 71 pages, a considerable piece of legislation. I understand that this bill, like all bills, is not the beginning of something. It is more correctly seen as the end product, the result of much deliberation, consultation and thousands of hours of work by many.

This bill is a major realignment of drug control legislation, specifically an act respecting the control of certain drugs, their precursors and other substances, and to amend certain other acts and repeal the Narcotic Control Act. The first flag of concern is that this bill is presented by the Minister of Health. It amends the contents of the Criminal Code of which the Narcotic Control Act and federal drug act have traditionally been part. It is now seen as health legislation rather than behavioural control legislation that is commonly known as the criminal law.

• (1245)

I am directly suggesting that there is joint responsibility between the Standing Committee on Health and the Standing Committee on Justice. When this bill gets to committee the significant and traditional Criminal Code and justice nature of the bill must not be forgotten.

This begs the question: What is the government saying about the drug problem in Canada? What philosophical flavour made this bill be presented as health legislation? Certainly that should be a concern to the community.

The assignment category for legislation into health sends a message to the country. I am not so sure I like that message. Is there a misguided softening on law and order with this government? Has the government given up on the aggressive police enforcement side of dealing with the drug problem? I hope not. Certainly I do not think it has the political mandate for that either.

May this legislation receive the significance and priority that it deserves. For all its hoped for improvements let us hope that changes in the criminal law will not be weakened by Bill C–7's regulation to be seen merely as a health issue.

The role of the federal government in combating drug abuse is long established. Within Canada the Narcotic Control Act, the Food and Drugs Act and the Criminal Code provide the basic legislative structure for the control of psychoactive substances, narcotic stimulants, depressants and hallucinogens.

Enforcement of these federal statutes is the responsibility of the Royal Canadian Mounted Police who work closely with customs authorities, provincial and municipal police forces to combat illicit drug activity.

Health and Welfare Canada's bureau of dangerous drugs has a dual role in the implementation of the statutes. It provides administrative support to law enforcement agencies such as disposal of seized goods and assets, training assistance and scientific expertise. The bureau also administers the regulations covering the legitimate use of psychoactive substances for medical and scientific research purposes.

These provide for distribution procedures, security measures, record keeping and prescribing practice among others. There must be a balance between control over drugs and their availability to meet legitimate medical and scientific needs.

The health care community must also be accountable for its shared role in achieving this balance. Since practitioners, physicians, veterinarians, dentists and pharmacists are licensed by the provincial government where they practise, those governments are also responsible for ensuring that standards are met by health professionals under their jurisdiction.

Close and ongoing liaison among federal and provincial authorities is the key to an effective drug control program. However it must be sustained by bold, clear law that actually works in the courtroom and does not become a retirement plan for lawyers.

Drug control law must also send the right signals for general deterrence. It must work technically but it also must teach. It is symbolism and advance warning of what the community will tolerate.

My reading of the community mood is that it is looking for political leadership and courage concerning our drug laws. The attitudes of zero tolerance are increasing as the community comes to comprehend the long term debilitating effects that illicit drug use has on society, especially among the young.

Bill C–7 replaces a large part of the Criminal Code book which I have on my reference shelf, for the Narcotic Control Act and the Food and Drugs Act have traditionally been known as criminal legislation. Law enforcement agencies are involved. The courts regularly impose sentences on those duly charged under it, fined and given jail terms. This is the character and seriousness of the legislation.

Drugs are also related to organized crime. Yet this bill to amend the Criminal Code is introduced by the Minister of Health. Health is an issue for sure but Bill C–7 is clearly criminal law in tradition and substance. Therefore when we push this bill on to the next stage, I ask the government to send it to the Standing Committee on Justice and Legal Affairs, not the Standing Committee on Health.

I want to talk for a moment about marijuana. A survey a few years ago revealed at that time that 4.5 million Canadians 15 years old and over had tried some form of cannabis. The same survey showed that 1 in 15 Canadians used cannabis in the year of that survey and the numbers were rather astonishing. Approximately 700,000 Canadians have tried some form of cocaine. More than 800,000 have tried LSD, speed or heroin.

• (1250)

Since the drug problem seems to accelerate each year, there is no question that there needs to be a coherent, workable and

strong response by Parliament. We must give our front line people, who struggle valiantly to protect the community, the tools and legal terms to do their job.

I notice that in the first version of this bill, the Conservative one from the 34th Parliament, the amount of cannabis that is to be considered the demarcation line between schedules—serious consequences or not so serious consequences—in Bill C–85, schedule VI, it was one kilo of cannabis. That was the amount. Now in the same section of Bill C–7, that demarcation amount is raised to three kilos. What is the message here?

Maybe there are some arguments, such as fewer cases leading to jail terms, a cost saving measure. Perhaps pressure has come from certain social groups who believe in using pot as their religion. Whatever the reckoning, it is quite a message to send to the community.

What are the effects of the proposed legislation with reference to schedule VI? Those dealing in drugs could do so in shipments under three kilos. Should they get caught it would mean not as heavy a penalty as it would if they were caught with a quantity exceeding three kilos. This change might embolden what is happening on the street, especially in our high schools, and result in an increase in the drug trade. Traffickers will think that the law is getting soft.

How much is three kilos? It is three bricks, three bundles, about 6.6 pounds. It is about the size and weight of my newborn son, 6.6 pounds. What will 6.6 pounds buy or bring the children of our nation? Three kilos or 6.6 pounds would make an awful lot of joints.

As a criminal justice professional I have seen firsthand clients who have lost business careers because of closet marijuana habits. Years ago I saw a cabinet minister of the provincial government light up. How sad. I have dealt with sexual offenders on probation. Some of their excuses for molesting the children in their household was that they were high on cannabis.

The car accidents, the industrial accidents, the misjudged business deals leading to bankruptcy and many needlessly unemployed, the loss of general social judgment, the loss of the desire to work, the loss of the desire for academic excellence, these I have observed firsthand as a probation officer, officer of the court and family court counsellor, the direct result of the relatively tolerant attitude toward marijuana use. There we have some of the underlying principles of Bill C–7. These are the flags of direction that the bill takes.

In summary, first I say clearly that Bill C–7 is criminal law. Let us not slip it by as merely health legislation. Second, what a signal is sent by the threshold of three kilos for cannabis. This bill on that specific seems to go in the wrong direction.

The government may try to send a signal that we now are a mature, sophisticated society and that we can handle drug use in a tolerant and enlightened way under the guise of health but the community knows otherwise. The school authorities in my riding are not looking for a loosening of drug enforcement. The local crown counsel is looking for clear, tough, workable legislation that holds up in the courtroom.

My community wants legislation that gives clear authority to the duty constable when he pulls over a driver. It should give appropriate powers of search and seizure for drugs. I say it is not technically hard to do but it requires political will to send a clear signal which way we are going with this legislation. Let the community absorb what is being proposed. Let witnesses come forward. Let the people speak, not just the experts.

I challenge the government to not only proceed with its top down attitude telling the community what is good for them but let the implications of this bill simmer in the community and then have the courage to adjust its efforts into what the community expects from its leaders.

In closing, Bill C–7 is significant legislation. It is 71 pages worth. It remains to be seen what is the essential thrust, where it is going. I look forward to seeing it referred to the Standing Committee on Justice and give it the character and the intent that it deserves.

Mr. Morris Bodnar (Saskatoon—Dundurn): Mr. Speaker, the hon. member made reference to marijuana and a particular threshold of three kilos without making reference to that as being simply a procedural matter in the act and having nothing to do with substance.

The new legislation in dealing with cannabis, which is marijuana, puts the substance into the same schedule, schedule I, that opium, codeine, morphine, cocaine are in, some of the worst drugs that we have. Marijuana and its derivatives are in the same schedule where reference is made that marijuana, its preparations, derivatives and similar synthetic preparations are all included in schedule I.

• (1255)

How can the hon. member indicate that this legislation is not legislation that adequately deals with marijuana when that substance is put into the same schedule as other drugs such as cocaine, codeine and opium?

Mr. Forseth: I understand the point. There is a demarcation on schedule VI concerning the three kilo mark, over three kilos or under.

I know the pressure of the court system in the province of British Columbia and elsewhere. If the charge is simple possession of marijuana or a small amount for trafficking, and if there is an option to proceed summarily they are going to chose that option. Raising the amount to three kilos is, I think, sending the wrong signal. The criminal law must act and be functional and stand up in the courtroom, but it also is an educated and symbolic role. I think the bill sends the wrong signal to the community.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I think we may have had a problem with translation. I apologize for my lack of proficiency in the other official language but when the Bloc Quebecois member of the Official Opposition was speaking, the translation I believe was coming across that she was concerned about consultation and that pharmacists and other people in the industry should have more time for consultation.

I was reading it through translation as pharmaceuticals and I could not quite figure it out. That is why I asked the question I did. If the hon. member is listening, we probably had a little problem either with translation or my understanding of what the translator said.

I have listened with some interest to what has gone on this morning. We have had the two official parties in opposition, the Bloc Quebecois and the Reform Party, both speak on this legislation.

I thought that seven or eight months into the mandate members opposite would have remembered what they said in the first few days of this House. I know that the Bloc Quebecois has a mandate, or so it sees it, in the people who elected them. I think the Bloc members will find out that the mandate is not quite what they thought it was, if ever there is a referendum in Quebec. However, they believe that they have a mandate, first and foremost, to see the separation of the province of Quebec. I may disagree with that but they were democratically elected and I am sure that when they debate issues such as this, they are trying their best to represent the interests of the people of Quebec.

When we first came into this place there was a lot of talk that people were not going to become wildly partisan just for the sake of being wildly partisan, and that when good legislation came forward, members opposite, particularly in the Bloc Quebecois and the Reform Party, would do their best to support it.

This place works on confrontation. It works on opposition. When legislation comes forward the role of the Official Opposition and other opposition parties is to oppose. But I thought that we had gone beyond that and that no longer was it opposition for the sake of opposition.

This is one of the bills where the members opposite in the Reform Party and the Bloc could have shown that they really did want to make this a different Parliament, and that they really did want to co–operate to bring forward non–contentious legislation.

I do not know where some of the members from the Bloc are coming from, but the people in my community spoke loud and clear prior to the last election. They said they wanted a government whose number one concern was the health and safety of the communities.

The people in my community said it very loudly two years ago when I had to go to Portland Estates because we had a gang problem and people no longer felt safe in their communities. They did not want their politicians to get up here and dance on the head of a pin. They wanted real debate about reforming laws and striking the proper balances so that our criminal justice system reflected the reality and the needs of our communities.

• (1300)

There was a lot of talk about the Young Offenders Act. We heard how it had to be strengthened but at the same time we could not just punish; we had to try to reform. The emphasis had to be on rehabilitation not strictly punishment.

There is no question a level of consultation is needed. But I would say to my colleagues opposite when dealing with this that this is an uncontentious bill. There may be a few items here and there they may wish to change or I may wish to change but surely we can get some agreement that this type of legislation is progressive.

The legislation codifies some of the regulatory regimes dealing with the two acts in question. It makes it a little easier for our law enforcement officials and other people in the judicial system to actually enforce what it is we want. That is safer streets and harsher penalties for those who deal in death with narcotics. They do deal in death and narcotics destroy our communities.

I thought we would have gotten a little agreement but perhaps they slide too easily into old patterns. This was quite interesting.

The Reform Party more than the Bloc has indicated that only the Reform Party can talk about family values. I can say that I would get somewhat nauseous listening to some Reform members leading up to the election.

Members of the Reform Party would condemn past and present members of this place as simply not being able to understand what the people in their communities wanted. They literally contributed a great deal to the feeling that this place and the people who practised the profession of politics somehow lived on the underbelly of life and that we simply looked after self interests and not the interests of the community.

Reformers would always say that they were the law and order party: "We are the only ones who can bring law and order back". I remember debating with my Reform opponent in the election campaign. I can say that party would have locked everybody up and thrown away the key. That is what the Reform Party thought would save communities.

I would have thought that when they got into this place they would have also listened to the other little piece of rhetoric they spiel out occasionally. That is that they are truly different and as Reformers they are the only ones who can reform the way Parliament works.

Over the last few weeks we have seen their types of reforms. They give back cars but take 75 cents on the dollar from taxpayers to pay for their leader's car, haircuts, shoe shines, all the things they condemned us for. However I want to put that aside.

The Reform Party has fallen into the old patterns they so easily condemned. I have not seen them come in and support a government motion, except for maybe on one or two occasions, but not many.

This is a major piece of legislation. Surely to goodness there is some consensus that the government must move forward. It must simplify for law enforcement agencies and for the public the laws dealing with health and safety in our community. In this case it is Bill C–7 dealing with controlled substances.

This bill was before the last Parliament but did not get through for whatever reasons. Our government is holding true to our promises in the red book of coming in with progressive legislation and the changes necessary to respond to what Canadians want. They want healthier, safer communities.

Therefore we have come forward in the first few months of our mandate with a bill that was worked on in the previous Parliament. We did not think the bill was all bad so we have changed some of the things. We have modernized it again. We have tried to put some order into how we deal with some sections that without this bill are currently under the Food and Drug Act and the Narcotic Control Act.

I cannot think of anything that should bring more easy support from the Reform Party and the Bloc Quebecois. If anybody out there is watching, the Reform Party is the one that said everybody had to vote their conscience in this place.

I am not prone to attacking the opposition. I am getting a little fed up with their positions on things like this though. Every day they come into this place and they vote like robots when the government says it is coming in with a piece of legislation. They automatically all have. I cannot believe the Reform Party whip tells them how to vote because they told us during the campaign that was corrupt and bad. They must all be struck by some stardust in that each and every one of them every time a bill comes in finds it bad and they all vote the same way.

I wonder how their constituents who are really concerned about law and order feel about the hoist motion. For those out there watching we debate legislation in this place. We try to make the regulatory and statutory environment society works in a little better. We constantly have to try to modernize our legislation because our own morality as a society changes with time. It is interesting.

• (1305)

The hoist motion just proposed by the Reform Party in the amendment by the hon. member for Surrey North effectively says it does not want the House of Commons to deal with this issue. That is what a hoist motion does. The Reform Party came in with an amendment which, if passed, would hoist the whole issue of drugs, safe streets, crime as it relates to illegal and illicit drugs in our communities. We would not deal with it. That is what the effect of her amendment would be.

If there are any Reform supporters left after the last few weeks of revelations about internal party conduct of that party, I think the hair on the back of their necks should be bristling. They sent their members here to show this place could work differently and that members should support good legislation when it came before the House. More important, they did not want us to get into these games that they used to criticize. Members of the Reform Party criticized the games of Parliament well, such as hoist motions.

Now let us get real here with the Bloc Quebecois and also the Reform Party. Their mandate is to try to get some ink. They do not want the government portrayed in a favourable light because it is probably going to have some impact on their sagging popularity. I understand that. Opposition parties have to take that into account. I am a realist. We were in opposition and I know how the game is played. However, when we deal with these fundamental issues of safety and modernizing our legislation there should be some degree of consensus that we work together.

There is a red herring out there. There might be a cod with it because we cannot seem to find any of them on the east coast. A red herring has been thrown out a couple of times and I am not about to let it go by.

They are saying we cannot let this debate go on about the merits of the legislation, we have to talk about procedure. The real problem is that this stuff comes under the Criminal Code and should have been introduced by the Minister of Justice.

When it comes to cleaning up the streets in Dartmouth, I do not care if it is the janitor who introduces the legislation as long as it gets thoroughly debated and the impact on my community is that it is safer. If the people in Backwater Gulch somewhere are having a problem with drugs in their community, I do not think they particularly care who puts the legislation forward. So let us clear that one off the agenda.

If that is the biggest complaint they have maybe everybody in here will jump up and say they support the legislation. By the way, the Minister of Justice supports the legislation. Just because he did not move it does not mean he is opposed to it. Maybe that is what it was with Reform members and why they

could not support it. Maybe I have clarified it. Maybe they will support the legislation this afternoon.

On committee referral, I know most members of the Reform Party with the exception of their House leader are new here. Most members of the Bloc Quebecois are new here. However, the reality is that committees basically are masters of their own destiny in this place. We do not have the legislative committees the Tories did. We want to make sure we are building up expertise in certain areas on committees by all members of the House.

There is some agreement in this place that we have tried to do what we said we would during the campaign about making Parliament work better. We said we wanted the role of individual members to be heightened. We wanted to make sure they could provide input into the system.

I am the committee chair on fisheries and oceans. The way I run my committee is with the co–operation of members opposite and my own side. That is different from what the Tories did. We actually try to drop our partisanship at the door and come up with better legislation, if that is what we are dealing with. When we did the cod adjustment package, the Atlantic groundfish adjustment, everybody on my side was happy with the report. We showed that this government is putting its money where its mouth is in allowing committees to have as broad a latitude as they think they need from maximum input by members.

The second Reform Party red herring is that we have to get this over to the justice and legal affairs committee. Nonsense. If the Reform Party members in that committee are interested in trying to bring forward better legislation then they can ask the chair. When this legislation goes before that committee it can be put to a vote to have officials from the Department of Justice if that is who they want, or the janitor, appear before the committee. They can do whatever they want.

• (1310)

I want to strip away some of the nonsense that is being put here and to appeal particularly to the Reform Party. Start reading your own campaign material. You ran on law and order. You ran on trying to make sure this place ran better. You ran on trying to strip partisanship and gamesmanship from the House.

On an issue that deals with law and order which cleaned up the streets in my area, you are doing everything that you criticized past members and parties of this place of doing. Wake up. Read the polling numbers. I want to tell you, some of the problems you guys have over there, Mr. Speaker, those individuals—

The Acting Speaker (Mr. Kilger): I guess I rose a little too quickly. I see the member recognized the Chair. I just did not want to be forgotten in this debate. If we get too personal with the "you this" or "you that" we could allow our debate and discussions in this Chamber to degenerate. Of course we are all committed to the most vibrant, animated and forthright discussions possible but please do not forget the Speaker.

Mr. MacDonald: Mr. Speaker, thank you for reminding me. I slipped. What I meant was "they".

Let me put it this way, Mr. Speaker. Perhaps what those individuals on the other side should do is go back and read their campaign literature. They have slipped a few times. They have come to this place having raised themselves on a high holy pedestal. They have found it is a long fall when knocked off.

Indeed their leader found that out a few days ago. I hope they recover. I hope they do find a way to contribute, and I mean this sincerely, to the debates in this House.

They may laugh. I happen to have a great deal of respect for every member of this House no matter what their political affiliation, even if they are separatists. They have a right to have a say in this place. I am trying my best in this new Parliament to show we can work differently. I have dulled my tongue of its partisanship. However on an issue like this I am not prepared to because the public has to know what goes on here.

I have a problem in my community up on Hester Street in the north end of Dartmouth. The prostitution problem is driving this neighbourhood into decline. It is an old residential neighbourhood. It is not downtown in an industrial or commercial area.

The reality is the problem for the residents up in the north end on Hester Street and Albro Lake Road is not just prostitution but is drug related. In and around that area there were a number of known crack houses. These prostitutes are victims of the most despicable types of individuals when dealing with the pimps. Many or most of these young girls in the situation of prostitution have a drug problem. The pimps get them addicted to drugs.

Drugs are far too easily available in every community, every junior and senior high school, even elementary schools, in this country. The reason we have the problem on Hester Street in the north end is because there were two crack houses nearby. The prostitutes who were addicted to crack were plying their trade primarily because they could make some money and get a hit of crack. The police have found the laws would not allow them to take the type of action necessary to clean up the streets. That is a problem.

I will support any initiative this government or the opposition puts forward that would move in that direction. I know Bill C–7, which should not be a controversial bill, does all of those things. It moves in the right direction.

It will not be the last time this government comes forward with amendments to the Criminal Code, to health and welfare legislation, the Food and Drug Act, or other acts. We will respond as necessary. We will take the steps we believe will lead to safer communities and will allow law enforcement officials and the judicial system to deal effectively with those seeking to

destroy our communities and rob many of our youth of their lives and if not their lives, their usefulness in life.

This bill should be soundly debated in the House on the facts. The time to raise the concerns the Bloc Quebecois have had, and they are legitimate concerns I might say, about too much regulation without notification of this Parliament is when it gets to committee. We did that in opposition.

Pharmacists and people who legitimately have to use controlled substances in their legal work should be heard from, but the place to do that is at committee.

I ask members on all sides to see this piece of legislation for what it is. It is not a big piece of legislation. I think there should be unanimous consent on the intent of the legislation. Let us work if there is a problem through the committee structure to make it a better piece of legislation so that our streets are a little safer after it is passed.

• (1315)

Mr. Grant Hill (Macleod): Mr. Speaker, I am pleased that the member has dulled his partisan tongue. If he had not dulled it I expect we might need an ambulance over here.

I would like to ask the member, since he spoke so eloquently about non-partisan comments on this specific bill, would he reflect back to the 34th Parliament upon the comments made by the Liberal members of the committee when they were reviewing this bill. I am sure he will know about that.

Mr. MacDonald: Mr. Speaker, I certainly do know about it. I want to say that the member is very fortunate, as are you, Mr. Speaker, to have lived through the last Parliament.

In the last Parliament things did work differently here. I think one of the reasons that the Reform Party has been so successful across this country is that it was a negative response to the way things were done here. One of the reasons the Liberals so successful in the last campaign is that we recognized that the Canadian public no longer would allow Parliament to work basically by fiat, by a small number of individuals and mandarins to make all the decisions, that consultation was not real, that it was phoney, and that bad legislation and special interest legislation got passed.

I think the member opposite and even you and I, Mr. Speaker, have benefited by the past government's excessive partisanship and lack of consultation when it came to legislative process. Some of us did try to make this a better place. I can say that in the last Parliament one of the few committees that did work effectively was the government ops committee led by Mr. Holtmann, who is no longer a member here, and John Rodriguez, a New Democrat who was the NDP critic. We worked together with the groups there to try to come up with better legislation. I think we were a bit of a model in the way we were trying to do things.

The hon. member is right, there may have been some members in the past. We participated in the venue that was drawn for us by the government. We have drawn a different venue. We have put different rules forward. We allow members of this place to have their say.

I would urge the member not to live in the past, to look at the future, to look at reality. He will see that there is plenty of opportunity without falling into old patterns to allow members of all sides to have their say when it comes to formulating legislation.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, it is interesting to see the member who just spoke try to do a psychological analysis of the opposition's intentions, in particular regarding Bill C-7. However, I would like to remind him that when the Liberals were in opposition, they did exactly what we are doing.

As long as we think that a bill fails to reach its goal or is poorly written and is unclear and ambiguous, we will oppose it regardless of what the government says. I believe it is our responsibility, as the official opposition, to do so not only for Quebecers but for all Canadians. This bill is unclear and we oppose it in many respects. I will have later on the opportunity to dwell on a particular point.

But I am concerned by some statements made by the government members opposite regarding this bill. On February 15, the Sollicitor General of Canada stated to the press that it was important to amend the Narcotic Control Act as well as some parts of the Food and Drugs Act in order to be in a better position to fight the cocaine traffic organized by the Warriors on the aboriginal reserves.

I would like to know if the member agrees with this statement and, if so, if it means that the present Narcotic Control Act does not provide any means to control that traffic? Does the member agree with this statement and, if so, could he explain why?

[*English*]

Mr. MacDonald: Mr. Speaker, it is the first time I have had an opportunity to respond to a question which is so specific that it deals with not just one region of Canada but actually with a very special people in Canada, the native community.

• (1320)

The member does his side and his cause a great disservice, constantly focusing on problems that the native community or a native community or any minority community in Canada may have. If the member wishes to ask some questions dealing with the impact of this legislation across Canada, I would be pleased to answer. I am not prepared in any way, shape or form to allow the member opposite to put questions forward like we heard over and over again in question periods over the last two months in this place that deal specifically with the native community or any other community.

This bill is not meant to just strike out at people who violate the law, the norms of society, when it comes to trafficking controlled substances. I do not really care if they are Gaelic, if they are Cape Bretoners, if they are from the province of Quebec, from the Gaspé or if they happen to be natives. The way this government operates is that it legislates for all Canadians without noting which region they live in or which ethnic group they come from.

[*Translation*]

Mr. Bellehumeur: Mr. Speaker, the explanatory notes in Bill C–7 specify that the proposed enactment consolidates Canada's drug control policy to fulfill Canada's obligations under international conventions.

That consolidation, which is no doubt necessary, brings about major consequences, the most important of which is the repeal of the Narcotic Control Act, as well as of Parts III and IV of the Food and Drugs Act.

In the guise of that consolidation, the legal and statutory approach to a major problem is dramatically changed and this, without prior consultation. Yes, without consultation, and in a strange heavy context which raises concerns on this side of the House.

As you did, Mr. Speaker, I heard the comments that were made to the media by the Solicitor General of Canada on February 15, as I mentioned earlier. If it is true that there is an emergency, as if the present Narcotic Control Act could not allow the RCMP to stop the lucrative traffic of cocaine and other hard drugs, there is a problem with the system.

A country can have all the useful and necessary laws in some activity sector, but if the political will to enforce these laws in some areas of that country does not exist, they will be useless. So, we believe that it is necessary for Canada and for Quebec to have efficient and stringent legislation that responds to the present and imminent need to stop this plague. But, most of all, the police forces must feel that they have the support of those who will vote for that legislation.

From this House, we must give a clear message to anyone engaged in that black market that the legislator is serious in his or her willingness to counter narcotics and all other drugs. In order to do so, we should step up our effort and enforce the present laws while waiting for the updating wished for by Bill C–7.

In that regard, it might be useful to remind the Solicitor General of Canada of certain provisions of the existing Narcotic Control Act compared to provisions found in Bill C–7 dealing virtually with the same issue. If you read the bill, you will see that the legislator's intent was to criminalize the trafficking in designated substances as well as their import and export. However, the legislator does not criminalize trafficking since trafficking, and importing and exporting of narcotics are already considered a criminal activity under the existing Narcotic Control Act.

I could mention a whole list of provisions contained in Bill C–7 that are identical or similar to those contained in the existing Narcotic Control Act, but since I do not have the time, I will simply mention to this House that there is already an act that can efficiently counter cocaine trafficking or trafficking in any other narcotic, provided it is enforced everywhere in Canada.

As regards the statement of the Solicitor General of Canada who said that Bill C–7 would allow police forces to make sales under surveillance, which means that double agents could infiltrate smuggling networks and catch criminals by proposing deals, one can also question that novelty.

When the Solicitor General made that statement, he was referring to clause 54(2) of Bill C–7.

That provision reads as follows:

> (2) The Governor in Council, on the recommendation of the Solicitor General of Canada, may make regulations that pertain to investigations and other law enforcement activities conducted under this Act by a member of a police force and other persons acting under the direction and control of a member and, without restricting the generality of the foregoing, may make regulations: (b) exempting, on such terms and conditions as may be specified in the regulations, a member of a police force that has been designated pursuant to paragraph (a) and other persons acting under the direction and control of the member from the applications of this Act or the regulations;

• (1325)

There is absolutely nothing new in this bill. Something similar exists in the current Narcotic Control Act. The investigative power of police officers already allows them to infiltrate a group that they are watching and further, section 18 of the Royal Canadian Mounted Police Act already provides for that procedure.

Then, why does the Solicitor General of Canada need the powers under clause 54(2) of Bill C–7 when the investigative power of police officers already provides for such measures?

Furthermore, infiltration is aimed at gathering information on dealers or on trafficking.

However, in the case quoted by the Solicitor General, the RCMP and the Sûreté du Québec—and I must emphasize that it is the Solicitor General of Canada who referred to the groups that I talked about earlier—mentioned that they were aware of the cocaine trafficking done by the Warriors.

So, this bill does not set forth anything new, nor does it provide any additional powers. We have to admit that the Solicitor General could act immediately to put an end to trafficking everywhere in Canada. That statement makes us believe that the Solicitor General is behind the anticipated passage of Bill C–7 in order to gain time and delay any intervention in those territories.

If the bill were so essentiel to the fight against drug trafficking in Canada, does it mean Canada never offered any resistance to drug dealers before the passage of the bill we are now studying? I hope this is only an extrapolation and that Bill C–7 is presented to this House with a view to modernizing a police procedure already in place and consolidating the Canadian drug control policy, as mentioned in the explanatory notes to the bill. However, one fact still remains: the government is not reaching its objective with this bill, it is presenting a faulty bill, one that is badly written, confused and difficult to enforce.

That being said, Mr. Speaker, to convince you, I think it would be appropriate to stress one of the points raised on Friday, February 18, by the hon. member of the Bloc Quebecois for Portneuf when he discussed Bill C–7. You will remember he was explaining to the House the deficiencies of Bill C–7.

After studying the bill, the Bloc Quebecois classified its deficiencies under four categories. I will review them briefly. First, the legitimate activities of doctors, pharmacists and veterinarians; were these people adequately protected by this bill? Second, the enormous powers given to inspectors designated by the minister; are they not of such nature as to allow, if not induce, mistakes which will unduly penalize health professionals and their patients?

Third, how will the confidential nature of medical records be respected when the law allows just about anybody designated as an inspector by the minister to copy the files held by health care institutions and to seize all their computer files? The last question is why does this bill call criminal and throw in jail individuals who, in fact, are drug addicts in need of treatment?

As the Official Opposition critic for the Solicitor General, I will deal mainly with the third question regarding the confidential nature of medical records.

I do think that, should this bill be passed without amendment, it will jeopardize the confidential nature of medical records. Under the provisions of the bill, the lawmaker will make it harder for policemen to search the home of a known drug dealer than for an inspector appointed by the minister to carry out what would amount to a seizure in a hospital or at the corner drugstore.

One has only to refer to Part IV of Bill C–7 to realize how far–reaching are the powers of an inspector designated by the minister to enforce the act.

• (1330)

Under clause 29 of the bill:

29.(1) The Minister may designate any person as an inspector for the purposes of this Act and the regulations.

The expression "any person" send shivers down my spine because this person is given a lot of power.

Under clause 30. (1) of the bill:

30. (1) Subject to subsection (2), an inspector may, to ensure compliance with the regulations, at any reasonable time enter any place used for the purpose of conducting the business or professional practice of any person licensed or otherwise authorized under the regulations to deal in a controlled substance or a precursor and may for that purpose

We are dealing here with professionals, not smugglers or pushers, but real professionals who are licensed for this very purpose.

This small paragraph therefore entitles anyone designated by the minister pursuant to clause 29 to enter at just about any time—clause 30 even specifies at any time of the day—a doctor's office, a pharmacy, a hospital, an LCSC, or the office of any other health professional who has obtained the required licence.

What are the powers of an inspector doing an inspection? I will tell you. Among other things, he can:

(*a*) open and examine any receptacle or package—

examine anything found in a place that:

(*b*) —is used or may be capable of being used for the production, preservation, packaging or storage of a controlled substance—

(*c*) examine any labels or advertising material or records, books, electronic data or other documents found in that place with respect to any controlled substance—

And the list goes on and on.

The inspector can even:

(*e*) reproduce any document from any electronic data referred to in paragraph (*c*) or cause it to be reproduced, in the form of a printout or other output;

(*h*) examine any substance found in that place and take, for the purpose of analysis, such samples thereof as are reasonably required;

As we can see, Bill C–7 gives the inspector powers that even a peace officer does not have to fight the most serious threat of all, cocaine trafficking. Obviously, we are off the track!

Even more disturbing, should Bill C–7 be passed as it is, the inspector can gather evidence which could be used against a pharmacist, a physician, a nurse or anyone else in criminal court, whereas normally any action likely to lead to a trial in criminal court cannot be undertaken without a warrant, except under very special circumstances provided for in the legislation.

I was saying a moment ago that the law is a lot more demanding for police officers than for these inspectors, and to prove it, I will read to you clause 12, subclauses (1) and (7) of the bill.

Under the title *Search, Seizure and Detention*, clause 12 says:

12. (1) A justice who, on *ex parte* application, is satisfied by information on oath that there are reasonable grounds to believe that

(*a*) a controlled substance—,

(*b*) any thing in which a controlled substance [—]is contained or concealed,

(*c*) offence–related property, or

(*d*) any thing that will afford evidence in respect of an offence under this Act is in a place may, at any time, issue a warrant authorizing a peace officer, at any time, to search the place for any such controlled substance, precursor, property or thing and to seize it.

Subclause (7) provides that:

(7) A peace officer may exercise any of the powers described in subsection (1) —without a warrant if the conditions for obtaining a warrant exist but by reason of exigent circumstances it would be impracticable to obtain one.

These two subclauses of clause 12 clearly show that a police officer cannot act without a warrant, except under special circumstances.

As for clause 30 of the bill, it provides that an inspector can act, visit, seize, etc., as indicated, at all times and without a warrant. Thus there is a clear difference between the two.

The only time an inspector needs a warrant is when he wants to visit a dwelling, a private residence. It is normal to require a warrant in such a case. For the rest, there is a clear difference between a government inspector and a police officer doing his job, fighting against smugglers.

I find the wording of clause 30 quite strange, especially when referring to superior court judgements on the importance of search warrants under the Canadian Charter of Rights.

We must not forget that certain previous provisions of the Narcotic Control Act and the Food and Drugs Act authorized searches without a warrant anywhere but in a dwelling, when a peace officer had reasonable reasons to believe that narcotics were to be found there.

• (1335)

There were no such open–ended authorizations in the defunct Bill C–85, a bill similar to the one before us today, because they had been ruled inoperative and contrary to section 8 of the Charter.

Yet, subclause 12(7) would authorize, under exceptional circumstances, a peace officer to conduct a search without a warrant when the conditions for obtaining a warrant exist but it would be impracticable to obtain one. It could be that the time required to obtain a warrant would jeopardize the life or safety of a person or the very existence of capital evidence. Under the circumstances, a search without a warrant would be justified and could not be challenged under the Charter.

To wrap up, I sincerely think that the legislator would be giving far too much power to the inspectors if clause 30 were to be passed as is, as it has no foundation in law.

As the past gives us some indication of things to come, we know that it is not good to give this kind of discretionary powers to a person or group of persons without providing a restrictive framework, legally speaking. The War Measures Act is a good example of this. Never again must we relive such excesses.

In no time, these superinspectors would be living in a glass bubble that would promote excesses.

Furthermore, the powers of the inspector run counter to the provinces' jurisdiction. For example, Quebec has granted inspection powers to the Professional Corporation of Physicians of Quebec, as well as to the Quebec college of pharmacists and dentists. The corporation's or organization's inspector can show up, provided proper notice was given, at the office or place of business of doctors, dentists, pharmacists and others to ensure compliance with the principles of medical practice.

The Government of Quebec also allows the corporation's trustee to examine the practice of any physician, dentist or other professional with respect to a complaint to the effect that he or she has prescribed a hazardous substance to a patient.

It seems obvious to me that this part of the act once again enables the federal government to interfere in provincial areas of responsibility, which the Official Opposition considers both costly and unacceptable.

In closing, I suggest the government go back to the drawing board and come up with a bill that would be much more in line with the realities of modern–day life, one on which everybody

would have been consulted. I suggest that it holds consultations on this subject, as part of the multiple consultations it is carrying out these days. I think that consultation in that area would definitely be in order, considering the implications for future generations.

Mr. Maurice Dumas (Argenteuil—Papineau): Mr. Speaker, in his speech the hon. member for Berthier—Montcalm said that Bill C–7 and the Narcotic Control Act currently in effect contained many similar provisions. Could he please give us a few examples?

Mr. Bellehumeur: Mr. Speaker, yes, I could give a few examples. First I must point out, as I said in my speech earlier, that criminalization of drugs is nothing new as it was done in the Narcotic Control Act, but I will give you three examples.

Clause 6(1) of Bill C–7 reads as follows:

> No person shall traffic in a substance included in Schedule I, II or III or in any substance represented or held out by that person to be such a substance.

Clause 4(1) of the current Narcotic Control Act says this:

> No person shall traffic in a narcotic or any substance represented or held out by the person to be a narcotic.

Another example, clause 7(1) of the bill before us provides that:

> Except as authorized under the regulations, no person shall import into Canada or export from Canada a substance included in Schedule I, II, III, IV or V.

The current Narcotic Control Act says this: "Except as authorized by this Act or the regulations, no person shall import into Canada or export from Canada any narcotic."

I could give you other examples. Clause 9(1) of Bill C–7 is the same as clause 9(1) of the Narcotic Control Act with regard to the commission in Canada of an offence.

As I said earlier, I think the idea is to update the legislation; however, we want, through this House, to send the message that the law we will adopt on food and drugs will be enforced in every part of Canada. And I am saying that, at this time, the Narcotic Control Act is not being enforced everywhere in Canada.

[*English*]

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health): Mr. Speaker, thank you for allowing me the opportunity to speak to this bill.

The problem of the use of illicit substances and addiction and those who profit from it troubles the nation, troubles my constituents and, speaking as one who is elected to represent those same constituents, troubles me.

• (1340)

The use of illicit drugs has eaten away at the fabric of our society like a leprous plague. The illicit drug trade and those who live off its avails exact a heavy toll. They prey on that segment of our population that is most vulnerable, our youth, a prime target for those who deal in these drugs.

Drugs destroy families, they destroy careers, they destroy futures. They also destroy young lives. Perhaps most reprehensibly of all, while doing so they put cash into the hands of criminals.

In my practice as a physician I have personally witnessed many young people in families trapped in the cycle of drug dependency. I have worked with many of those families and young people to help them reclaim control of their lives. It is a difficult, frustrating and heart–rending struggle. I am therefore extremely sensitive to the consequences of drug dependence. It is not only a criminal issue, it is a health and social issue.

Realizing the need for action and recognizing that a widespread problem such as this requires a broadly based solution, the federal government launched Canada's drug strategy in 1987.

Canada's drug strategy is a comprehensive set of programs implemented with the collaboration of a multitude of partners and stakeholders. It was the first comprehensive step toward reducing the devastating and costly effects of drug and alcohol abuse to individuals, to families and to communities.

Canada's drug strategy was designed to address drug abuse in a balanced and co–ordinated manner. Emphasis was not only put on treatment and rehabilitation but it also addressed education and prevention.

Part of the strategy contains legislative components in the form of legislation intended to strip traffickers of their ill–gotten assets, legislation that recognizes the obligation of Canada as a signatory under three international conventions, and legislation that consolidates parts 3 and 4 of the Food and Drug Act and the Narcotic Control Act.

All components of phase 1 of the drug strategy are now in place with the exception of the legislation implementing the convention. This controlled drugs and substances bill is the final component of our drug strategy.

Canada's drug strategy is based on the recognition that we must maintain a balanced approach when dealing with substance abuse. Two hundred and seventy million dollars over five years have been dedicated to the reduction of use and to the reduction of supply.

The strategy allocates 70 per cent of its funds to reduction among users. This covers treatment initiatives, rehabilitation, education and prevention. The other 30 per cent is dedicated to enforcement activity.

Bill C–7 provides the necessary legislation to support the resources dedicated to enforcement. Bill C–7 is the third and final significant piece of legislation to ensure that the strategy succeeds. It must therefore be seen as part of the whole strategy and not in isolation.

Within my department alone programs have shifted to focus on new target goals. The federal component of the strategy falls under the responsibility of many departments, health, justice, Solicitor General, finance, external affairs, and national defence.

Canada's drug strategy secretariat is co–ordinating the promotion and evaluation of programs among these departments.

The community support program allows community groups to develop solutions specific to their substance abuse problems and we also have programs to address the unique problems of our native peoples, especially solvent and inhalant abuse, and the department has also introduced the national native role model program.

While the controlled drugs and substances bill constitutes a necessary tool to prevent diversion of drugs it also contains provisions to ensure that drugs intended for medical, industrial or research purposes are made available to those who need them.

This bill would be beneficial to all Canadians in that it would provide them with additional protection against the serious consequences of drug diversion.

Without such legislation drugs would be more subject to thefts and robberies. Drugs would be more easily accessible in the streets. People would be more vulnerable to the consequences of illicit drug supply.

Contrary to some assumptions, this bill is not indifferent to treatment programs, especially for those who are drug dependent. As a physician I support the availability of help and appropriate tools for those who seek to get back to a normal life.

• (1345)

My government is sensitive to the medical and social consequences of drug addiction. The department of health will continue to grant methadone authorization for the treatment of drug dependence. Methadone is a controlled drug and its use well recognized in the medical community.

The methadone program has the full support of the government. This is an initiative directed at use reduction. It assists many opiate abusers to re–establish a constructive life by promoting rehabilitation, reducing health risks and costs to the community.

The department of health will continue to encourage and make available methadone treatment for appropriate patients. Bill C–7 was criticized for not providing drug dependent persons who have committed criminal offences with access to treatment. My government is very supportive of rehabilitation.

Although the bill does not provide for mandatory rehabilitation treatment, the courts have always taken into consideration as part of a sentence the rehabilitation aspect of persons convicted of drug crimes.

The bill does not go against such a practice. It is commonly accepted as a criminal law notion. Rehabilitation has been identified by jurisprudence of the last decade as being an integral part of any sentence rendered in Canada.

We must also take into consideration the necessity for patients first to be referred to qualified health care professionals so that sound assessment and appropriate treatment programs are available to meet their needs.

Drug dependence is a complex health issue. It requires professional diagnostic treatment and rehabilitative interventions. Motivation on the part of the patient is a crucial element in the success of treatment. The bill itself cannot determine who is a good candidate for treatment and who is not. The courts have the opportunity and responsibility to exert discretion and to refer candidates for treatment to qualified health care professionals.

However my government is supportive of all programs aimed at decreasing the dependency and disastrous consequences of illicit drug use.

The department of health is responsible for the national AIDS program. A great deal of thought has therefore been given to the spread of AIDS through intravenous drug use. We are convinced that the strategies used to curb the spread of HIV among drug users will enhance our efforts to reduce drug use in Canada by linking drug users with health professionals and treatment programs.

Needle exchange programs were used successfully by many communities to reduce the spread of HIV. Sections of the Criminal Code dealing with drug paraphernalia have specifically been excluded, such as medical devices such as needles, from the statutory definition of instrument for illicit drug use, thereby allowing for the distribution of sterile needles by health professionals to known drug users who are at risk of AIDS.

It therefore follows that the critical path for a drug free future lies in prevention and rehabilitation, but we also have an escalating problem today that must be recognized and dealt with promptly. We must give law enforcement professionals the tools they need to deal effectively with those who continue to prey on the addicted and on the young would–be addicts.

If we are serious about advancing the broader social goal of maintaining safe and peaceful communities, we must promote law enforcement now. The youth of Canada are of primary importance in my government's platform. They are the key to our country's future.

My practice as a physician has put me in constant contact with our youth. I am also the mother of three sons. I understand the daily difficulties our young people face, their hopelessness and their vulnerability. This makes them prime targets for those in

the drug trade who prey on that vulnerability. It is in order to protect our youth that I support the bill.

The controlled drugs and substances bill addresses the problem broadly. It broadens the scope of controlled substances with certain other provisions and consequently will make it more difficult to reach children. Drug dealing in and around schools, sales to minors and use of the services of a minor during a transaction will constitute an aggravated factor at the time of sentencing. This means that judges will have to justify their decisions for not imposing a jail sentence on a dealer.

Right now as we debate the bill designer drugs have the identical basic properties of the more familiar substances such as stimulants, tranquillizers and pain killers. Only their chemical properties have been slightly altered. The result is that these substances are not covered by the existing legislation and can be sold with impunity. They cannot be subject for prosecution until they are included in the schedule of drugs. Under the bill law enforcement officials will no longer have to wait for these drugs to appear on a statutory schedule in order to stop criminals from selling them.

• (1350)

Then of course there is the problem of so–called precursors which are legal substances used in the manufacture of illicit substances. They can be obtained right now in large enough quantities through various legal means. My government is concerned about the current lack of legislation governing precursor chemicals. We are concerned that Canada may be a conduit for precursor chemicals. We have become a weak link in the chain of drug control among the signatories of the international conventions because many of these precursor substances are not yet controlled in our country.

Lack of effective control over benzodiazepines is another issue of concern. There is more pressure than ever from our co–signature countries for Canada to bring on more effective legislation. The Controlled Drugs and Substances Act is the much needed legislation to respond to these issues.

I would like to respond to the other criticisms raised by members of the opposition during recent debate of the bill with regard to its perceived impact on certain health care professionals.

The absence of regulations for these groups was identified as a fundamental impediment to obtaining the full impact of the legislation. The activities of pharmacists, physicians, dentists and veterinarians are currently subject to regulations under the Narcotic Control Act and under parts III and IV of the Food and Drug Act. The regulations under the new legislation will not differ substantively from those that currently apply to prescribing activities under the existing legislation.

One of the purposes of the regulation making power in the bill is to enable the government to respond quickly and appropriately to changing professional practices. Any substantive changes in regulations will only be made following full consultation with all affected professional parties, using a regulatory consultation process that has been used for years by the department of health.

Both the Official Opposition and the Reform Party members suggested that there would be inconsistencies between various provisions of the bill and the Charter of Rights and Freedoms, particularly with regard to the powers of inspectors. We do not believe this is so. Inspections referred to in the bill are inspections conducted to determine whether regulated persons are complying with the requirements under which they must carry on their business or their professional duties.

There are many acts, both federal and provincial, which confer broad powers of entry on inspectors in the interests of ensuring public health and safety. These are not criminal law provisions; they are really administrative provisions.

For example, an inspector performing an administrative seizure under section 30 of the act would not be able to use the seized substances as evidence before the courts. Similar provisions have been in force in Canada under federal drug control legislation for over 80 years. They effectively establish a federal regulatory scheme that governs the distribution and use of schedule drugs in Canada in a manner that limits their diversion to the illicit market and consistent with Canada's international obligations under the United Nations drug control convention.

I would also like to respond to the concerns raised by both opposition members of Parliament about the powers given to the minister. All hon. members should be aware that one of the ultimate goals of the department of health is to ensure the safety and to protect the health of all Canadians, and to reassure them that they are protected by giving Parliament the means to do so. To that effect the legislation must contain the appropriate prevention measures.

For example, as a member of the opposition mentioned, the minister may make an interim order cancelling or suspending an authorization when the minister is of the opinion that as a result of a contravention of a designated regulation there is a substantial risk of immediate danger to the health or safety of any person. This has been going on for years. The legislation protects not only the population; it also protects the health professionals.

Contravention of designated regulations gives rise to a hearing before an adjudicator. This is indicated in part IV of the bill. It may result in a ministerial order which should effectively prevent a recurrence. A person who is believed to have made a

contravention is given the opportunity to set out a date of hearing and to make representation. This adjudication mechanism would protect the rights of individuals, show respect and allow transparency.

• (1355)

A breach of these designated regulations would not result in a criminal type penalty of fine or imprisonment. Administrative sanctions would be handed down by the minister and not by a criminal court.

Another area of criticism relates to the impact of the bill on physician–patient and pharmacist–patient relationships and confidentiality. Both opposition members identified access to the confidential files of patients as an unacceptable interference in the private lives of honest Canadians, and I agree. However there is very little new in the bill that gives rights to the minister that have not been there before.

For over 30 years under the narcotic control regulations the Minister of Health has had the legislative authority to require a practitioner to provide information concerning a patient treated with narcotics to the Bureau of Dangerous Drugs. This information could include the diagnosis, history or prescribing information relevant to the patient. This has been going on for years.

We have now given inspectors the appropriate tools they need to ensure that health professionals comply with the regulations and to ensure that the public is protected from the hazardous consequences of drugs. The inspectors are also health professionals bound by rules of confidentiality. They are important resources for the department of health and for the Canadian population. They also ensure that the facilities used in the distribution of drugs are secure.

Legitimate program activities required under the current and proposed legislation to protect public health and safety will ensure that patient confidentiality is fully maintained. Any information obtained is subject to the Privacy Act. This prohibits its use or disclosure by any official, except in accordance with that act. The Privacy Act ensures that all information collected by the federal government for program purposes is treated confidentially.

Concerning so–called doctor shopping or double doctoring offences official opposition members cited evidence given by the Canadian Medical Association to the legislative committee which examined Bill C–85. They argued that Bill C–7 would be unsatisfactory to doctors. This criticism from the Canadian Medical Association was accepted by the committee and the provision in the bill was changed, in essence to revert to the existing section found in the Narcotic Control Act. As a result the revision now refers only to persons who receive prescriptions from doctors. The act of providing the prescription in this circumstance is not considered a trafficking offence.

We understand the use of illicit substances is a complex problem and requires a multifaceted approach of prevention, treatment, rehabilitation, legislation and punishment. The complete Canada drug strategy addresses all these issues. Bill C–7 deals with the legislative components.

We all understand the regulation of controlled substances is a complex matter which requires a carefully constructed legal basis in order to be effective, judicious and fair. I believe the bill is the most appropriate instrument for administering the laws and regulations we need. We are dealing with an aspect of societal problems which demands proper protection of the innocent, the inexperienced, the young and the vulnerable. It also demands forceful prosecution of the exploitative, the criminal and the ruthless.

I believe the bill strikes just the right balance between these two requirements. While we continue to minimize harm through education and prevention and while we continue to show compassion for victims through treatment and rehabilitation, we must also strike at the criminal heart of the problem. In passing the bill we as parliamentarians would be making our contribution to the battle against drug abuse now and well into the future.

The Speaker: The hon. member will have a few moments after question period for questions and comments.

[*Translation*]

It being two o'clock, pursuant to Standing Order 30(5), the House will now proceed to Statements by Members, pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*Translation*]

BICYCLE PATHS

Mr. Raymond Lavigne (Verdun—Saint–Paul): Mr. Speaker, along with all cycling enthusiasts, I am extremely pleased that the bicycle path between Nuns' Island and Verdun will be built very shortly.

Cyclists have been waiting 15 years for this path to be completed.

I want to thank the Minister, Mr. Doug Young, and his department for the consideration they have given to this project.

The proposed bicycle path will link the paths on the South Shore and on Nuns' Island to the path in Verdun.

The City of Verdun has agreed to build a segment connecting these paths to those along the Lachine Canal. Therefore, all of the major bikeways on Montreal Island will be linked.

Over 20,000 cyclists will thus be able to enjoy some wonderful outings thanks to this initiative on the part of the Government of Canada and the municipality of Verdun.

[*English*]

Co–operation always accomplishes more than confrontation.

* * *

[*Translation*]

HUMAN RIGHTS

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Since the Tiananmen Square massacre, human rights in China have been repeatedly violated.

Yesterday, representatives of agencies defending Chinese refugees in Montreal expressed their outrage at the government's decision to review the status of 4,500 Chinese nationals living in Canada under the threat of deportation to their native country.

It has been announced that the Minister of Citizenship and Immigration will make a final resolution on these cases this summer.

According to information gathered by the newspaper *Voir*, of the 827 cases reviewed by the Immigration and Refugee Board since the Tiananmen Square massacre, 663 applications, or a full 80 per cent, have been rejected.

Under the circumstances, the minister's stalling tactics are unacceptable.

Once again, the government is making a mockery of human rights and giving in to this simplistic approach whereby if one wants to do business, one turns a blind eye to fundamental rights.

* * *

[*English*]

ONTARIO

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, who is speaking for Ontario? This new Parliament is six months old and no one is showing concern for the biggest engine that drives Canada's economy.

While we are all interested in what is good for Canada, the role of Ontario is being overlooked. What is good for Canada is a healthy and growing Ontario economy.

The red ink book made a major issue of infrastructure and jobs, yet Ontario's largest and most important piece of infrastructure is being allowed to deteriorate. No much needed jobs and the delay are jeopardizing a number of job creating projects.

Ontario was forced to reduce tobacco taxes due to pressure from one province. Because of this Ontario taxpayers face an additional tax loss of $500 million.

Toronto loses out as the obvious choice for the NAFTA environmental office for purely political considerations.

The silence is deafening. What did Ontario do to deserve such rejection?

* * *

SUSTAINABLE DEVELOPMENT

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, I stand in the House today to say that the Ontario members of the Liberal caucus are working very hard on behalf of Ontario.

Globally and nationally there is much talk about sustainable development, but a shared understanding of what it means does not exist. To some it is a phrase that suggests development can be sustained at any cost.

In my opinion sustainable development will not work as a vision goal or a process unless it includes equity. Equity is served when people from different lands, the north, the south, and people from different classes in the same land are treated with respect.

Equity is served when the natural environment is respected. Equity is served when our intergenerational responsibilities are acknowledged and when our global roles and commitments are honoured.

* * *

KILLER CARDS

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, the recent increase in violent crimes has raised the concerns of people all across Ontario and all of Canada.

As part of its efforts to reduce violence in Canadian communities, the government should without a doubt ban the importation of serial killer cards. These cards are a perverted twist on children's hockey cards. They feature psychopathic killers with a detailed description of the crimes they committed.

The lives of the victims of violent crimes should be remembered, not the killers and their actions.

This government is committed to measures to get at the root causes of violence and this should include the banning of these offensive cards that glorify murder and reduce victims to anonymous statistics.

On behalf of the constituents of London—Middlesex in Ontario, I call on Parliament to amend the customs and tariffs legislation to ban the importation of serial killer cards, ensuring that they will not continue to be sold in Canada.

• (1405)

CURLING CHAMPIONSHIPS

Mrs. Georgette Sheridan (Saskatoon—Humboldt): Mr. Speaker, members will remember that on March 8, International Women's Day, I rose in this House to pay tribute to the accomplishments of the four Saskatchewan women making up the Sandra Peterson rink on winning the Scott Tournament of Hearts which all good Canadians, at least from the cold parts, will know as the national women's curling championship.

I am pleased to report to this House that once again the Peterson rink has distinguished itself by winning the Women's World Curling Championship in Obersdorf.

Lest members conclude that only the women of Saskatchewan can curl, I would add that the Canadian men's rink also became world champions this weekend, skipped to victory by former Saskatoonian Mr. Rick Folk.

* * *

[*Translation*]

EMPLOYMENT FORUM

Mr. Jean Landry (Lotbinière): Mr. Speaker, the findings of a study conducted by the employment forum and made public yesterday show that the very high rate of unemployment cost the Quebec economy $30 billion and the Canadian economy $109 billion last year.

This situation cannot go on any longer. The members of this forum unanimously reaffirmed the consensus in Quebec: one solution for the problem of unemployment is to give Quebec full and complete responsibility for labour force training. This solution is a necessity, not a whim.

In the daily *Le Devoir*, Jean–Robert Sansfaçon wrote: "If Jean Chrétien's Liberals stubbornly ignore this, it means that they have learned nothing about the dynamics of Quebec society. Sooner or later this error will turn against them."

* * *

[*English*]

MEMBERS OF PARLIAMENT

Mr. Ken Epp (Elk Island): Mr. Speaker, during the election the party now in government made much of promises to have more open government and freer votes. Today the government and all members of this House have an opportunity to vote for a good idea and to leave party discipline behind.

Later today we will be voting on a Reform amendment to put a cap on the total number of MPs elected. I believe that essentially every Canadian supports the idea that we do not need more than 295 MPs. Many believe we need fewer. I urge all MPs to vote in favour of this amendment, to vote in such a way that undoubtedly represents the majority view in each constituency.

I am expecting that this evening we will see a clear indication of the Liberal Party's commitment to deliver on its promise of freer votes.

* * *

[*Translation*]

MANPOWER TRAINING

Mr. Gilles Bernier (Beauce): Mr. Speaker, I think that the Reform Party's recent statements about Quebec are disrespectful. They add to them by saying that Quebec is imposing its will on Ottawa on the issues of lower cigarette taxes, the establishment of the environmental secretariat in Montreal and the postponement of the federal–provincial conference on labour. Such allusions are out of place.

I ask the government to act diligently to solve the manpower issue with Quebec and the provinces concerned. It is time to reduce overlap. Perhaps this obstinacy is due only to some over–centralizing officials. The government would show flexibility by understanding Quebec's traditional demands and adopting an updated federalism that is more acceptable to all provinces.

Under the Constitution, we certainly agree that labour force training is an educational issue and education is within provincial jurisdiction: it is their responsibility and they would provide training more economically. That is what the people of Beauce think.

* * *

[*English*]

GUN CONTROL

Mrs. Eleni Bakopanos (Saint–Denis): Mr. Speaker, the senseless acts of violence in the past weeks have caused communities all across the country to cry out for stricter legislation regarding gun control.

Yesterday I met with 120 students from all across Canada as part of the Encounter with Canada program. During our exchange these young Canadians expressed their concerns over the recent developments regarding the Young Offenders Act and stricter gun control laws.

A concerted effort between government and community youth organizations along with the introduction of stricter gun enforcement laws are required to effectively deal with this problem.

[*Translation*]

I strongly support a total ban on handguns in Canadian cities to ensure that incidents like those which occurred recently in Ottawa and Toronto do not recur.

On behalf of the people of Saint–Denis, I ask our government to seriously reconsider the Firearms Control Act in order to end acts of violence in our cities.

S. O. 31

[*English*]

KILLER CARDS

Mr. John O'Reilly (Victoria—Haliburton): Mr. Speaker, I rise today to express my concern about the importation of serial killer cards into Canada.

• (1410)

I, like many colleagues, am opposed to these shameful cards entering our country. I have hundreds, maybe even thousands of constituents from Victoria—Haliburton in Ontario who have signed a petition stating that the killer cards not be allowed in Canada.

We live in a violent enough society, evidenced by senseless shootings in the last few weeks, and we do not need to send another violent negative message to our youth by allowing these cards to circulate in our schools.

I echo the petitions which are circulating throughout this country and urge this House to amend the laws of Canada to prohibit the importation, distribution, sale and manufacture of killer cards in law and to advise producers of killer cards that their product, if destined for Canada, will be seized and destroyed.

* * *

BLOC QUEBECOIS

Mr. Paul DeVillers (Simcoe North): Mr. Speaker, yesterday I was accused by the member for Richelieu of being hypocritical in presenting a petition to the House while opposing its content.

I would like to say to that member that I shall on occasion oppose certain views some of my constituents may hold but I will not oppose their right to express them or to have their voice heard in this place.

[*Translation*]

I want to tell those who claim that I do not respect the bilingual status of our country that I am the first member of Parliament for Simcoe North to provide services and to send out householders in both official languages.

[*English*]

The Bloc Quebecois has often said it was given the democratic right to sit in this place despite its fundamental goal to break up our country.

[*Translation*]

I find it despicable on the part of Bloc Quebecois members to claim that they want to protect the principles of democracy and freedom of expression when, in fact, they are trying to deprive others of those rights.

[*English*]

We believe in democracy whether it suits our political agenda or not.

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[*Translation*]

TRANSPORT CANADA

Mr. Philippe Paré (Louis–Hébert): Mr. Speaker, we have obtained from a reliable source a working paper on a government strategy designed to massively privatize Transport Canada's services.

This strategy, which was developed in secret, will not only have a disastrous impact on employment in that department by eliminating 15,000 positions: it will also have serious consequences on the economy as a whole, through an increase in transportation costs.

This withdrawal by the government from its responsibilities in the field of transport illustrates the confusion of a federal system which is about to crumble.

Moreover, the government's policy in the transport sector clearly shows that it is not serious about job creation. This hurried reform could result in a setback for Quebec and Canada, since the transport industry has always been an essential component of their economies.

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[*English*]

FEDERAL GOVERNMENT

Miss Deborah Grey (Beaver River): Mr. Speaker, Canadians thought when this government was elected that they might hear and witness something new.

Much to the disappointment of millions of Canadians all they got was the same old thing.

We have a government that announces with greatest fanfare a rehash of the Company of Young Canadians, basically Katimavik II; a great concept but are our youth willing to pay the bill on this borrowed money?

Ministers go to Atlantic Canada to tell Canadians there are no bold new ideas, just the usual tired old programs through which borrowed money substitutes for innovative job creation initiatives.

The experiments in judicial reform that have proved unsuccessful since their introduction in the 1960s and 1970s are another sign that creative solutions are not being found.

I would remind the government that yesterday's answers will not work when applied to today's questions; old songs by new singers are still old songs.

We need a new song for the new Canada. Reformers together with Canadians are working on the lyrics and the tune for "O Canada, New Canada".

EAST COAST FISHERIES

Mrs. Jean Payne (St. John's West): Mr. Speaker, today the ministers of fisheries and human resources announced a new five–year $1.9 billion package to assist east coast fisherpeople and plant workers.

This government has taken a long term approach to ensure the future prosperity of the people of Newfoundland, including St. John's West. The money will be an investment in their future, the future of the fishery and the future of the people.

Training programs and green projects will allow people to improve themselves and their working environment. The people of St. John's West can take comfort in the fact that this government has listened to their concerns.

I want to commend the ministers and this government for the manner in which they have so humanely dealt with this difficult problem.

* * *

• (1415)

[*Translation*]

ECONOMIC GROWTH

Mr. Martin Cauchon (Outremont): Mr. Speaker, today, I would like to take advantage of my allotted time to talk about economic growth.

This morning, Statistics Canada announced that, after growing by 0.9 per cent in February, the composite index had continued to progress in March with an increase of 0.7 per cent. Seven economic components out of ten showed a marked improvement. It is a very positive sign for our country.

I would like to add that Canadian production remains very strong. Today, Statistics Canada reported that our exports to the United States, our main trading partner, reached record levels. This proves that our government's economic recovery plan is working and that the finance minister's budget was right on target.

* * *

[*English*]

WORLD CURLING CHAMPIONS

Mr. John Solomon (Regina—Lumsden): Mr. Speaker, it is with a great deal of pleasure that I offer congratulations to the Canadian men's and women's world curling champions in winning the 1994 global titles.

Residents of Saskatchewan, and all Canadians, are especially proud of the Sandra Peterson rink of Saskatchewan which gave Canada its second consecutive world curling championship. Sandra Peterson, Jan Betker, Joan McCusker, coach Anita Ford and lead Marcia Gudereit, who lives in my riding of Regina—Lumsden, are top athletes that deserve our praise and admiration for their accomplishments, the only Canadian women's team to win consecutive world championships.

These women have worked hard and their dedication to curling has paid off. They have developed a controlled defensive style that has brought them the victories they deserve. This team is named the Rat Pack because their mascot is a rubber rat.

I know all members of the House will join with me in applauding the efforts or our world class Rat Pack in winning the world championship.

ORAL QUESTION PERIOD

[*Translation*]

ACTION PLAN FOR YOUNG PEOPLE

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister.

Although several provinces were opposed, the federal government decided to go ahead and announce its youth strategy last Friday. The Quebec Minister of Education, who also chairs the Conference of Education Ministers, called this an example of unacceptable intrusion by Ottawa in the education sector and even considered challenging the government's decision before the Supreme Court.

Does the Prime Minister realize that his strategy is not only an intrusion in an area under provincial jurisdiction but also that Quebec and several other provinces have agreed to oppose the government, since the strategy will create further costly and unnecessary administrative duplication and overlap, which means less value for money?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, no one questions the jurisdiction of Quebec and other provinces over education. Of the three programs announced last Friday, the first is a program to help students. Quebec opted out of this program in 1964.

The second program, which targets young people, is not really about education but about promoting youth employment. The federal government had and still has a number of different programs in this area, like Katimavik, for instance, and we have made every effort to ensure that the federal program is complementary to the provincial program.

The third component, the national apprenticeship program, helps young people make the transition from school to work, a problem that is both federal and provincial. Both governments

are active in this area and should continue their programs, in order to help young people find jobs.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, the problem is that the Quebec government does not share the federal government's views and intends to bring a formal challenge before the Supreme Court to protest this new intrusion by the federal government in areas under provincial jurisdiction.

I want to ask the Prime Minister, and I hope he will answer himself this time around, since he made a commitment to effective management and reducing overlap, why he has reversed his policy by launching a federal offensive on education and manpower training which increases the overlap and duplication he wanted to get rid of?

• (1420)

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, as I pointed out, this is not another intrusion in an area under provincial jurisdiction. Our programs are not like that. The two programs I mentioned, the youth program and the apprenticeship program, are about promoting youth employment and not about education, strictly speaking. Furthermore, they complement provincial programs.

Constitutionally speaking, when a problem is national in scope, like the problem of funding jobs for youth, the federal government shares and will continue to share jurisdiction with the provinces in dealing with this kind of problem.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, we have just witnessed a blatant example of bureaucratic obtuseness.

The fact is that the federal government will duplicate what is already being done and spend money unnecessarily, so that we can hardly expect a good return on this investment. I want to ask the Prime Minister whether he has now made it his policy to provoke court challenges on all fronts?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, as the Minister of Intergovernmental Affairs said earlier, we have a national responsibility in the area of job creation, and it is one of this government's priorities to find ways to help youth find jobs.

If the Leader of the Opposition spent any time reading the Liberal Party's platform in the red book, he would see that it is all there, and the people voted for this platform, and that is why we are governing the country today.

TRANSFER PAYMENTS

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, yesterday the Minister of Finance clearly stated his intention to make massive cuts in transfer payments to the provinces in his next budget. Failing agreement with the provinces, the Minister of Finance plans to impose his solution regarding the cuts to be made. The freeze in transfer payments is already saving Ottawa $1.5 billion over two years.

Are we to understand that the Minister of Finance has given up on trimming federal operating expenditures and has chosen to reduce his deficit on the backs of the provinces, without any compensation, through a massive reduction in transfer payments for health and education?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, what I said is that the Minister responsible for Public Service Renewal intends to review all federal programs and that review is already under way. So we are certainly looking at our own spending.

I would like to quote a document of which I am very fond, the budget. "It is essential that social security reform leads to programs that are more affordable and work better for Canadians. For the federal government, transfers must be no higher after reform than they are now. We want this reform process to be a co–operative one. We are providing a two–year period of predictability and modest growth in social security transfers to provinces while reform goes on. As promised by the Prime Minister, we will build towards a five–year period of stability in transfers."

That is what I said in the budget, that is what I said yesterday, that is what I discussed with all provincial finance ministers: co–operation. They agreed on it in January.

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, how does the Minister of Finance explain that for lack of money, he is cutting transfers to the provinces, but at the same time his government has chosen to intervene brazenly, to say the least, in fields of provincial jurisdiction like youth and training programs. Does he not agree that when you have no money, you should mind your own business?

[*English*]

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec): Mr. Speaker, the member refers to the fact that we are cutting—I cannot remember the expression that he used—our transfers to the provinces.

In fact, in the month of January, we settled equalization payments on a basis that had been deferred for a number of years by the previous government. The payments were very generous to the seven provinces that were receiving them.

At the same time we met with the provincial finance ministers and told them we would not decrease the payments for a two year moratorium. It is the first time that has been done in a long time. They are used to the previous government simply cutting at will.

• (1425)

Then we said to the provinces that together, co–operatively, we would begin to reform the social programs that Canadians wanted reformed so that we could deliver the services more effectively and at less cost.

* * *

YOUTH UNEMPLOYMENT

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

Canadians are now beginning to see some of the details of the government's legislative program and their initial reaction is disappointment, not enthusiasm.

For example, when Canadians examine the human resources project announced last week to help unemployed youth, they find that 70 per cent of the funds are not for job creation at all and that most of the program is simply a rehash of old programs and Liberal ideas from the 1960s and 1970s.

Does the government not have any bold new ideas for assisting young people, and if it does, what are they?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have a program to assist young people.

Perhaps the hon. member does not agree with the idea that the federal government should spend money to help people, especially young people, but now I hear him say that we should spend money.

I am very happy he might find better ways but I am delighted for the nation to hear the leader of the Reform Party tell us to spend more money on young people. I take notice of that.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, we are talking about allocating money that is ready to be spent. The Prime Minister's reply simply illustrates my point that there is nothing new or creative or bold being said.

Real Reformers have been calling for a portion of federal educational transfers to be paid directly to young people through education and training vouchers and for immediate revamping of the students loan program to make repayments income–contingent.

These are bold and new ideas for encouraging youth preparation for the new economy. Could the Prime Minister tell us why new ideas like these are not an integral part of the government's thinking or announcements on this subject.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, it is exactly what the Minister of Human Resources Development is doing at this time. He is talking with the provincial governments about it and he is exploring a lot of these ideas. Some provinces think we are moving too fast.

The hon. leader of the Reform Party would move without talking to the provinces.

We want to make some changes. We would like to have a better system. We know that it would be preferable not to do it unilaterally so we are having discussions at this time. There was supposed to be a meeting yesterday. The provinces were not ready. We have postponed the meeting in order to give them more time.

We think it is the right thing to do. All the premiers are asking us to consult with them and it is something the hon. leader's own father used to ask of the federal government; that before moving we should consult with the provinces. We are consulting with them. We will see what they have to say and will advise the House.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I think we are living in the past. The government's lack of new and bold ideas is not only evident in this field but in agriculture, the approach to the fishery and most seriously in the defence of federalism itself.

So far the government's only response to the threat of Quebec sovereignty is to promise a few more handouts like the headquarters of the Commission for Environmental Co–operation being put in Montreal. This is a tired, old–fashioned approach to winning support from Quebec voters by promising to pave roads and build buildings.

I ask again, does the government have some bold new ideas for Quebecers and all Canadians, in particular with respect to the revitalization of federalism?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I think that the hon. member knows the policy of this government.

The best way to convince the people of Quebec to remain in Canada is to have a good administration in Ottawa and have members of Parliament who show tolerance and not play on the prejudices of people.

* * *

• (1430)

[*Translation*]

FOREIGN AFFAIRS

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, my question is for the Minister of Foreign Affairs. The situation in Bosnia has seriously deteriorated. The UN has lost all control

and authority in the Moslem enclave of Gorazde, which has fallen to the Bosnian Serbs. Ignoring UN ultimatums and systematically violating ceasefire agreements, the Bosnian Serb army relentlessly pursues its attack on Gorazde despite that city's designation as a safe area by the UN.

Can the Minister of Foreign Affairs bring us up to date on the situation currently prevailing in Gorazde and confirm that the Bosnian Serbs' sustained attack has put an end to the peace process?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, at lunch time, the Minister of Defence and I spoke with the Vice–President of Bosnia, Mr. Ganic. We reviewed the situation and we certainly deplore the escalation that seems to have taken place around some safe areas or enclaves where the Moslem population is at the mercy of Serbian troops' artillery. We cannot, of course, remain insensitive to this situation. There will be discussions with the representatives of allied countries to find as quickly as possible a solution to this situation that seems to be getting worse.

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, yesterday the UN asked NATO to stand ready to launch air strikes.

Can the minister indicate if Canada is actively participating in the development of a strategy for the Western countries and the UN, in order to respond to the intractability of the Bosnian Serbs who chose to further their cause with weapons instead of negotiations?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, certainly, Canadian representatives at NATO and the UN consulted one another and are participating in meetings to develop a common strategy. A first meeting at the level of NATO ambassadors was held yesterday and another one will take place tomorrow to decide on a common position in response to the UN Secretary General's written request.

We continue to think that negotiations are still the safest way to achieve lasting peace in the former Yugoslavia. We will not solve the problem by aggravating the military conflict. On the other hand, we are aware that we cannot remain indifferent to a handful of Serb fighters who ignore the ceasefires negotiated on all sides. We think that considerable efforts have been made by both the Croats and the Moslems, and it is now time for the Bosnian Serbs to come to the table and agree with the other parties on a peaceful solution to this conflict that has lasted for too long.

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[*English*]

FISHERIES

Mr. John Cummins (Delta): Mr. Speaker, my question is for the Prime Minister.

I listened closely to the $1.9 billion fisheries announcement this morning. Could the Prime Minister tell the House why there was no economic diversification component to create real long term jobs in Atlantic Canada anywhere in the announcement?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I thank the hon. member for his question on an important subject but he is wrong.

Part of the package announced by the Minister of Fisheries and Oceans and the Minister of Human Resources Development has a component dealing with regional disparities and how we might be able to facilitate the private sector, particularly small and medium sized business, to take advantage of economic opportunities in that region.

Mr. John Cummins (Delta): Mr. Speaker, a careful reading of the package failed to reveal the items to which the minister is referring. In our view the package failed to address the critical issue of economic diversification in Atlantic Canada. Does the Prime Minister not realize that his actions speak louder than words?

• (1435)

The absence of the Minister of Industry at the announcement only creates the impression that the government considers Atlantic Canada, particularly Newfoundland, a region without economic hope. Why was the Minister of Industry not present at this announcement?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the hon. member makes reference to the fact that the Minister of Industry was not in attendance. The hon. member should also say that the Minister for the Atlantic Canada Opportunities Agency was not in attendance either.

I want to assure the hon. member that in view of the commitments the Prime Minister has made and we made during the election campaign, each and every member of this cabinet, each and every member of this caucus, and each and every member of this party are firmly committed to assisting those who are in need, whether they be in the Atlantic region, in Quebec, western Canada or Ontario, to try to provide some economic assistance where possible.

* * *

[*Translation*]

ACTION PLAN FOR YOUNG PEOPLE

Mr. Michel Gauthier (Roberval): Mr. Speaker, the youth program announced by the Minister of Human Resources Development a few days ago duplicates a number of programs that already exist in Quebec, including *Jeunes volontaires*, *Jeunes*

promoteurs, and *Chantiers Jeunesse*, plus all the training related to education.

In fact, the federal strategy will merely add to the overlap and duplication which already cost $300 million annually in the case of Quebec alone.

My question is directed to the Prime Minister. Does he realize that by doing this, he is not only failing to deliver on his promise to eliminate duplication but actually adding to it, and that a substantial share of the funds that should go to youth will be used to support the federal bureaucracy that will be needed to administer the program?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, the federal government is at least as keen as any other government—and the Official Opposition—to eliminate duplication and overlap.

In the youth sector we have had federal programs that helped young people and will continue to do so. I said earlier that we have made every effort to avoid any duplication of programs that already exist in Quebec, especially the *Jeunes volontaires*, when setting up programs in that province.

It is also true that the youth unemployment problem is so serious that both governments must try to find appropriate solutions. They keep repeating that program overlap costs money. Of course it does, but probably not to that extent. Studies indicate that the costs of overlap is quite different from the figures that were mentioned. Of course, overlap can be reduced more readily in some areas than in others—

The Speaker: I am sorry to interrupt, but the hon. member for Roberval has the floor.

Mr. Michel Gauthier (Roberval): Mr. Speaker, once again, we have seen that the government, despite its concern for eliminating overlap, goes ahead and puts in a six–part program on top of what we already have in Quebec. I wonder where the Minister of Intergovernmental Affairs is at.

Some hon. members: Oh, oh.

Mr. Gauthier (Roberval): You had better listen, over there, since this is your business, and you voted for these policies, without considering the consequences. If $10,000 is to be spent on each of these young people, did the minister consider how much money should—

The Speaker: Questions and answers are something we all care about. I would therefore ask hon. members on both sides of the House to keep their voices down, when they ask questions as well as when they give answers.

• (1440)

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, I will simply repeat that the party currently in office is as intent as any other party on reducing overlap.

As far as our youth program is concerned, we have carried out extensive consultations and it is clear that our program meets the current needs of young people. And we do not intend to give up our right to help Canadians in need. In the case in point, there are Canadians in need who are not getting help from any provincial program. This is an area of shared jurisdiction and we have programs to implement in that area.

* * *

[*English*]

WHEAT EXPORTS

Mr. Charlie Penson (Peace River): Mr. Speaker, I would like to interrupt the theatre that is going on here to actually ask a question of the Minister for International Trade.

First, I would like to take a little different tact and congratulate the Minister for International Trade on the successful signing of the GATT in Morocco. While in Morocco the minister said that he would not yield to pressure from the United States on the question of Canadian wheat exports.

Is the minister willing to hold his ground until the world trade organization is up and running and let it decide that our wheat exports are not unfairly subsidized?

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, I thank the hon. member for his kind comments.

The situation with regard to wheat is that we have engaged in continuing discussions with the United States for some months, culminating in some meetings in Marrakech where we had hoped to resolve the issue. However the United States and Canadian positions remain far apart.

It is open to Canada and to the United States to continue those negotiations or discussions if the United States chooses to pursue them. The United States has indicated that it had hoped to resolve the issue by Friday. We will have to see whether the decision of the United States by Friday is to proceed with discussions or to take some other action.

Mr. Charlie Penson (Peace River): Mr. Speaker, my supplementary question is for the same minister.

Many concerned Canadian wheat farmers feel they are doing a good job, are being competitive and have adjusted to the new reality of free trade. Would the minister allay the fears of wheat farmers by saying that their interests will not be traded off to

protect supply management in order to cut a deal with the United States in this area?

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, most emphatically, yes.

Despite persistent United States efforts to link agricultural problems, there are agricultural differences between our two countries. We reject any such linkage. We shall deal with each issue on its merits. Certainly in the case of wheat we very much share the point of view just outlined by the member opposite.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE REFORM

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, my question is for the Minister of Finance and Minister responsible for the Federal Office of Regional Development in Quebec.

Yesterday, officials from Opération Dignité 2, an organization which promotes regional economic development, appealed to the government for help. They are asking the government to postpone the UI reform for one year, as it will severely affect regions with a high proportion of seasonal workers, in Quebec as well as in other provinces.

Given the disastrous impact of this reform on the economy of predominantly rural regions, will the minister pledge to delay for one year the UI cuts announced in the budget, and actually do it?

• (1445)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, it is precisely because we are very much aware of the enormous problem which unemployment represents everywhere in Canada, and certainly in rural areas, that we want to proceed with a reform of the unemployment insurance program. We want to really lower UI contributions so that small businesses can hire new workers, protect the poor, including single–parent families, and have the money to educate and train the workers of the future.

We made those decisions because we are keenly aware of the unemployment problem in Quebec and in rural Canada.

Mr. René Canuel (Matapédia—Matane): My supplementary is for the Minister of Finance and Minister responsible for the Federal Office of Regional Development in Quebec.

Is the minister prepared to come and sit down—and not merely go through the area like he did during the election campaign—with residents of the Gaspe Peninsula and Lower St. Lawrence region to find, with them and with provincial officials, ways to make better use of current income security funds and create real jobs?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): In the context of the social security reform undertaken by my colleague, I will certainly do so. However, I will not be the only one; other ministers are willing to go too. Nevertheless, as I have already said, I can tell you unequivocally that I am quite prepared to go and meet your constituents this summer.

* * *

[*English*]

HOUSING

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, my question is for the minister responsible for housing.

The budget announcement that $100 million over the next two years will be available to improve the housing of low income Canadians is being well received, particularly in rural Canada. Reinstating RRAP will create jobs and improve living conditions for low income Canadians.

Could the minister advise the House when the funds will be made available? What interest has there been from the provinces and territories to become partners in this program?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I thank the hon. member for his unexpected question.

We have had numerous deliberations with the provincial governments across the country. A number of them have agreed with us that there is a necessity for cutting out duplication and overlap. However a number of them for a variety of reasons have not wanted to proceed with us. For instance, in the province of Ontario there has been no sharing of that common vision.

Moneys under RRAP will be made available later this week. Applications can be processed in the coming weeks. I hope we will be able to have a fair amount of money in the system in order to provide the necessary repairs for the homes in need.

* * *

GOVERNMENT CONTRACTS

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, my question is for the Prime Minister.

Yesterday, the Prime Minister admitted that the gravy train is already at the station picking up loyal Liberals for well paid government jobs. It appears this government is prepared to pay a premium to get the gravy train to stop at Liberal advertising and polling stations. It is my understanding cabinet is considering guidelines to grant government contracts to Liberals even if their fees are 10 per cent higher than non–Liberal competitors.

Will the Prime Minister commit to this House that his government's new guidelines, whenever they are released, will not consider old style patronage as an acceptable method of making hiring and contract decisions?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I do not know where the hon. member gets his information with regard to the context of guidelines which are to be released by the government.

I want to assure him however that the Prime Minister made a clear and unequivocal commitment to Canadians that this subject matter would be reviewed. The matter has been reviewed. We are in the throes of releasing those guidelines to the public. Members will then have an opportunity to assess their effectiveness.

I want to assure the hon. member the principles of competency, fiscal responsibility and transparency will be seen throughout those guidelines.

• (1450)

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, it is obvious the ethics counsellor is long overdue. Can the Prime Minister tell us when this appointment will finally be made?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, soon.

* * *

[*Translation*]

PURCHASES OF FLU VACCINE

Mrs. Monique Guay (Laurentides): Mr. Speaker, my question is directed to the Minister of Public Works, and it is a real question.

Strange things are happening in the Department of Public Works. In the procurement contract for flu vaccine purchased for the provinces, the minister, acting on his own initiative, split the contract equally between Connaught in Ontario and Bio Vac in Quebec. The minister says he found a Canadian solution to a Canadian problem. However, the contract share awarded to Connaught will be produced in the United States.

Since BioVac is offering these vaccines at $1.70 per unit, why does the government insist on paying more—$1.85 per unit—with its decision to purchase part of these vaccines in the United States, so that Quebec loses 26 high tech jobs and an investment project worth $32 million will be cancelled?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I thank the hon. member for the question. Obviously the hon. member does not have all of the facts.

The hon. member should be aware that in previous years the amount of the contract awarded to the company from the province of Quebec was approximately 38 per cent over a three year average.

This year because of the representations made by the hon. member and her party, all of which we took into consideration, we were able to have an agreement in principle where both parties, Connaught industries from Ontario and BioVac from Quebec, would be able to split a contract on a 50:50 basis. Keep in mind that the Government of Canada purchased less than 1 per cent of the vaccine and 99 per cent of that particular contract was purchased by the other provinces across this country.

[*Translation*]

Mrs. Monique Guay (Laurentides): Mr. Speaker, are we to conclude that the contract splitting was the result of pressure from ministers in Toronto, who prefer an approach that is more expensive and risky in terms of security and supply, to drum up business for a Toronto distributor, as opposed to awarding the whole contract to a Quebec manufacturer?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, again I thank the hon. member for such a wonderful question.

I informed the hon. member and this House that two years ago in the province of Quebec BioVac did not get 50 per cent of the contract; 87 per cent of the contract went to the province of Ontario.

What we have provided under this particular regime is a 50:50 splitting of the contract. One per cent of that contract is purchased by the Government of Canada; 99 per cent is purchased by all the other provinces. If that is not equity I am sure the hon. member might want to go back to math school.

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YOUNG OFFENDERS

Mr. Myron Thompson (Wild Rose): Mr. Speaker, my question is for the Minister of Justice.

In Edmonton on April 17 in the early hours of the morning a young couple, ages 36 and 37, with their two children, ages 9 and 6, were wakened by a noise. The mother, thinking it was one of her children, went to investigate. Three young offenders had broken into their house. When she confronted them they promptly stabbed her to death.

When is this minister going to act by sending a clear message to violent young offenders that the experiments of the seventies were a failure and they will be treated henceforth as the vicious criminals they are?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, we all read with shock and horror the facts of the case to which the hon. member has referred. I do

not want to discuss that case because at least two people have been taken into custody and that is a matter for the courts.

Let me speak to the broader point the hon. member has raised not for the first time in this House. Let me say I have responded not for the first time in this House that this government, from its platform through to its present policy, has recognized the need for changes to the Young Offenders Act. A thorough review of the statute is needed to determine whether it continues to meet the needs of the Canadian public.

• (1455)

As I have told my hon. friend in the past we are going to introduce legislation in this House in June to make specific changes to the statute. At the same time we will turn the Young Offenders Act in its entirety over to the justice committee of which the hon. member is a member for a thorough review to ensure it meets the needs of juvenile justice in Canada.

That is the same response I gave last time. I shall give that response the next time the hon. member asks the same question.

Mr. Myron Thompson (Wild Rose): Mr. Speaker, unfortunately I will probably have to ask the same question about a new case. How many people have to die before this government will realize the legislation they have had in place for 16 years is useless? It is time to act.

This Young Offenders Act is inherently flawed. Any amount of tinkering this government will do will not fix it. We need completely new legislation for young offenders.

Will the minister replace this legislation? Will the minister scrap the act?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have already said the justice committee will be asked to look at the act to determine whether it ought to be changed further, beyond the changes we are going to introduce in June.

Let me add that it seems to me the hon. member is falling into the error of assuming the tragedies to which he refers, the crimes to which he makes reference in his questions, can be averted or overcome by the simple expedient of changing a piece of legislation. The difficulties and problems to which he refers run deeper than that.

The approach this government is taking is not only to introduce changes to statutes as required, and that we shall do, but also to address the broader question of crime prevention in this country, also a priority for this government.

CONSUMER AFFAIRS

Mr. Tony Ianno (Trinity—Spadina): Mr. Speaker, my question is for the Minister of Industry.

As the Canadian telephone sales and telemarketing industry continues to grow, so has an increase in telephone sales fraud. Telephone sales fraud has become alarmingly commonplace with some studies estimating that it defrauds the public of up to $100 million. These fraudulent practices affect all Canadians but especially senior citizens.

What is the minister prepared to do or doing at this time to protect Canadians from this telephone sales fraud?

Hon. John Manley (Minister of Industry): Mr. Speaker, I thank the member not only for his question but also for raising this issue in the House of Commons at this time.

It is a very important concern not just of our department and of the Bureau of Competition Policy but it should be a matter of concern for all Canadians.

As he mentions senior citizens particularly have been victimized by fraudulent telemarketing activities. For that reason the Bureau of Competition Policy which is responsible for enforcing laws respecting misleading advertising has included a flyer with the old age security cheques. This notice warns senior citizens of the danger of telephone fraud and of making the appropriate inquiries when telephone calls are received.

Also the Bureau of Competition Policy in co–operation with the RCMP and provincial police forces will be increasing enforcement activities to see that the laws on the books are appropriately enforced.

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[*Translation*]

PAY EQUITY

Mrs. Christiane Gagnon (Quebec): Mr. Speaker, my question is for the President of the Treasury Board. On the issue of pay equity, the media recently reported that the Government of Quebec and the Quebec union of provincial employees had come to an agreement. Some $90 million will be paid in catch–up wages and another $25 million in pay equalization adjustment in certain employment categories.

In view of the fact that the provincial governments in Quebec and Ontario continue to consider pay equity a key priority, does the minister intend to finally pay female employees of the Federal Public Service the amounts owed them pursuant to a ruling by the Human Rights Tribunal over three years ago?

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, pay equity is a priority of this government. Indeed in the past the federal government has reimbursed employees to try to ensure pay equity.

There is a dispute currently before a human rights tribunal. We are presently exploring with the unions the opportunity to try to bring about a settlement in this matter. I hope that will be achieved and I will further report to the House on the matter.

* * *

• (1500)

GOVERNMENT EXPENDITURES

Mr. Jim Silye (Calgary Centre): Mr. Speaker, my question is for the Minister of Finance.

Yesterday in the House the minister characterized spending cuts for next year's budget as massive. Last week the Prime Minister said that any additional spending cuts would be measured in millions not billions.

I would like to know, and members of the Reform Party would like to know, if the finance minister means massive in millions or does he mean massive in billions, or is he in agreement with his Prime Minister.

Who is actually deciding how much the cuts will be for the next budget?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, the statements I made and the statements of the Prime Minister flow directly from the budget document. We said that the cuts that were made in the budget were sufficient to bring us to the 3 per cent of GDP.

As well the budget talked about the large reform that was going to be carried on by the Minister for Public Service Renewal looking at it program by program.

That is the position of the government. It is very important to understand that it has not only been set out on countless occasions by the Prime Minister and by myself, it was also set out in the budget, and it is a position that we set out in the red book.

In other words what we said before the election we are carrying through after the election.

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PRESENCE IN THE GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of Dr. Ejup Ganic, Vice President of the Republic of Bosnia and Herzegovina.

Some hon. members: Hear, hear.

The Speaker: I also draw the attention of hon. members to the presence in the gallery of the Hon. Eduard Kukan, Foreign Affairs Minister of the Slovak Republic.

Some hon. members: Hear, hear.

GOVERNMENT ORDERS

[*Translation*]

CONTROLLED DRUGS AND SUBSTANCES ACT

The House resumed consideration of the motion, and of the amendment.

Mr. Pierre de Savoye (Portneuf): Madam Speaker, I listened with great interest to the remarks the hon. member for Vancouver Centre made before Question Period. In her remarks, she repeatedly provided assurances to the effect that provisions not included in the legislation, which were to be covered by the regulation, would be appropriately covered. I am not quite sure that I am satisfied with that, but at least I had the pleasure of hearing her say that, in her mind, a solution may be found in precedents created in previous pieces of legislation.

• (1505)

More specifically, I would like the hon. member to assure me that one way or another, the courts can, while not being legally bound to do so, induce people charged with possession or use of narcotics to seek rehabilitation and detoxification therapy.

At present, as we know, the law does not require a judge to deal with a youth, for example, in such a way as to get him or her rehabilitated or detoxified. It is left entirely to the discretion of the judge. Unfortunately, judges all too often put behind bars young offenders who really need treatment instead.

Finally, is it not unfortunate that mistakes of youth cause young offenders, children, and teenagers to have criminal records following them for the rest of their lives, when it would be so much simpler to set them back on the straight and narrow by decriminalizing offenses which are, by and large, minor and fight the big–time drug lords instead.

I will conclude on this note. In the hearings on Bill C–85, the ancestor of Bill C–7, members of the police forces themselves expressed concern about the fact that the bill did not deal with drug lords, but only small–time dealers.

I would appreciate it if the hon. member could comment on this.

[*English*]

Ms. Fry: Madam Speaker, I would like to thank the member for his question.

I listened when he spoke to the bill in the House. He made some very clear points which I tried to address in my speech today.

For over a decade it has been almost a precedent within jurisprudence that it has been a notion of the law that people would be sent for rehabilitation.

However, one of the key things about rehabilitation that we must remember is that you cannot force people to have treatment. They must be assessed first and that does not require a judge. All the judge needs to do is have the person assessed by a health professional who then decides whether the person is ready for rehabilitation or not.

That has always been done in jurisprudence over the last 10 years with regard to issues like this. I hope we will continue to do it because then the person would be assessed properly and treated if they so desire. As members well know, motivation and acceptance of addiction is an essential part of treatment.

Mr. Grant Hill (Macleod): Madam Speaker, I wonder if the parliamentary secretary could make a comparison between Bill C–85 and Bill C–7. Could she comment on how similar these two bills are?

Ms. Fry: Madam Speaker, the two bills are similar in that they have the same principle. However since that last bill we have talked with people like the Canadian Medical Association and some of the groups who found some problems with some of the clauses in this bill. As a result, we have dealt with some of the issues, as I said in my speech, that the CMA had found difficulty with, especially with regard to things like what you use as drug paraphernalia and the difference between drug paraphernalia and what is an essential part of some of our preventive programs for HIV. For instance a needle is now considered to be accepted and will therefore not be included in drug paraphernalia but would be accepted as a prevention. Those kinds of things are now eliminated from the old bill.

• (1510)

Another thing that has been eliminated is the fact that physicians are not going to be considered to be traffickers if they are using a drug which they have been designated as being allowed to use if they are using it appropriately. Some of these things have been clarified in the bill. Therefore, some changes have been made in the bill to satisfy old questions that have been asked in the past.

Mr. Grant Hill (Macleod): Madam Speaker, I listened with great interest before question period to the member for Dartmouth. I must compliment him. I believe the member is an accomplished orator and some of the words and phrases he used I found a little stinging. My ears are still stinging with the rebuke of the hon. member.

I was particularly interested when he spoke of the partisan nature of the House, partisan in the sense that we should look at the intent and purpose of legislation and be able to look well beyond narrow party bounds.

I found this fascinating in regard to this bill. I would like to state categorically that where Bill C–7 speaks of controlling drugs and substances it gets the wholehearted support of the Reform Party. For the member for Dartmouth, I cannot say that strongly enough.

I want to go on from that statement but have it remembered through this discourse. Not so long ago Bill C–85 was in the House and the member and his colleagues were sitting on the other side. I would like hon. members to judge the partisanship that was registered about Bill C–85 at that time.

The member said that the present bill is simply codifying regulations. What did the member and his colleagues say about it not yet a year ago? I have gone back to the committee minutes and have a few of them here.

The member from Winnipeg, a colleague that I value, said the following: "The subject has not been given any media attention yet. I understand it was given first reading almost a year ago in June 1992. To rush through it within a couple of months will not speak well of Parliament at the least".

The same member said: "I do not want us to give any wrong impressions to the Canadian public about this very serious bill. It needs serious study". That is not partisan apparently when spoken by member of the opposition who was a Liberal.

I go on. This comment was not made by a Liberal but another member of the committee and in response to a specific question. "My understanding was that the bill would be passed to second reading on the understanding that we give it a thorough examination in committee. I agreed to that with one speaker and we agreed to that within our party. Then it gets into the committee and we are rushing through it to beat—" and there the member used an unparliamentary word, "—and for what, so Madam Sparrow can take on the Reform Party, is that it? I don't understand. We'd be nowhere?".

• (1515)

These comments go on, comments made by my colleagues on the other side of the House now. I cannot say this strongly enough. If the bill is flawed enough to cause them to create a great stir in committee, surely the bill is flawed enough today to listen to constructive—I say this loudly to the member—criticism of this bill.

Maybe the member will look down at his feet and say constructive criticism cannot come from a member on this side. Surely it can come from a member on this side. It went on. Members spoke about really getting worried. Here is a commit-

tee with the government side trying to ram through the legislation. It even talked about putting closure on.

This bill took months and months in the previous Parliament. Surely it should not hurt to take a few hours of debate in this House that would be listened to. I am almost at a loss of words to listen to how partisanship could only happen on this side of the House.

I wanted to go over other comments made by people who appeared in front of the House. They were by S.J. Usprich and J.R.M. Solomon when reviewing this bill. These are not parliamentarians. They are individuals commenting on this bill. They said that this was a poorly drafted, intentionally over broad and vaguely worded piece of legislation. I agree.

I wanted to talk about some things in this bill that are good. It is traditionally suitable to only complain. I wanted to say what things I agreed with from the specific aspects that I am going to talk about. These are the medical aspects.

With the attempts to curb abuse of designer drugs and look alike drugs I agree. Stimulants, depressants, hallucinogenics, these drugs have proliferated in the laboratories of our country and our laws do not and have not kept up with those problems.

There is legislation in this act to prevent double doctoring. There is a huge black market in prescription medications. One of the easiest things for people to do is shop from doctor to doctor, getting the same prescription filled over and over again. The only way we have of preventing that is for our pharmacists to have access to the computers and to be able to catch that.

Double doctoring is a significant problem, an issue that I agree with fully. There are other things that would help this. Triplicate prescriptions will help. The use of computers at all pharmacies will also help but there are very specific provisions in this bill that are very vague and broad.

I heard a member from the Bloc speak about the things that an individual could inspect as they came into the practitioner's office; for example, open and examine any receptacle or package, examine anything found in that place, examine any label, take records, books or other documents, seize and detain, reproduce any document.

It was not so long ago that I had one of my colleagues say to me that patient confidentiality was being eroded in our country. Patient confidentiality is very important. Concerning the woman coming in to speak with her physician about sexual abuse when she was young, asking if these records are confidential, will anybody be able to look at them, the answer if this act is brought in will be no, your records are not confidential. That is a problem.

I thought I would take a light hearted look at a bit of the bureaucratic mumbo–jumbo in this bill. We talk about bureaucratise. The governor in council may, by regulation, designate any regulation made under this act as a regulation. In other words, we can make regulations about regulations to regulate whatever we want, including regulations. That is nonsense.

The act is also full of very specific definitions of the subjects and the substances covered in this bill and then goes on to say the governor in council may amend any of the schedules by adding to them or deleting from them any item or portion of an item. That does not fit with the exactitude that an act like this requires.

• (1520)

In our country I believe criminal justice needs a thorough review. This bill should be part of that review. Gun control issues need a thorough review. The Young Offenders Act needs a thorough review. Victims' impact statements need a thorough review. Let us listen to the Liberal members who sat on committee a year ago and said that this act needs a very thorough review before it goes to second reading.

Whether or not the government is willing to take this to the justice committee or the health committee, I personally feel that it should be in the justice committee. I listened to the Solicitor General in this House agree to that. I also heard one of the justice committee members saying he felt that this should go to justice.

I would ask the members to recollect again my comment that in terms of the criminal justice issue with this act we are in total agreement. The bill is poorly crafted, poorly worded and has flaws in it that are almost too great to address in committee. I would ask the government to review very carefully this aspect of this act and to put it to the justice committee as we suggested.

Mr. Ron MacDonald (Dartmouth): Madam Speaker, I am glad I am still here because the hon. member raised a number of issues and I am pleased that he clarified his own position and I suspect of his party. I am not sure if he speaks for himself or his party on this issue.

This bill was before the previous Parliament and Liberals had some difficulty with it. We believe there were some things that were flawed. The context in which the previous government pursued legislation was a closed shop. Conservative government members went in to the committee like lambs with rings in their noses and were led by the parliamentary secretaries at the time. Even the worst bill, even the most obviously flawed bill would not be changed once the minister rose in his or her place and tabled it in the House.

We have given a commitment that we will not do that. We have seen this on a number of issues that committees have already started to examine. It was a different place and a different time and the government was committed when Bill C–85 was put in the last Parliament not to listen to any substantive suggestions for change in the bill. That was clear from the outset.

I believe the member is sincere in what he said here today. This is second reading debate. This is where parties and individuals agree or disagree to approve the bill in its principle, in its direction. Then it goes on to committee where we then have report stage. I would urge the member opposite if he is trying to make this place work better that if he agrees in principle with the bill to vote in favour of the bill, refer it to the committee with the concerns he has, which are legitimate, about whether there are flaws that can be fixed, and work at the committee level.

I can give a commitment from this side that our government is quite prepared to listen to any reasonable suggestions as to how legislation such as this can be made better. We are committed to making this Parliament and its committee system work.

Mr. Hill (Macleod): Madam Speaker, the rhetoric is great and I do hope the member is telling it exactly as it is. However, I feel and I sense that there is an ownership taken of a bill as soon as the member switched to the other side. I wish that were not the case. It does not seem fair to me that the bill can have changed so much in this short period of time.

I read both of them, they are not significantly changed. My sincere hope would be that this is in fact the way this Parliament would work. I cannot say this any stronger than I have already. When it went to the committee stage when those members were in opposition there was a howl and a scream of it being rammed through. I am not at all comfortable as I sit over here to see that same process take place. I am speaking of this loudly and I will watch with great interest.

I would also refer back to the member. If this is to be a co–operative Parliament would the member not look very carefully at the proposal to take this to justice? This is not, and I cannot say this strongly enough, a health bill. This is a justice bill.

• (1525)

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health): Madam Speaker, I would like to comment on some of the things that the hon. member said.

There are some differences in this bill. It is not the exact bill that was brought to the House last time around.

The word "provide" now in definition is changed so that it specifically says traffic. That means that a physician or a pharmacist's providing a drug to a patient is no longer in danger of being considered trafficking. That was one of the very poor things in the last bill that had to be changed.

There are a couple of other things. The fact that a patient goes to a physician or a pharmacist and takes away and possesses drugs also has been specifically defined in the bill so that we now know that is allowable and that is not considered to be a criminal offence.

There is one other thing I want to say to the member. It has to do with the fact that he was talking about physician–patient confidentiality. There is a great misunderstanding out there in the real world about physician–patient confidentiality.

What the member should know is that there is no such thing in reality; in no court or group or insurance company. In British Columbia, for instance, the insurance company of British Columbia that deals with traffic accidents can subpoena all of the clinical records of the patient regardless of whether they have to do with the accident. This is allowable and the physician and the patient have no recourse.

There is a precedent already here that the information between a physician and a patient is not that privileged as one would expect. It is not like the information between a lawyer and a client. Lots of laws so far have allowed for ministers of health to look at records if they believe, and this is what this bill says, that the physician and the patient were in agreement to use drugs for purposes other than therapy and other than appropriate physician–patient use.

This is going to be done by health professionals who are governed by the Privacy Act and by confidentiality so that no one should be able to see this but the particular minister and the particular inspector.

Mr. Dale Johnston (Wetaskiwin): Madam Speaker, it is a pleasure for me to be able to rise today and speak on Bill C–11. At the outset I would like to point out that I am certainly not opposed entirely to Bill C–11. There are some very good things in it.

I agree that we must educate the public as far as smoking hazards are concerned. I further agree that we should be placing an export tobacco tax on—

The Acting Speaker (Mrs. Maheu): I am sorry, is the hon. member aware that we are speaking on Bill C–7 right now? You are debating on Bill C–11.

Mr. Johnston: I am on Bill C–11, Madam Speaker.

The Acting Speaker (Mrs. Maheu): We are not yet at Bill C–11. We are still debating on Bill C–7. Resuming debate, the hon. member for Saskatoon—Dundurn.

Mr. Morris Bodnar (Saskatoon—Dundurn): Madam Speaker, it is interesting to hear all the different members in the House speaking on this legislation. It is interesting to hear that there is consensus on many points and disagreement on some.

Everyone, it appears, agrees that there is need for legislation for the control of drugs and that this be put into one statute. To date we have two statutes that govern this. It is important to have this in one statute; important for the public so that the public can from this point on refer to one statute and know what is allowed and what is not allowed and how the controls take effect.

It is also important that our children be protected from the parasites of society. The legislation in question takes that into effect. We all have the goal of having legislation that will control what many people consider to be a profession, a profession at the price and at the cost of our young people in society. We cannot have young people destroyed. We must not allow it. Apart from educating the public we still need legislation controlling, as I have indicated, these parasites in society.

• (1530)

We cannot take legislation such as the legislation that has been proposed and rubber stamp it. Perhaps we have consensus on that as well. The legislation is so different. It is not just amending legislation but is new legislation which has been drafted, trying to foresee all the problems that may arise. By trying to foresee problems one tends either to overlook certain matters or give it too great a scope.

We must be vigilant that we do not throw out human rights. When we are dealing with legislation such as this innocent people will also be involved. We must not trample on their rights. In enforcing rights against individuals who breach the law we sometimes come into contact with people who are innocent and their rights are trampled upon. We must look at the legislation in this light.

In other words we generally have to balance the rights of the innocent people with the objectives of the statute itself. What better way to do this but in committee. It appears all people in the Chamber favour the legislation and its goals. We must be careful as we look at the legislation not to get to the stage where we in fact trample on the rights of individual people, innocent people.

Let me just give an example in this respect. We must be careful with the definition of trafficking. I am not saying the definition in the statute is adequate or inadequate, but let us just take a look at it. The definition of trafficking deals with selling. Traffic means to sell, administer, provide, transport, send or deliver.

Is that a definition we wish to have? Do we want people who simply send or deliver an item or provide an item to be trafficking? Then we have the definition of provide which means to give, transfer or otherwise provide in any manner. Do we want such a definition?

The problems we run into with such a definition of provide is that we could have too many people covered. We could have innocent people covered. We could have people who simply give medication to others within a home, people who have a proper prescription to a controlled substance, being guilty of trafficking.

Let me give an example. An individual, a spouse, may have a prescription for a controlled substance. The other spouse may be requested to fetch that particular item. By giving that substance to a child to bring to the other spouse the initial spouse is guilty of trafficking. We do not want that. We cannot have that. We must be vigilant that innocent people are not covered by the legislation in this manner. In other words we have to balance here again. The balance requires that the innocent people be protected against the objectives of the statute.

We must also look at the provisions of the statute in certain procedural matters where preliminary inquiries are taken away from certain individuals.

The summary convictions portion of the statute is expanded thus eliminating preliminary inquiries. This may not be something suitable for the public. This may not be something we require or desire in the administration of justice. Depending on discussions in this area, discussions as to disclosure by the crown to the defence, this may be reasonable but it may not be reasonable. What better place to deal with it but in a committee.

We have to look at what the controlled substances are. What are we looking at? Part of the definitions in the schedules refer to derivatives and similar synthetic preparations.

• (1535)

One has to look at the objectives of the legislation again which are to prevent the designer drugs, slight alteration to drugs and in that way getting around the legislation. We also have to look at the innocent people who can possess these particular items and not know that it is an offence.

Unless we have specific items indicated in the statute that we know are offences or not offences, it is difficult to function in society. We have to balance again. What better way to balance but to discuss it in committee. Let the committee take a look at it and thus be able to protect the innocent who may come into contact with the statute and also see to it that those who are trying to circumvent the legislation are duly dealt with.

One area that may create some problems is the area of possessing property or proceeds of any property knowing that all or part was obtained or derived directly or indirectly. I look at this matter and I have problems. The problems that arise are that individuals may have property they received. Store owners may receive money from people who they believe may be selling drugs but also have legitimate jobs. Those store owners are not protected if they sell products to that individual. This particular legislation might be too broad.

As well we have a problem with respect to legislation that deals with the Governor General being able to exempt police from the statute. Exempting police from the statute allows police in the investigation of offences under the statute to traffic. If police can traffic they can instigate offences. If they can instigate offences and if it is allowed we may have a problem in our criminal justice system with individuals who are too vigilant or too aggressive in attempting to protect society, and

by trying to protect society may in fact be pulling innocent people into the web. I see that my time has run out.

Ms. Judy Bethel (Edmonton East): Madam Speaker, I am pleased to participate in the discussion of Bill C–7 today, the Controlled Drugs and Substances Act. In the long term it will be one of the most important pieces of legislation considered by this assembly. Canada needs a comprehensive drug strategy and Bill C–7 provides it.

If we talk with community leaders in any of our cities we will soon hear that our current laws are not effective in dealing with the drug problems they face. Police forces across the country have pointed out that new laws are needed to deal with the techniques now used by drug offenders.

Neighbourhood groups are really frustrated because the law seems powerless to do anything even when they and the police know about drug dealings on their streets. Community workers who are trying to help young people choose a healthy lifestyle are discouraged because the law is not a partner in their cause. Often it is a detriment. Ineffective laws also bring disrespect for the law in general, and this is certainly true of current drug laws.

For all these reasons I welcome and support Bill C–7. It provides important new tools for the police and communities to use in fighting the drug problem in the country. This law will make it easier for police to prosecute drug dealers and it provides stronger penalties. It will allow the courts to consider aggravating factors in sentencing such as the involvement of children and the sale of drugs in school yards.

Bill C–7 is a comprehensive drug strategy and a major improvement from existing laws. There is, however, one aspect of the modern drug trade that is not covered. I would like to see the bill amended to close this loophole. I am talking about the use of fortified drug houses to avoid police prosecution. This is already a significant problem in Edmonton and many other cities. It will become an even greater problem as police forces begin to use other features of the new law.

I will briefly describe the problems and propose possible amendments for consideration by the committee in its review of the legislation.

• (1540)

The first fortified drug house in Edmonton was appropriately called the Fortress, and that is exactly what it was. The plan is simple. Drug dealers rent an old house and fortify it through the addition of cement walls, steel doors, false entrances, trap doors and other obstacles. This delays police entry long enough to destroy any evidence of drug trade. The element of surprise, an important element in effective enforcement, is gone. These houses also allow for the exchange of money and drugs through trap doors. There is no human contact between the dealer and the purchaser, eliminating other ways of catching dealers.

Over the years the Edmonton police service employed a number of tactics against the Fortress with little success. An appeal was made to the absentee landlord but he did not care as long he got his rent. In fact he legally challenged any moves by the city to close the place down.

The neighbourhood became very upset because the Fortress became a centre of undesirable activity. It ruined all their hard work to clean up their neighbourhood. Used syringes were discarded in nearby playgrounds where children could pick them up. Traffic noise and frequent street fights made the area unsafe. Older residents and families were forced to move away, adding to the cycle and the significant costs of inner city decay.

In response to the community the Edmonton city council tried applying every possible law relating to property and land use but ran into legal barriers at every turn. The fact is that there is no legislation to deal with this situation effectively. Drug dealers know it and openly flaunt the law.

I am told by the Edmonton police service there are now 12 fortified drug houses in operation in our city; some are sporadic operations and some are permanent. All of them present a major cost to communities and lead to more disrespect for the law.

In the United States the problem with fortified drug houses had to be dealt with through specific legislation. Some states like California have been successful. However we need to address this problem in Canada.

In order to make Bill C–7 a truly comprehensive drug strategy, I am proposing that it be amended to deal with the problem of fortified drug houses. There are three possibilities for amending the legislation to cover fortified drug houses. One is to include real estate in the definition of offence related property. Bill C–7 allows for the confiscation of property used in drug trafficking, but the definition specifically excludes real estate. Removing this exemption would be one way of addressing the problem.

A second approach is an amendment to create a new offence. The amendment would prohibit an owner, landlord or tenant from knowingly permitting a place to be used for the primary purpose of trafficking in illegal drugs. The Edmonton police service has drafted a proposed amendment which I will be pleased to provide the committee.

A third option is to establish a mechanism by which drug houses could be confiscated by the crown under specific conditions. Again the Edmonton police service has provided some suggestions which I will provide in writing to the committee.

Any of these amendments are consistent with the intent and the spirit of the legislation. They will address the significant problem of fortified drug houses which is not adequately

covered at this time. If we do not address the problem now fortified houses will spread as the way to avoid prosecution under provisions of the act.

This is an opportunity that we cannot afford to miss. Bill C–7 is a comprehensive drug strategy. Let us cover all the loopholes and give communities the tools they need to deal with the problem that creates untold damage in human lives and safety in our communities.

I urge my colleagues to support Bill C–7 and to support an amendment that will address the problem of fortified drug houses at the same time.

[*Translation*]

Mrs. Pauline Picard (Drummond): Madam Speaker, I will be commenting on Bill C–7 in my capacity as Official Opposition health critic.

The Minister of Health has introduced on behalf of the government Bill C–7, An Act respecting the control of certain drugs, their precursors and other substances.

After reviewing this bill carefully and mindful of the seriousness of the health issues at stake here, I have to say that the bill misses the mark because of the underlying push to criminalize certain activities and that it is a failed attempt to modernize our approach to combatting this costly scourge on society.

• (1545)

At the outset, I wish to point out to this House that I, along with the Bloc Quebecois, support the move to criminalize the sale of illegal drugs. Adequate and effective measures and pertinent legislation are needed to control mood–altering substances. Not just any legislation, mind you and, from my perspective as health critic, especially not legislation that focuses only on the repressive aspects of the issue and overshadows basic public health considerations. Such considerations must be a key component of any legislation, initiative or regulation aimed at combatting drug abuse.

In this respect, Bill C–7 needs to be radically amended. Although this bill was introduced by the Minister of Health, it does not contain any provisions designed to improve public health or the health of the many people who abuse drugs. In short, this bill proposes to fight one of society's ills through coercion and relentless legal efforts.

In the next few minutes, I will show how illegal drug use is much more of a health problem than a crime problem.

There are many reasons why a person turns to drugs. A person may be searching for a high or a feeling of euphoria or seeking temporary respite from the problems associated with depression or stress. Others who may find it difficult to keep up with the demands of our consumer–driven society see drugs as a way of overcoming fatigue or increasing their productivity. Teenagers in search of an identity often try drugs to defy established authority or simply to conform to standards of behaviour dictated by their environment. An unhealthy family environment and pervasive poverty, violence and despair are often a one–way ticket to drug abuse.

The one common denominator in all of this is that drug abusers experienced health, emotional or social problems before they actually started using drugs. The criminal activity, that is obtaining and using the drugs, is secondary to their illness or social failure.

Canada's Drug Strategy was adopted to spearhead the fight against drug abuse.

A total budget of $270 million over five years has been earmarked for the CDS. This works out to an average annual budget of $54 million. So, to fight drugs, we will invest about $1.98 per person per year. Yet, according to the revenue department, drug trafficking in Canada generates some $4.6 billion, which represents $168.52 per Canadian per year. If you invest $1.98 to fight an activity which generates $168.52, you are going to look like David against Goliath.

In 1984, the Addiction Research Foundation estimated that drug use led to additional medical care totalling $2.728 billion, which is almost $100 per Canadian per year, while the monies allocated for treatment and rehabilitation only represent $0.75 per person, or 38 per cent of the CDS budget, and the funds for education and prevention are equivalent to $0.63 per person per year, or 32 per cent of that same budget.

Every year, reduced productivity linked to drug use costs each Quebecer and Canadian the equivalent of $37.54, while the costs of implementing the law amount to $31.10. These figures are self–explanatory.

• (1550)

The amount of money spent to fight drugs is nowhere near the health, social and economic costs generated by this plague, or the profits generated by this traffic.

The bill which is before us has no long–term vision regarding the fight against drugs, which is something we had to include as parliamentarians. On the contrary, this legislation proposes or suggests old and archaic recipes as an easy way out.

There is an explanation to that. By merely revamping the old Bill C–85 tabled by the previous government, this government is sending the message that initiative and new ideas are not its forte when dealing with such important issues.

Personally, I deeply deplore the fact that a bill from the Department of Health gives so little consideration to its own field of responsibility, namely public health in Canada. Instead of seeking to treat and rehabilitate innocent victims, this legislation provides for criminalization and incarceration.

What will our society, which claims to have the best health care program in the world, do to an innocent young person, who could be my child or yours and who is influenced by others into using soft drugs? Our society will give that young person a criminal record and give him a jail sentence. So much for our social ethic and our value system.

Whereas enforcement measures must be maintained and even strengthened to fight drug traffickers—those merchants of dreams who make such fortunes—victims of these despicable people must be helped, and that means being lenient and offering education, prevention and rehabilitation programs, as well as health care.

Is imprisonment an adequate solution, considering that 70 per cent of federal penitentiaries inmates use illicit drugs? Is making our laws more stringent a good idea, considering that numerous studies have repeatedly shown that fear of punishment or harshness is an insignificant deterrent among drug users?

When comparing risks of punishment with risks to health for drug users, concerns for health clearly win out.

I believe that Canadians are asking us to take effective drug control measures. To do so properly, we must reduce both the demand for and the supply of illicit drugs in a balanced way. A good approach will combine health, prevention and rehabilitation measures, and legal sanctions, too. Bill C–7, the amounts spent on the Canada Drug Strategy and their allocation do not effectively provide this balanced control.

That is why we must reject Bill C–7, review the Canada Drug Strategy and use the results of recent research to update our approach. Above all, we must give priority to values and concepts that emphasize a better quality of life through better public health.

You know, Madam Speaker, it is more mature to admit one's mistakes than to stubbornly repeat them. Therefore I call on the Hon. Minister of Health and the government to withdraw Bill C–7 and start all over. I assure them of my full co–operation in this.

[*English*]

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health): Madam Speaker, I want to congratulate the member for a very eloquent speech. She made some very strong points.

However, the member should know that the drug strategy is also tied in with this bill and that 70 per cent of the money we now spend on looking at drugs is spent on the drug strategy which is the health component. It is the part that looks at prevention and ways of treating and rehabilitating people who are addicted.

I agree with many of the things the hon. member said about public policy and understanding the root causes of addiction and of people using drugs.

• (1555)

One must also be aware of the number of people who prey on the vulnerable in our society. We have to find a way of dealing with the people who traffic in drugs, who prey on our young people and make them use drugs, knowing full well what they are doing by bringing them into an addiction that is very difficult for them to get out of.

This bill is aimed at some of those people. I wondered if the hon. member felt that that was also needed as well as rehabilitation and treatment.

[*Translation*]

Mrs. Picard: Madam Speaker, I would like to say to the hon. member that I have no intention of not criminalizing drug traffickers; it was not what I meant. Where I do not agree with this bill is that the 500,000 young people arrested so far for possession of drugs were given criminal records, fines and jail sentences and are now being turned into users and criminals.

What I ask from this bill is that this policy be reviewed to make it more helpful to young people, who are not criminals but users. We should bring in policies to encourage them to get treated for their addictions, to rehabilitate themselves and to become good citizens. I condemn Bill C–7 because it does not put forward such policies. What I find strange is that this bill comes from the Minister of Health and yet deals only with criminal offences.

[*English*]

The Acting Speaker (Mrs. Maheu): I see no one rising for debate. Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mrs. Maheu): Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Maheu): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Maheu): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Maheu): Call in the members.

• (1600)

And the bells having rung:

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 45(5)(a), I have been requested by the chief government whip to defer the motion until a later time.

[*Translation*]

Accordingly, pursuant to Standing Order 45(5)(a), the recorded division on the question now before the House stands deferred until 5.30 p.m. today, at which time the bells to call in the members will be sounded for not more than 15 minutes.

* * *

[*English*]

EXCISE ACT

The House resumed from February 22 consideration of the motion that Bill C–11, an act to amend the Excise Act, the Customs Act and the Tobacco Sales to Young Persons Act, be read the second time and referred to a committee.

Mr. Gagliano: Madam Speaker, on a point of order. I think you would find unanimous consent, since we deferred the vote, to go on to Private Members' Hour as soon as we find the members who are on the agenda for Private Members' Hour.

Private Members' Hour will probably take us up to the time for taking the vote. Instead of doing Private Members' Hour after the vote, we will do it before. If there is unanimous consent, we could suspend the sitting temporarily. As soon as the whips find their spokespersons for Private Members' Hour the sitting can resume. Then we could suspend and start the votes.

The Acting Speaker (Mrs. Maheu): Is there unanimous consent?

Some hon. members: Agreed.

SUSPENSION OF SITTING

The Acting Speaker (Mrs. Maheu): The sitting of the House is suspended to the call of the chair.

(The sitting of the House was suspended at 4.04 p.m.)

SITTING RESUMED

The House resumed at 4.10 p.m.

[*Translation*]

Mr. Gagliano: Madam Speaker, I think you have the unanimous consent of the House to go back to government orders, and proceed with Bill C–11. After that, we will see what time it is and perhaps move on to private members' business before the division. I will come back to that, Madam Speaker.

I apologize to the House. I misunderstood but we would like—and I think there is unanimous consent—to move on to Bill C–11 right away.

[*English*]

The Acting Speaker (Mrs. Maheu): Do we have unanimous consent to resume debating on C–11?

Some hon. members: Agreed.

* * *

EXCISE ACT

The House resumed consideration of the motion that Bill C–11, an act to amend the Excise Act, the Customs Act and the Tobacco Sales to Young Persons Act, be read the second time and referred to a committee.

Mr. Jim Abbott (Kootenay East): Madam Speaker, this is an excellent opportunity for me to develop an issue in this House. I attempted to do this when the government was talking about rolling back the taxes or in fact went ahead with the whole business of rolling back the taxes on cigarettes.

Subsequent to that time it has been interesting to interview the interviewers, the people actually responsible for bringing the news to Canadians. Basically they have told me if you cannot say something and put your point over in 10 seconds it probably will not be news. It probably will not get on television. This is an opportunity then with a little bit more time than that to actually raise an issue I attempted to raise previously.

My issue is that of corporate responsibility. It is the responsibility the cigarette manufacturers and distillers have to the people of Canada. I have some questions about the way in which they are carrying out their responsibility.

During the time this whole issue was boiling another member of the House approached me with two empty Export A cigarette packages. Both of them had been purchased illegally. One was purchased three weeks prior to the government taking its action in bringing forward its measure on export taxes. The other was purchased one week before.

Both packages appeared to me to be exactly the same, until I studied them a little more closely. The first package given to me had on it "25 Class A Finest Canadian Filter Cigarettes" and very proudly "Product of Canada". The package that was purchased one week later, approximately one week prior to the government announcing its export tax, had on it "R.J. Reynolds Tobacco Co., Winston Salem, NC, Under Licence from R.J.R.–MacDonald, Inc., Canada".

It appears what was going on here was that the company expected there was going to be some form of export tax. Rather than manufacture the product in Canada and selling it to the U.S. where it would then be taken to a point where it could be brought back into Canada, the company's concern was why would it pay that export tax. It appears the company decided to manufacture the product, which appears for all purposes by its packaging to be exactly the same product, in Winston Salem, North Carolina

thereby avoiding the action the government took about one week later.

My point is Corporations in Canada should be responsible. Corporations in Canada should not do things that will feed into a situation such as we had prior to the government taking action.

• (1615)

We had terror, particularly in the area where the majority of this product was coming through. We had fear and we had murders going on and it was all surrounding the whole issue of illegally smuggling cigarettes back into Canada.

Yet I suggest with greatest respect that it appeared to me that none of these companies was taking any substantial action, they were not contributing to this problem of terror, this problem of fear, this problem of murder that was happening over these things.

Furthermore, I found absolutely unfortunate the fact that at exactly the same time the taxes were rolled back on the cigarettes the distillers sent to all members of this Chamber a plastic 750 millilitre bottle explaining that 83 cents out of every dollar that is paid for that bottle one way or another go to taxes.

It might be instructive, granted this is only by my personal recollection, to think for a second about how the taxes on cigarettes and the taxes on alcohol were raised to the level they were. As a youngster, as a young man and through my adult life I can recall many times that people were saying they could get away with adding more tax to cigarettes, adding more tax to alcohol because people want these products and therefore are going to pay it, therefore it is a good revenue source.

Granted this is only by my personal recollection but I do not imagine too many of the members here or the Canadian public would contest that. It was something that happened.

We do end up with the fact that on alcohol we have 83 cents out of every dollar going to the tax man. This obviously works against the corporate agenda. So it is that the Canadian public naturally becomes cynical. It says obviously that if things are working contrary to the corporate agenda what is going to happen is that companies are going to take whatever action required in order to protect their position.

We have now discovered through a process of market studies and things of that nature that higher taxes do lead to lower consumption, particularly on the part of young people. I suggest it is the height of cynicism that it would appear as though these manufacturers were not only feeding the product into the system that included within itself the terror, the fear and the murder, they actually took action to try to get around the fact that this government, attempting to act responsibly on behalf of Canadian people, brought an export tax in as was assumed.

If there is low public respect for politicians I suggest equally that in Canada on the part of many Canadians there is low public respect for corporations. I suggest to these and other corporations that maybe within the sound of my voice, within the sound of this speech, they examine their motives, take a look at the whole issue of corporate responsibility. Rather than trying to circumvent Canadian law, rather than trying to get around the well intentioned actions of this and other governments, they work with them and act in a socially responsible manner.

If we do not have respect on the part of ordinary citizens for those corporations that put forward the capital to bring forward the jobs, if we do not have respect on the part of ordinary citizens toward politicians, the next step is not very far away and that step is one of anarchy. I would hate to see that happen in this nation.

• (1620)

I appreciate the opportunity to develop this story. As one postscript, however, I suggest this story which I have just narrated in this House was available to the Canadian news media. I went around to many reporters and attempted to sell this as something they could be bringing forward and none of them paid any attention. It has been suggested to me the reason for that is that it could not be explained in ten seconds on television. If our newscasting has reached that point then maybe the newscasters of today have to also be prepared to take a more responsible attitude, as I am suggesting.

Mr. Dale Johnston (Wetaskiwin): Madam Speaker, after one false start maybe we will get right on with it this time.

I appreciate the opportunity to speak to Bill C–11 and I will for the most part agree with the substance of Bill C–11. I do think that it is extremely important that we educate the public about the hazards of smoking and in that way I agree with the bill. I further agree that the export tax on tobacco products is a step in the right direction.

However, it is the companion motion to Bill C–11 that I have difficulty with. I am going to speak along the same lines as my colleague.

What particularly bothers me about relieving the taxation on cigarettes and tobacco is the fact that we on this side of the House are particularly in favour of stronger enforcement laws against smuggling.

We have excellent police forces in Canada and we have laws that certainly cover the situation. Why is this so much different than any other lawbreaker would be? Let us take speeding for example. If we have a lot of non–compliance as far as the speed limits are concerned we never once consider abolishing the speed limits and allowing anyone to drive any speed they want.

In fact, we come up with some very ingenious methods, the latest of which is probably the photo radar. If you break the speed barrier you automatically have a picture of your licence plate taken and you get the bill in the mail. Of course you have no defence against that whatsoever.

Here we have a method whereby we can deal directly with the problem rather than saying that we are going to change the rule so that we will not be troubled with having to catch these speeders anymore.

When we reduce taxes on cigarettes it is a little like the gas war. When the guy across the street lowers his gasoline prices then that behooves me to lower my gasoline prices to stay competitive. It looks to me like we are actually getting into competition with these smugglers and in fact allowing them to set the government's agenda. I have a real problem with that.

The other thing about this companion bill is that we have no idea how much money the government is foregoing as far as reducing the taxation on these cigarettes.

We have heard over and over again that its policy is to broaden the tax base. By its own admission it would like to see the deficit reduced and that is either going to take reduced spending or increased taxation and the term the Liberals have come up with is broadening the tax base.

Here we have a contradiction to that. We have a voluntary giving up of perhaps hundreds of millions of dollars. If taxes are reduced in this area it would naturally seem to follow that they will have to be increased in other areas in order to come up to roughly the same level. That is a question in my mind. Where is this foregone revenue going to come from? Obviously it will have to come from somewhere.

• (1625)

As has been mentioned, any time that governments consider raising the taxes on the so–called sins, alcohol and tobacco, the sin taxes, it is always debated in this House and in fact right across the provinces in the legislatures. Often times I am sure the debate would go along the lines that we can certainly raise these taxes because people should have to pay for their sins and not only is it a good revenue builder but it is a deterrent for people to actually partake in the so–called sins of alcohol and tobacco.

We are doing two things by raising taxes on the so–called sins. That has always been the argument as well as the fact that we feel if you utilize tobacco and alcohol then the chances are you will need the health care system more than the average person, and so you should be paying your fair share in order to maintain the health care system.

That this bill increases the age limit for the legal purchase of cigarettes it is commendable. At the same time the government is making the product more affordable to those people who do desire to smoke.

Now that we are making it easier, or at least more affordable, to buy cigarettes are we in fact going against the argument that smokers should be paying a higher price for a health care system that would probably see more usage because of their habit? We are talking about a health care system that seems already to be overburdened.

In my opinion there has been a very clear precedent set here. How does this government plan to answer the question that my colleague has raised as far as the Canadian distillers' request is concerned, as far as lowering the taxation? According to my figures, the taxation on a bottle of spirits is in the 87 per cent range. That means that out of the 13 per cent that is left the manufacturer must produce, bottle, advertise, label, ship and pay all its personnel costs and take its profit.

What that also does is encourages a new generation of rum runners. It is a kind of revisitation of the 1920s. Certainly there is money to be made in the bootlegging of illegal alcohol.

Is this a problem in Canada today? I certainly believe it is. According to statistics that I think all members of this House received we estimate 17 million cases of spirits sold in this country per year. Of those, 4 million cases of 12 bottles each are illegally smuggled into Canada.

How do we arrive at the 4 million cases? It is through communication with the provincial liquor boards, the comparison of per capita sales in the United States, and discussion with Revenue Canada Customs and law enforcement agencies. Those figures are pretty reliable.

When we have a problem like this the solution, in my opinion, is not a really simple one. A step in the right direction is a get tough attitude with the smugglers. I think we also have to really increase the profile of enforcement. We not only have to make enforcement more effective, it has to appear to be more effective. We also have to increase the penalties on smuggling. I equate it with upping the ante, particularly when it comes to smuggling cigarettes and alcohol for the purpose of trafficking.

I think we could also add into that the smuggling of guns. Perhaps that is a subject for another day, and I hope to get an opportunity to speak on that at a later date.

Another thing that is ultimately important and that this bill does address is that we ought to be educating the public about the potential health hazards of tobacco. If we agree with the government's policy on reducing taxes and it actually reduces the incentive to smuggle then we have to apply it to the alcohol smuggling problem as well.

• (1630)

In conclusion, I believe that Bill C–11 has merit. In my opinion it would have been a better bill if it had the budget implications included in it. We are not sure just how many hundreds of millions of dollars the Canadian government has foregone in this instance and what the total cost of the program is.

I find myself leaning toward supporting this bill but I would have been much happier to see the financial implications.

(Motion agreed to, bill read the second time and referred to a committee.)

[*Translation*]

Mr. Gagliano: Madam Speaker, at this time, I think we will do what we wanted to do at the beginning. I think you will find there is unanimous consent to move on to private members' business right away. We should then be finished in time for the call of the bell.

So if you asked for unanimous consent, I think you would get it.

The Acting Speaker (Mrs. Maheu): Am I to understand that the proceedings on the adjournment motion will take place after the vote or will they be cancelled?

Mr. Gagliano: If we could have unanimous consent to move on to private members' business, we will hold the necessary consultations during the debate and decide whether there will be proceedings on the adjournment motion.

The Acting Speaker (Mrs. Maheu): It being 4.37 p.m., the House will now proceed to consideration of Private Members' Business as listed on today's *Order Paper.*

PRIVATE MEMBERS' BUSINESS

[*English*]

HIGHWAY 16

Mr. Jim Jordan (Leeds—Grenville) moved:

That, in the opinion of this House, the government should enter into an agreement with the province of Ontario to expand Ontario highway 16 south from Ottawa to highway 401 at Johnstown, into a four lane highway in order to ensure road safety and enhance travel in and out of the nation's capital.

He said: Madam Speaker, it is a pleasure to speak to this motion. I have been trying to move it along this far and get it discussed at this level ever since I have been in the House of Commons. I feel I have made one small gain on this.

I want to give a short history and geography lesson for the people across Canada who may need some familiarizing with the location of this highway and hopefully elaborate sufficiently so that people will see that it does have a national interest.

Highway 401 is the main east–west highway through south central Canada. If you have ever travelled through Ontario by motor car you have probably been on the 401. That is the main thoroughfare.

The 401 passes about 80 kilometres south of metropolitan Ottawa, Ottawa–Hull. It is about 100 kilometres from where we are right now to highway 401, the main busy thoroughfare that passes through southern Ontario. The link to get to that highway, however, is highway 16. My hope would be to some day see it a four lane highway, a north–south link between this part of Canada and the 401 and the northern United States.

• (1635)

My riding is not very far away. It has two bridges coming in from northern New York. I would like to think that some of the people would be interested in the nation's capital. However when they look at a two lane road, having been accustomed to four lane roads, they would be more inclined to stay on the four lane highway and move out of this area either to Toronto or Montreal.

I want to make it clear that the northern stretch of this highway, about 15 to 20 kilometres, is being constructed at this time into a four lane highway but the remaining 60 kilometres will be still only a two lane highway. There was pressure for the highway to be built to four lanes about 15 years ago and the layout is there for four lanes.

They have expropriated almost all the land that would have to be expropriated. They have bypassed the towns and the villages. Very often those are points of great dispute when one is bypassing a community. That has all been done. The right of way is there for four lanes. It just needs the political will to move on with it.

The only way you can get from the nation's largest centre, Toronto, to the nation's capital by a four lane highway is to go to Montreal. Then you can come back to Ottawa on a four lane highway. That lack of access to the nation's capital should be of national interest because of the ever increasing traffic flow on the existing road into the capital from the south. First and foremost is the safety aspect.

In the seven year period from 1985 to 1992, there were 39 deaths on that highway. There were 721 reported accidents and probably minor accidents that were not reported. Ninety per cent of the accidents occurred in the southern portion of the highway, in other words, the part that is not being constructed into four lanes, the part where there is no plan currently to improve the highway.

The federal government has some responsibility because it is the road into the nation's capital. That is why I presented this motion. There is nothing novel about spending federal funds to construct highways. Indeed, we announced a great infrastructure plan not too long ago. A lot of federal government money has been spent on highways.

I have a list here starting back in March 1993 during the previous government, I will admit, of federal funds going into the highways in Alberta, Manitoba, Nova Scotia and New Brunswick. There were no funds for Ontario. No arrangement was made for federal government funds to be spent on highways in Ontario. That is what I am asking for now. I am asking members to support the idea of a four lane highway into the nation's capital.

I could support this motion with further documents if it were appropriate. I could table those with maps and so on. I have statistics showing the great increase in traffic flow that has occurred on that part of the highway since the first part was completed many years ago.

We hear a lot about the information highway these days and I am sure it is very important to Canada. We hear a lot in eastern Ontario about Pearson airport. It is the busiest—the best some would say—and the largest in Canada. Its needs are very important and they have to be addressed. I am sure they will be addressed.

We have not heard very much about access into the nation's capital by means of a four lane highway. A better access road linking the capital area with highway 401 would make the whole Ottawa area more accessible to all Canadians who travel by road. Just as important, as a citizen of eastern Ontario, it would make more accessible our biggest and best trading partner, the United States. It is less than 100 kilometres away but you cannot get to the United States on a four lane road from the nation's capital.

• (1640)

The infrastructure program was announced with great enthusiastic support from all provinces. It was to create employment, give jobs to unemployed Canadians and stimulate the economy of the nation.

It is estimated that the completion of the highway from 401 to the nation's capital would create over 12,000 person years of direct employment. It would create an awful lot of jobs for a few years while it is in the construction stage.

The infrastructure program is to get our country and our communities ready for the time when the nation's economy is moving ahead and a good deal of what constitutes a moving economy I think in the minds of most Canadians moves by highway traffic.

As far as I know the current provincial government in Ontario has never even considered completing the access road from the nation's capital to 401 except in the north end. Mr. Speaker, if you examine the political map of Ontario you will understand why that part is being done. The current Ontario government has one MPP from this part of eastern Ontario and she is from Ottawa. The highway is being built to four lane standards in this part of Ontario but as far as I can tell no plan has been made to extend it. The only part of the highway that is being done is adjacent to Ottawa and it is for a political reason.

I know that the usual partnership arrangement with the three levels of government does not quite fit the infrastructure plan. The cost of one–third of the highway would be far too great for the small rural townships. Small rural townships in Ontario have never had to build major highways. They just do not have the tax base to do it.

When I asked people to show an interest in my motion, a lot of people from outside the Ottawa area were interested in speaking to it. This suggests to me that fixing this highway has a broader appeal than just to selfish people like myself who live in eastern Ontario. It does have a national flavour to it.

Also with reference to the infrastructure program, the time line would be far too restrictive. It could not be completed by 1997. I cannot imagine it being done that quickly. However that is a minor thing. Apart from those variances the main criteria of the infrastructure program would be met and far exceeded in building highway 416; the creation of jobs—I have given the statistics on that one—and accessing eastern Ontario to markets both domestically and internationally.

The priorities of the current provincial government have to be changed and that is the reason for my private member's motion. I think perhaps one–third federal funds; I am not suggesting the provincial government exceed the plan for more infrastructure funds. I am suggesting it arrange its priorities differently, one–third federal funds, two–thirds provincial funds. I am sure that would make a satisfactory arrangement and there would not be any more money spent. It would just be redirecting the money.

The plans for the project have been in place for years. What we need now is the political will in the province to move on with this.

Before its defeat three years ago, the previous Liberal government of Ontario had announced a plan. It said it would complete the project by 1999. I was there for the press announcement. The media were there and they said it was a long way into the future, 1999. I will tell you it would look pretty good to eastern Ontario right now if somebody said the highway would be completed by 1999. That date would look extremely good because it might still be possible, but do not hold your breath.

Let me make it clear again, it is a rearranging of priorities that I am asking for in the infrastructure program, with the federal government's involvement being one–third. I am asking the provincial government to be a little flexible, rearrange its priorities and spend two–thirds on this much needed project. I know how important and how very much needed the infrastructure programs are to all communities, but we have infrastructure

needs beyond those local levels. I think this one warrants being addressed as almost an emergency need.

• (1645)

If the government of the province of Ontario misses this opportunity by not putting highway 416 on its priority list, we who live here and are interested in the economic development of eastern Ontario will have to wait once again to see even the start of a project which is already 20 years overdue. It has been 20 years since the original plan was set and nothing has been acted upon since.

I am asking in my motion for the two levels of government, the federal level and the provincial level, to get together to make the infrastructure program fit the needs of eastern Ontario and the capital region, the capital region of Canada being the fourth largest metropolitan area in Canada, by constructing a four-lane highway in order to ensure road safety and enhance travel in and out of the nation's capital. I am sorry it is not a votable motion, but I have sensed a great deal of support for it.

[*Translation*]

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 38, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Mercier—Manpower Training; the hon. member for Bourassa—Immigration; the hon. member for Lévis—National Defence; the hon. member for Drummond—Tainted Blood Inquiry; the hon. member for Jonquière—Native Communities.

[*English*]

Mr. Dick Harris (Prince George—Bulkley Valley): Madam Speaker, I rise in the House today to speak to the motion. On its surface I cannot find the normal things wrong with it.

The member for Leeds—Grenville clearly stated that he was not requesting additional federal government funds, which I appreciate. Certainly this side of the House looks for that in every motion. He talked about the safety concerns on the roadway. I appreciate the statistics that he presented in his background material have borne out the cause of concern.

I am not going to take too long on this motion. If I have any concerns it would be whether changing the rules of the infrastructure program as laid out in the famous red book would set any kind of precedent we might regret later on down the line. The infrastructure program clearly calls for a sharing of one-third federal government, one-third municipal and one-third provincial.

If we are to spend this credit card infrastructure program money anyway, I am wondering whether changing the rules to accommodate a need in the member's riding will set a precedent in the future throughout the life of the infrastructure program that we may have to address later. If we make an exception for one, we may find ourselves having to make exceptions for others. Even though this particular one might have justifiable merit in the minds of many, will the others who seek exceptions to the general rules of the infrastructure program have merit? Could they cause us any harm?

The member has stated that he would like to see the provincial government pick up two-thirds of the cost. I have seen the reports on the financial position of the provincial government. I am wondering whether that is at all possible with the state of the finances of the province of Ontario.

• (1650)

Clearly the premier of Ontario has stated on a number of occasions that they simply do not have enough money to go around. On one project, highway 407 I believe it is, they have sought financing from the private sector to help complete it. I am wondering whether it might be an idea for them to do that in this case.

Does the provincial government have $300 and some million to invest in the project even if the rules were changed? My main concern is whether we are setting a precedent both on making the exception from the municipal contribution and on the extension of the time limit of the infrastructure program application to be completed. I am wondering whether the precedent may cause us a problem down the road on other applications.

We are not being asked to spend any more federal money, any more federal funds than have already been allocated, the one-third sharing. Apart from those two points I do not have any opposition to the motion. Perhaps the member might be able to explain the two points.

[*Translation*]

Mr. Paul Mercier (Blainville—Deux-Montagnes): Madam Speaker, as my hon. colleague just noted, the motion calls on the federal government to enter into an agreement with Ontario to widen Highway 16 between Highway 401 and Ottawa.

At present, Highway 16 links Ottawa to Highway 401, passing through the Brockville area. The stretch of highway in question is approximately 65 kilometres long. Traffic along this stretch of roadway is heavy, but not excessively so. I have been told that on average, between 15,000 and 30,000 vehicles travel this highway every day.

The road is relatively straight and the danger lies in the fact that drivers frequently pull out to pass other vehicles.

The posted speed limit on this highway varies between 50 and 90 kilometres per hour. However, most traffic travels at a speed of 90 kilometres per hour. Improved highway control would no doubt enhance safety.

I have also been told that the Government of Ontario is considering a project to expand this highway and that roughly $15 million has already been spent on a study of the proposed new route. It would seem, therefore, that Ontario has already given considerable thought to this project. As my hon. colleague noted, the timetable for completion would be rather long, perhaps as much as 20 years.

Highway 16 runs through a portion of the riding of Leeds—Grenville, which obviously explains my hon. colleague's interest in the project. As he indicated, as far as the northern stretch of the highway is concerned, costs would be divided into two stages.

According to the Ontario Ministry of Transport, construction costs would total $200 million, while the price tag for the remainder of the four–lane highway would be $180 million.

I gather the federal government's assistance is being requested because there is no four–lane highway linking the Nation's Capital to the capital city of the largest province in Canada. A four–lane highway would cut 30 minutes off the travel time. However, Madam Speaker, if we go along with this reasoning, then the federal government should be entering into a similar agreement with Quebec to expand Highway 50 into a four–lane highway linking Ottawa to another provincial capital, namely Quebec City. A four–lane highway would knock not 30 minutes, but 45 minutes off a five–hour trip. Ottawa would then be only four hours or so away from either Toronto or Quebec City.

• (1655)

If the motion carries, I would also call upon the federal government to stop dragging its heels on participating in the extension of Highway 13 so that Mirabel and Dorval airports can finally be linked.

All things considered, I question why Canadian taxpayers should have to pay for building four–lane highways in Ontario. Ontario should use the money from the infrastructure program if it wants federal funds to complete this project. My hon. colleague explained that he was not seeking additional funds, although this is not clear from his motion. I ask that the general rules of the infrastructure program be applied without exception and that no precedents which could be invoked later by other ridings be set.

[*English*]

Mr. John O'Reilly (Victoria—Haliburton): Madam Speaker, I thank the House for the opportunity to speak on Motion M–3 in the name of the member for Leeds—Grenville.

The highway 16 connection of Ottawa to highway 401 has more to offer than just a few minutes off the drive. Making a two–lane highway into a four–lane highway would allow for a much safer route. There is only one nation's capital to deal with and the access is poor unless one lives in Montreal.

Highway 7 on which I travel from Ottawa to the Tweed turnoff is a very popular route for large trucks to and from Toronto and Ottawa. That section of highway 7 is extremely overburdened because of the poor access from Ottawa to highway 401. This stretch of highway 7 is the most dangerous piece of two–way highway in Ontario. A better, safer route to our nation's capital is what we are asking for.

My trip to the House includes highway 7 usually four times a week to and from my riding of Victoria—Haliburton which is four hours from Ottawa by car, the only way I have to get here. School buses, transport trucks, camper vans, motor homes, motorcycles, cars pulling trailers, walkers and bicyclists all use that stretch of highway 7 from Tweed to Ottawa. Completion of highway 16 would ensure less risk to the people on highway 7 from Ottawa to the 401.

Highway 37 is very busy. It runs from highway 7, down through the village of Tweed, to the top of Belleville to connect with the 401. We could ask Elmer Buchanan, the MPP for Hastings, about his unfortunate accident this past winter on highway 37 from which he is still recovering. I am sure the Ontario government would take that into consideration.

My thrust is not immediate on highway 16. My thrust is on relieving the burden of the entrance to our nation's capital along highway 7. In conclusion I urge all members to support the bill.

Mrs. Beryl Gaffney (Nepean): Madam Speaker, this issue has been before the people of the nation's capital for a great number of years. The hon. member for Victoria—Haliburton, my colleague who just spoke on the issue, adequately explained or visually explained the problems people have in trying to get to the nation's capital. Whether they are coming to Ottawa on the present highway 16 or whether they are coming on Highway 7, both roads are very dangerous.

In 1988 we were talking about the free trade agreement in the House. It was the first bill I had to vote on having been elected in 1988. Madam Speaker, you will remember you were newly elected at the same time. We sat in the House right up to December 23.

• (1700)

One issue I raised in my maiden speech in the House of Commons was with regard to the free trade agreement and particularly highway 416. I raised the importance to the nation's capital of having that four–lane link prepared and the effect it would have on the economy. It is the only four–lane link that would connect us to Toronto. It would be the only four–lane link that we had to connect us to New York State. Presently we have a

two–lane highway connecting us to both Toronto and New York State.

I refer to the comments of the member from the Bloc Quebecois who spoke earlier on why should we give it to Ontario when we should give the same thing to Quebec. I would like to correct the gentleman and advise him that federal moneys have gone into roadworks in the province of Quebec.

We already have a four–lane link between the nation's capital to Montreal and right through to Quebec City. If my memory serves me correctly it goes right through to Rivière du Loup and the Gaspé peninsula. I have travelled that route on many occasions. Therefore the precedent has already been set.

I am looking at transportation infrastructure agreements. In 1993 the federal government put in a $10 million project in roadwork infrastructure in the Northwest Territories. In B.C. it put in $30 million; Saskatchewan, $35 million; Nova Scotia, $30 million; New Brunswick, $130 million. I could go on and on but there was not one penny that went into the province of Ontario.

The province of Ontario has long been recognized as the engine of growth in this country. We who live in Ontario are very proud of that. We are very proud to help the provinces that do not have the financial resources we have had historically up until this point in time, to sustain not only ourselves in this province but also the people in the other provinces. We have been pleased to do that.

However the province of Ontario today is going through very tough economic times. We no longer have the manufacturing base we had before. We have lost hundreds of thousands of jobs. Whether it is the result of the free trade agreement I think the jury is still out on that. We need to do things that are going to increase economic growth. We need to do this not only in all of Ontario but we need to do it specifically here in the nation's capital.

Why should we put federal money into a roadway coming into the nation's capital? For goodness sakes, it is the nation's capital. The eyes of the country are on this capital city. We talk about our Canadian dollar and how it flips up and down. Is it any wonder it flips up and down when we cannot even put a four–lane highway into the nation's capital? It is absolutely disgraceful.

The argument of the gentleman from the Bloc Quebecois does not wash with me and it does not wash with the majority of Canadians.

The improvements to this highway are long overdue when one considers the increase in traffic over the 25 years plus that I certainly have been a resident of the Ottawa–Carleton region. We have seen the traffic patterns increase. As a result of this heavy traffic we see the accidents have increased in this area.

There is the commercial business, the recreation business, the tourist traffic. This morning my colleague from Leeds—Grenville and I were at a meeting. We met with the tourism industry from eastern Ontario. What is happening to the tourism industry? What is happening to the tourism industry in the nation's capital? Do members know how many dollars from the tourism industry support governments, support the federal government, support the provincial government?

It is very shortsighted on our part not to recognize the economic importance we as a nation as a whole would realize from such a structure being expanded. The construction of highway 416 to a four–lane highway is precisely the kind of infrastructure we as the government are talking about. It is something that is needed in the province of Ontario.

It would provide jobs and would improve jobs, which would contribute to the productivity and competitiveness of area employers. The four–lane link is vital to the continued growth of eastern Ontario.

I cannot be dramatic enough in speaking to my colleague's motion. Our future in eastern Ontario depends upon it.

• (1705)

Even setting that aside, set aside eastern Ontario and think of the nation's capital. You people from Quebec, think of your capital city, Quebec City. How many times in the province of Quebec have you heard Quebecers say: "Oh, Quebec City gets everything. We don't get anything in Montreal. We don't get anything in Hull". At that point in time you have a federal government which has been especially kind to you, which has helped with bridges, which has helped with roads and which has helped with the infrastructure in the province of Quebec.

I say the same thing to Toronto, to Queen's Park. Look at all of the beautiful roads in Toronto. I do not want to crap all over Bob Rae and what he is doing. My colleagues would like me to, but for goodness sake, Queen's Park is not any different from Quebec City where they think of their own and they want to make sure that the capital of their province is well looked after.

Would you not agree with me that Quebec City is probably better looked after in terms of infrastructure as compared to Montreal? Would you not agree with me on that? Or Ottawa?

This is the seat of our Canadian Parliament. It is the seat of all our national institutions. Our museums, our arts centres, our galleries, everything that is national in scope is here in this region. Maybe we should do as Washington does. Maybe we should make this little precinct around the nation's capital, on both sides of the river. Make this a separate little province or a

regional area or territory that could receive these special dollars to ensure it is an area we can be proud of.

People come here from all over the world. My God, heaven forbid if they are driving from Toronto and they have to come in on the two-lane highway. They cannot believe they are on the road to the nation's capital.

I believe my time is almost up. I have gone on in trying to impress upon this House the importance of this issue to me, to the nation and to the capital. All of us in this House should be very concerned. I hope all members will support my colleague from Leeds—Grenville on this issue.

Mr. Pat O'Brien (London—Middlesex): Madam Speaker, I am pleased to have the opportunity today to second and to speak to this motion which calls for the government to enter into an agreement with the province of Ontario to expand highway 16 into a four-lane highway.

This motion placed by my esteemed colleague from Leeds—Grenville is meant to help increase road safety and to improve travel in and out of the nation's capital.

Unfortunately this motion has been prompted by a series of tragic accidents, including the death of one young woman from the member's own riding. I compliment him on his attempt to alleviate any future tragedies that may occur on this 40 kilometre stretch of highway which connects Ottawa to the 401.

I too would like to encourage both the federal government and the province of Ontario to consider committing funds for the national infrastructure program to improve and expand highway 16. Money spent on such highway projects is money well spent and therefore I am pleased to support and to second this motion.

Many would think that such a motion does not directly affect my riding of London—Middlesex. However numerous students from London—Middlesex have left their homes to attend university in the Ottawa area. Many of these people drive home to visit their families for holidays via the 401. Obviously Londoners are among many thousands of Canadians who yearly come to the nation's capital to see the Parliament Buildings and the other beautiful sites of this city.

When taking highway 16 to the 401 people are faced with a busy exit out of Ottawa as they begin their six to seven hour drive home in good weather. On a return trip after this drive they are faced with driving on a busy highway that is used by all kinds of vehicles from tractor trailers, to vans, to mobile homes and motorcycles. By this time it is usually dark, which only adds to the dangers.

If you are like me, Madam Speaker, you worry about the safety of your children on the road. For many parents in my riding that last stretch of highway 16 is extremely nerve racking. Even the most experienced drivers are faced with the unnecessary risks of this particular road.

Tourists also use this road when visiting the nation's capital. Since 1985 over 700 accidents have occurred. Canadians from every province and territory use this road. The roadways to and from our nation's capital should be a source of pride to Canadians and not a constant worry.

• (1710)

This motion was put forward by my colleague primarily for safety reasons. I live in a region that is served by a major highway, the 401, as my colleague mentioned earlier. We have all seen far too many people lose their lives on that dangerous highway as well. As traffic has increased over the past decade so too have terrible accidents. For this reason alone both the federal and provincial governments would be wise to seriously consider this motion.

As a member of this government I am proud we have made a strong commitment to the funding of Canada's transportation infrastructure. Safety is and should be the primary reason for the expansion of highway 16, yet there is another vital reason for completing this important project: economics.

Several of the members from the national capital region have said in this House over the past several years that expanding companies in the region such as the high tech industries are faced with insurmountable transit problems when dealing with markets beyond the region. I hear the very same concerns expressed by businesses in my own riding of London—Middlesex.

This is truly a national issue. Improving the roadways in southwestern Ontario and across our country is very important to people in all parts of Canada. Time and time again constituents tell me of the need for better links with other regions so that small business and other vital sectors are able to benefit from access to other markets.

Good road systems open up new markets for existing small and medium sized businesses, which in turn creates jobs for people in all parts of Canada. In my riding, industry is steadily expanding. Commercial markets are facing increased challenges in dealing with markets beyond our region.

In speaking to this motion every one of us could easily draw a parallel to our own particular ridings. As my colleague from London East well knows, a number of surveys have shown time and again that transportation problems are at the top of the list of concerns of the people of the city of London. National surveys indicate the very same concern.

It would be extremely shortsighted and parochial of anyone in this House not to look at this motion with a view to supporting it. Surely it is a national issue when it concerns the nation's capital.

It is a great pleasure for me to support the motion and I ask all members in the House to do the same.

Mrs. Marlene Catterall (Parliamentary Secretary to President of the Treasury Board): Madam Speaker, I too am pleased to congratulate my colleague from Leeds—Grenville and to speak in support of his motion.

I do not know if the infrastructure program is the best or only way to fund the improvements to highway 416 which have been needed for so long. However I do know that I recently saw a list of announcements for funding of major transportation projects. There was not one for eastern Ontario.

There was funding for the Go transit system in Toronto. Supposedly it was a railway project but really it is an urban transit development that is of assistance to the local community in the metro Toronto region. In this region of eastern Ontario and the nation's capital, we have not had that kind of co–operative approach to meeting our transportation needs.

I do not think I need to tell anybody in this House that government is undergoing a major transformation. That has meant the economy of this region, our nation's capital, is undergoing a major transformation.

It is a challenge to our regional economy which started back in the mid–seventies with the decentralization of a number of government operations and the removal of 15,000 jobs from the downtown area to across the river to Hull. Personally, that is something I support because I support the idea of an integrated national capital covering both sides of our river.

I also support very much the idea of getting services to Canadians out in the communities and getting a federal presence across this country from coast to coast to coast. Anything that builds national unity is important to all of us in this House and to all Canadians.

Our community was presented with a major challenge back then, nearly two decades ago now. We were suddenly left with close to one million square feet of empty office space in downtown Ottawa.

• (1715)

The local business community working together with our board of trade, our Economic Development Corporation, our businesses individually, building owners and managers, rose to that challenge and addressed the issue of diversifying our economy.

We are now facing another major change in our major employer. I do not think it is a surprise to anybody in this House that we are looking at a major rethink of what the role of government is, how much service to the public we can afford, what has to be done by government and what should be done in other ways, what is the proper role of the federal government and the provincial governments.

Again, for my community in this region of eastern Ontario that is going to mean another major change to our economy. The work that our business community in co–operation with our public and municipal politicians particularly and the federal and provincial politicians over the years has done to diversify our economic base is a foundation on which we can face further changes.

If the federal government as the major employer in this region is going to have a significant impact on the community like other major employers in other regions then there is also an obligation to work in partnership with the community to help the adjustment. We are doing that with National Defence, for instance. Where we are closing bases across Canada we are setting up processes to work with the local communities to readjust their economies.

We need to look as well at how we co–operate with the community in the nation's capital toward supporting that community's efforts to diversify its economy.

Transportation is key to that. We cannot have a healthy economy if we cannot get our goods to market, if we cannot get to our customers and if we cannot get our customers here.

We have had a long battle about adequate air transportation out of Ottawa, links to our markets and to the United States and so on. However, road transportation is also important.

We have heard described the situation of highway 16 as a funny little dumb–bell that has a magnificent expanse wonderful interchange with the Queensway through this region on one end and then it sort of dwindles off into a windy, curvey little road that, as people have said, is dangerous.

Most important, it is of tremendous cost to people who want to do business with this region, who want to do business out of this region. It is a major inhibitor to the development of our high technology sector which is one of the strongest in the country. That is an issue not only for this region but for the nation.

This is one of the hubs of the future of high technology in Canada and without that critical mass in locations like the nation's capital, like my city of Ottawa, like the member for Nepean's community of Nepean and throughout this region, high technology in the nation is not going to flourish. We happen to have built the beginning of that critical mass here. It is in the national interest for that to flourish. Again, the transportation link is important.

Others have spoken very eloquently of the importance of tourism, our second biggest industry in this region. You cannot visit it if you cannot drive to it or if you cannot get to it. I believe that we have a responsibility to build a sense across this nation that our capital is something that all Canadians should be proud of. We seem to have done just the opposite of what most nations have done and developed our nation's capital as a place to be avoided, shunned and criticized.

I think part of building a nation is building pride in your nation's capital and part of that is the sense that many people in other countries have that one thing you want to do as a citizen during the course of your life is visit the heart of your nation, your nation's capital.

• (1720)

We do not have that sense as Canadians. I am not going to blame it on the poor condition of highway 16 from the American border and from the great metropolis of Toronto to the nation's capital. If we do want to build that sense of pride in the nation, pride in our fellow citizens, pride in our nation's capital, then we have to make it possible for people to get here.

Let me conclude by saying that this project for a long time has had the full support of our business community, the Ottawa–Carleton Board of Trade, our Economic Development Corporation, all municipalities in this region. It is just another link not only for Ottawa, not only for the communities surrounding Ottawa, but also from our neighbours in Quebec to southern Ontario and beyond.

As I mentioned earlier, the federal government is an important employer in this region. It accounts for about 20 per cent of the jobs in our region. A fairly good job has been done of spreading about 70 per cent of the public service jobs across this country and I as a Canadian am proud of that.

Nonetheless, the public is still an important employer and I believe there is an obligation for our government as it is making changes in the local economy to consider all its decisions that impact on us and to work with us as it does with other communities across Canada in a period of economic adjustment. Transportation, a good road link into the capital, is important to do that.

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton): Madam Speaker, I am rising in the House today to support a motion proposed by my hon. colleague from Leeds—Grenville.

Motion M–3 moves that, in the opinion of this House, the government should enter into an agreement with the province of Ontario to expand Ontario highway 16 south from Ottawa to highway 401 at Johnstown into a four lane highway in order to ensure road safety and enhance travel in and out of the nation's capital.

As a member of Parliament from the greater Toronto area I feel that it is in the best interests of my constituents that I rise to support this motion today. Countless travellers from my constituency of Bramalea—Gore—Malton and other areas around Toronto visit Ottawa on a regular basis. Naturally they take highway 401.

On highway 401 they can travel in relative safety at their own pace. Passing lanes provide the option of travelling at different speeds. Motorists are not subject to the distraction of someone riding their bumper, nor do they feel the frustration of driving behind someone whose car is incapable of keeping up with the flow of traffic.

The multi–lane design of highway 401 ensures a relaxed frame of mind which seems to me is conducive to driving.

All of this is lost, however, when they turn on to highway 16 to get to Ottawa; gone are the passing lanes, gone is the option of travelling at their own pace, gone is the relaxed atmosphere in which to drive.

Numerous accidents occur on highway 16 every weekend. Frustrated drivers take risks they normally would not have to take. In the period from 1985 to 1992, 39 deaths have occurred on the road as well as 721 reported accidents with countless injuries.

This is the main route for motorists travelling to Ottawa from western Ontario. Thousands of tourists come from across Ontario every year to see this beautiful city and its wonderful sites, Parliament Hill included.

An overcrowded, single lane highway does not give a favourable first impression of the city. This is clearly a well travelled route. We owe it to all visitors to provide them with a safe and sensible route to their nation's capital.

There has been support of this expansion since the road was built almost 15 years ago. Now it is time to act.

As most of my honourable colleagues know, the federal government in co–operation with provincial and municipal governments has recently launched the two–year, $6 billion Canada infrastructure works program. The program reaffirms our commitment to get Canadians back to work by creating 50,000 to 65,000 direct jobs and represents a significant long term investment in Canada's economic competitiveness. It also represents an important step forward in intergovernmental co–operation for the benefit of Canadians. Ontario has committed $722 million to date toward the project.

• (1725)

Good infrastructure is vital to a good quality of life. It helps keep our environment clean and makes our cities liveable. Good roads and transportation services reduce costs, reduce expensive tie–ups and minimize wear and tear on vehicles. Cities that work are central to the health of the economy.

At present the only way many of our industries can transport their products into and out of the nation's capital using a four lane highway is to go to Montreal first. This option is clearly ridiculous. One of our government's goals is to make it easier for small and medium sized businesses to succeed. As most

small and medium sized business do not have access to air transport, roadways are their greatest allies. Let us give them a hand.

To summarize, I support the motion initiated by the member for Leeds—Grenville: "That, in the opinion of this House, the government should enter into an agreement with the province of Ontario to expand Ontario highway 16, south from Ottawa to highway 401 at Johnstown, into a four lane highway in order to ensure road safety and enhance travel in and out of the nation's capital".

This is the main thoroughfare for many visitors to Ottawa. During a seven year period, from 1985 to 1992, 721 accidents have occurred on this stretch of road, causing 39 deaths and countless injuries. Highway 16 is also an important economic lifeline for Ottawa. In a time when the government is committed to rebuilding and reinforcing this nation's infrastructure, highway 16 must not be overlooked.

The Speaker: There being no further members rising for debate and the motion not being designated as a votable item, the time provided for the consideration of Private Members' Business has now expired and the order is dropped from the Order Paper, pursuant to Standing Order 96(1).

GOVERNMENT ORDERS

[*Translation*]

BUDGET IMPLEMENTATION ACT, 1994

The House resumed consideration fromm April 15 of the motion that Bill C–17, an act to amend certain provisions of the budget tabled in Parliament on February 11, 1994, be read the second time and referred to a committee; and of the motion.

The Speaker: It being 5.30 p.m., pursuant to order made on Friday, April 15, 1994, the House will now proceed to the deferred division to dispose of Mr. Milliken's motion.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 32*)

YEAS

Members

Adams
Anawak
Arseneault
Assadourian
Bakopanos
Beaumier
Berger
Bertrand
Bevilacqua
Bodnar
Boudria
Brushett
Caccia
Cannis
Cauchon
Chrétien (Saint–Maurice)
Alcock
Anderson
Assad
Axworthy (Winnipeg South Centre)
Barnes
Bellemare
Bernier (Beauce)
Bethel
Blondin–Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Calder
Catterall
Chamberlain
Clancy
Cohen
Collins
Copps
Crawford
DeVillers
Dingwall
Duhamel
Easter
English
Finlay
Fontana
Gaffney
Gallaway
Gerrard
Graham
Grose
Harb
Harvard
Hubbard
Iftody
Jordan
Keyes
Kirkby
Kraft Sloan
Lavigne (Verdun—Saint–Paul)
Lee
Loney
MacLellan (Cape Breton—The Sydneys)
Malhi
Manley
Marleau
Massé
McGuire
McLellan (Edmonton Northwest)
McWhinney
Mills (Broadview—Greenwood)
Mitchell
Murray
Nunziata
O'Reilly
Pagtakhan
Patry
Peric
Pickard (Essex—Kent)
Reed
Richardson
Ringuette–Maltais
Rompkey
Serré
Simmons
Steckle
Telegdi
Thalheimer
Ur
Vanclief
Walker
Whelan
Collenette
Comuzzi
Cowling
Culbert
Dhaliwal
Dromisky
Dupuy
Eggleton
Fewchuk
Flis
Fry
Gagliano
Gauthier (Ottawa—Vanier)
Godfrey
Gray (Windsor West)
Guarnieri
Harper (Churchill)
Hopkins
Ianno
Irwin
Karygiannis
Kilger (Stormont—Dundas)
Knutson
Lastewka
LeBlanc (Cape Breton Highlands—Canso)
Lincoln
MacLaren (Etobicoke North)
Maheu
Maloney
Marchi
Martin (LaSalle—Émard)
McCormick
McKinnon
McTeague
Mifflin
Minna
Murphy
Nault
O'Brien
Ouellet
Parrish
Payne
Phinney
Proud
Regan
Rideout
Rock
Scott (Fredericton—York Sunbury)
Sheridan
Speller
Szabo
Terrana
Torsney
Valeri
Volpe
Wells
Zed—146

NAYS

Members

Abbott
Axworthy (Saskatoon—Clark's Crossing)
Bellehumeur
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Breitkreuz (Yorkton—Melville)
Bélisle
Caron
Chrétien (Frontenac)
Dalphond–Guiral
de Savoye
Dubé
Dumas
Epp
Ablonczy
Bachand
Benoit
Bernier (Gaspé)
Blaikie
Breitkreuz (Yellowhead)
Bridgman
Canuel
Chatters
Cummins
Daviault
Deshaies
Duceppe
Duncan
Fillion

Forseth
Gagnon (Québec)
Gilmour
Gouk
Guay
Hanrahan
Harris
Hayes
Hill (Macleod)
Jacob
Johnston
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Loubier
Marchand
Mayfield
McLaughlin
Meredith
Morrison
Nunez
Penson
Pomerleau
Ramsay
Sauvageau
Silye
Speaker
Stinson
Thompson
Tremblay (Rosemont)
Williams—95

Frazer
Gauthier (Roberval)
Godin
Grey (Beaver River)
Hanger
Harper (Simcoe Centre)
Hart
Hermanson
Hoeppner
Jennings
Kerpan
Landry
Laurin
Lebel
Lefebvre
Leroux (Shefford)
Manning
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Mercier
Mills (Red Deer)
Ménard
Paré
Picard (Drummond)
Péloquin
Rocheleau
Schmidt
Solomon
St-Laurent
Strahl
Tremblay (Rimouski—Témiscouata)
Venne

PAIRED—MEMBERS

Members

Asselin
Campbell
Debien
Peters
Pillitteri
Stewart (Northumberland)

Brien
Crête
Guimond
Peterson
Plamondon
Young

● (1800)

[*English*]

The Speaker: I declare the motion carried.

[*Translation*]

Mr. Gagliano: Mr. Speaker, I believe that you will obtain unanimous consent to apply the result of the vote just taken to the main motion.

[*English*]

The Speaker: Is it agreed?

Some hon. members: Agreed.

[*Translation*]

(The House divided on the motion, which was agreed to on the following division:)

[*Editor's Note: See list under Division No. 32.*]

The Speaker: I declare the motion carried.

(Motion agreed to, bill read the second time and referred to committee.)

* * *

SUPPLY

ALLOTTED DAY—OFFICIAL LANGUAGES

The House resumed, from Monday, April 18, 1994, consideration of the motion:

That, in the opinion of this House, the government should:

(a) amend the Official Languages Act to reflect the philosophy of "territorial bilingualism", which holds that French should be the predominant language of Quebec and English the predominant language of the other provinces, and that federal government services should be available to official language minorities in their own language in any part of the country where there is demonstrable local public demand;

(b) continue to facilitate the use of English or French in the debates and other proceedings of Parliament, in the records and journals of Parliament, in federal courts, and as the languages of federal legislation; and

(c) refrain from expending monies on those aspects of language which fall under the sole jurisdiction of the provinces.

The Speaker: Pursuant to Standing Order 45(5)(a), the House will now proceed to the deferred division on the supply proceedings.

Mr. Bellemare: Mr. Speaker, I rise on a point of order. We are going to vote on a motion that is very divisive for Canada, that is very negative, in fact. The mover of the motion is not present. Can we—

● (1805)

The Speaker: With all due respect for the hon. member, I do not believe that is a point of order. Order!

(The House divided on the motion, which was negatived on the following division:)

(*Division No. 33*)

YEAS

Members

Abbott
Benoit
Breitkreuz (Yorkton—Melville)
Chatters
Duncan
Forseth
Gilmour
Grey (Beaver River)
Hanrahan
Harris
Hayes
Hill (Macleod)
Jennings
Kerpan
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Mills (Red Deer)
Penson
Schmidt
Speaker
Strahl
Williams—43

Ablonczy
Breitkreuz (Yellowhead)
Bridgman
Cummins
Epp
Frazer
Gouk
Hanger
Harper (Simcoe Centre)
Hart
Hermanson
Hoeppner
Johnston
Manning
Mayfield
Meredith
Morrison
Ramsay
Silye
Stinson
Thompson

NAYS

Members

Adams
Anawak
Arseneault
Assadourian
Axworthy (Winnipeg South Centre)
Bakopanos
Beaumier
Bellemare
Bergeron
Bernier (Gaspé)
Bertrand
Bevilacqua
Blondin–Andrew
Bonin
Boudria
Brushett
Bélisle
Calder
Canuel
Catterall
Chamberlain
Chrétien (Saint–Maurice)
Cohen
Collins
Copps
Culbert
Daviault
Deshaies
Dhaliwal
Dromisky
Duceppe
Dumas
Easter
English
Fillion
Flis
Fry
Gagliano
Gallaway
Gauthier (Roberval)
Godfrey
Graham
Grose
Guay
Harper (Churchill)
Hopkins
Ianno
Irwin
Jordan
Keyes
Kirkby
Kraft Sloan
Landry
Lastewka
Lavigne (Beauharnois—Salaberry)
Lebel
Leblanc (Longueuil)
Lefebvre
Leroux (Shefford)
Loney
MacLaren (Etobicoke North)
Maheu
Maloney
Marchand
Marleau
Massé
McGuire
McLaughlin
McTeague
Mercier
Mills (Broadview—Greenwood)
Mitchell
Murray
Nault
Nunziata
O'Reilly
Pagtakhan
Paré
Payne
Phinney
Alcock
Anderson
Assad
Axworthy (Saskatoon—Clark's Crossing)
Bachand
Barnes
Bellehumeur
Berger
Bernier (Beauce)
Bernier (Mégantic—Compton—Stanstead)
Bethel
Blaikie
Bodnar
Bouchard
Brown (Oakville—Milton)
Bryden
Caccia
Cannis
Caron
Cauchon
Chrétien (Frontenac)
Clancy
Collenette
Comuzzi
Cowling
Dalphond–Guiral
de Savoye
DeVillers
Dingwall
Dubé
Duhamel
Dupuy
Eggleton
Fewchuk
Finlay
Fontana
Gaffney
Gagnon (Québec)
Gauthier (Ottawa—Vanier)
Gerrard
Godin
Gray (Windsor West)
Guarnieri
Harb
Harvard
Hubbard
Iftody
Jacob
Karygiannis
Kilger (Stormont—Dundas)
Knutson
Lalonde
Langlois
Laurin
Lavigne (Verdun—Saint–Paul)
LeBlanc (Cape Breton Highlands—Canso)
Lee
Leroux (Richmond—Wolfe)
Lincoln
Loubier
MacLellan (Cape Breton—The Sydneys)
Malhi
Manley
Marchi
Martin (LaSalle—Émard)
McCormick
McKinnon
McLellan (Edmonton Northwest)
McWhinney
Mifflin
Minna
Murphy
Ménard
Nunez
O'Brien
Ouellet
Parrish
Patry
Peric
Picard (Drummond)
Pickard (Essex—Kent)
Proud
Reed
Richardson
Ringuette–Maltais
Rock
Sauvageau
Serré
Simmons
Speller
Steckle
Telegdi
Thalheimer
Tremblay (Rimouski—Témiscouata)
Ur
Vanclief
Volpe
Wells
Zed—197
Pomerleau
Péloquin
Regan
Rideout
Rocheleau
Rompkey
Scott (Fredericton—York Sunbury)
Sheridan
Solomon
St–Laurent
Szabo
Terrana
Torsney
Tremblay (Rosemont)
Valeri
Venne
Walker
Whelan

PAIRED—MEMBERS

Members

Asselin
Campbell
Debien
Peters
Pillitteri
Stewart (Northumberland)
Brien
Crête
Guimond
Peterson
Plamondon
Young

● (1810)

[*English*]

The Speaker: I declare the motion lost.

* * *

ELECTORAL BOUNDARIES READJUSTMENT PROCESS

The House resumed consideration of the motion; and the amendment.

The Speaker: Pursuant to Standing Order 45(5)(a) the House will now proceed to the taking of the deferred division on the amendment to motion No. 10 under Government Business.

The question is on the amendment.

(The House divided on the amendment which was agreed to on the following division:)

(*Division No. 34*)

YEAS

Members

Abbott
Adams
Anawak
Arseneault
Assadourian
Axworthy (Winnipeg South Centre)
Barnes
Bellemare
Berger
Bertrand
Bevilacqua
Bodnar
Boudria
Breitkreuz (Yorkton—Melville)
Brown (Oakville—Milton)
Bryden
Calder
Catterall
Chamberlain
Chrétien (Saint–Maurice)
Ablonczy
Alcock
Anderson
Assad
Axworthy (Saskatoon—Clark's Crossing)
Bakopanos
Beaumier
Benoit
Bernier (Beauce)
Bethel
Blondin–Andrew
Bonin
Breitkreuz (Yellowhead)
Bridgman
Brushett
Caccia
Cannis
Cauchon
Chatters
Clancy

Cohen
Collins
Copps
Culbert
DeVillers
Dingwall
Duhamel
Dupuy
Eggleton
Epp
Finlay
Fontana
Frazer
Gaffney
Gallaway
Gerrard
Godfrey
Graham
Grey (Beaver River)
Guarnieri
Hanrahan
Harper (Churchill)
Harris
Harvard
Hermanson
Hoeppner
Hubbard
Iftody
Jennings
Jordan
Kerpan
Kilger (Stormont—Dundas)
Knutson
Lastewka
LeBlanc (Cape Breton Highlands—Canso)
Lincoln
MacLaren (Etobicoke North)
Maheu
Maloney
Manning
Marleau
Martin (LaSalle—Émard)
Mayfield
McCormick
McKinnon
McLellan (Edmonton Northwest)
McWhinney
Mifflin
Mills (Red Deer)
Mitchell
Murphy
Nault
O'Brien
Ouellet
Parrish
Payne
Peric
Pickard (Essex—Kent)
Ramsay
Regan
Rideout
Rock
Schmidt
Serré
Silye
Solomon
Speller
Stinson
Szabo
Terrana
Thompson
Ur
Vanclief
Walker
Whelan
Zed—191

Collenette
Comuzzi
Cowling
Cummins
Dhaliwal
Dromisky
Duncan
Easter
English
Fewchuk
Flis
Forseth
Fry
Gagliano
Gauthier (Ottawa—Vanier)
Gilmour
Gouk
Gray (Windsor West)
Grose
Hanger
Harb
Harper (Simcoe Centre)
Hart
Hayes
Hill (Macleod)
Hopkins
Ianno
Irwin
Johnston
Karygiannis
Keyes
Kirkby
Kraft Sloan
Lavigne (Verdun—Saint-Paul)
Lee
Loney
MacLellan (Cape Breton—The Sydneys)
Malhi
Manley
Marchi
Martin (Esquimalt—Juan de Fuca)
Massé
McClelland (Edmonton Southwest)
McGuire
McLaughlin
McTeague
Meredith
Mills (Broadview—Greenwood)
Minna
Morrison
Murray
Nunziata
O'Reilly
Pagtakhan
Patry
Penson
Phinney
Proud
Reed
Richardson
Ringuette-Maltais
Rompkey
Scott (Fredericton—York Sunbury)
Sheridan
Simmons
Speaker
Steckle
Strahl
Telegdi
Thalheimer
Torsney
Valeri
Volpe
Wells
Williams

NAYS

Members

Bachand
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bélisle
Caron
Dalphond-Guiral
de Savoye
Dubé
Dumas
Gagnon (Québec)
Godin
Jacob
Landry
Laurin
Lebel
Lefebvre
Leroux (Shefford)
Marchand
Ménard
Paré
Pomerleau
Rocheleau
St-Laurent
Tremblay (Rosemont)

Bellehumeur
Bernier (Gaspé)
Bouchard
Canuel
Chrétien (Frontenac)
Daviault
Deshaies
Duceppe
Fillion
Gauthier (Roberval)
Guay
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Loubier
Mercier
Nunez
Picard (Drummond)
Péloquin
Sauvageau
Tremblay (Rimouski—Témiscouata)
Venne—48

PAIRED—MEMBERS

Members

Asselin
Campbell
Debien
Peters
Pillitteri
Stewart (Northumberland)

Brien
Crête
Guimond
Peterson
Plamondon
Young

● (1820)

The Speaker: I declare the amendment carried.

Mr. Hopkins: Mr. Speaker, I stood up and voted in the usual manner and I sat down in the usual manner. There were so many people shouting at me to tell me to stand up to vote I did not hear my name. I just want to be assured that my name has been duly recorded.

● (1825)

The Speaker: I know how you feel.

[*Translation*]

Mr. Gagliano: Mr. Speaker, I think you will find there is unanimous consent for proceeding immediately with the vote on the main motion and for applying to the main motion the division just taken on the amendment.

[*English*]

Mr. Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, if I understand correctly, it will be necessary for the member for Yukon, the member for Saskatoon—Clark's Crossing and the member for Regina—Lumsden to be recorded as a negative vote on this motion.

The Speaker: Is that agreed?

Some hon. members: Agreed.

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 35)

YEAS

Members

Abbott
Adams
Anawak
Arseneault
Assadourian
Bakopanos
Beaumier
Benoit
Bernier (Beauce)
Bethel
Blondin–Andrew
Bonin
Breitkreuz (Yellowhead)
Bridgman
Brushett
Caccia
Cannis
Cauchon
Chatters
Clancy
Collenette
Comuzzi
Cowling
Cummins
Dhaliwal
Dromisky
Duncan
Easter
English
Fewchuk
Flis
Forseth
Fry
Gagliano
Gauthier (Ottawa—Vanier)
Gilmour
Gouk
Gray (Windsor West)
Grose
Hanger
Harb
Harper (Simcoe Centre)
Hart
Hayes
Hill (Macleod)
Hopkins
Ianno
Irwin
Johnston
Karygiannis
Keyes
Kirkby
Kraft Sloan
Lavigne (Verdun—Saint–Paul)
Lee
Loney
MacLellan (Cape Breton—The Sydneys)
Malhi
Manley
Marchi
Martin (Esquimalt—Juan de Fuca)
Massé
McClelland (Edmonton Southwest)
McGuire
McLellan (Edmonton Northwest)
McWhinney
Mifflin
Mills (Red Deer)
Mitchell
Murphy
Nault
O'Brien
Ouellet
Parrish
Payne
Peric
Pickard (Essex—Kent)
Ablonczy
Alcock
Anderson
Assad
Axworthy (Winnipeg South Centre)
Barnes
Bellemare
Berger
Bertrand
Bevilacqua
Bodnar
Boudria
Breitkreuz (Yorkton—Melville)
Brown (Oakville—Milton)
Bryden
Calder
Catterall
Chamberlain
Chrétien (Saint–Maurice)
Cohen
Collins
Copps
Culbert
DeVillers
Dingwall
Duhamel
Dupuy
Eggleton
Epp
Finlay
Fontana
Frazer
Gaffney
Galiaway
Gerrard
Godfrey
Graham
Grey (Beaver River)
Guarnieri
Hanrahan
Harper (Churchill)
Harris
Harvard
Hermanson
Hoeppner
Hubbard
Iftody
Jennings
Jordan
Kerpan
Kilger (Stormont—Dundas)
Knutson
Lastewka
LeBlanc (Cape Breton Highlands—Canso)
Lincoln
MacLaren (Etobicoke North)
Maheu
Maloney
Manning
Marleau
Martin (LaSalle—Émard)
Mayfield
McCormick
McKinnon
McTeague
Meredith
Mills (Broadview—Greenwood)
Minna
Morrison
Murray
Nunziata
O'Reilly
Pagtakhan
Patry
Penson
Phinney
Proud
Ramsay
Regan
Rideout
Rock
Schmidt
Serré
Silye
Speaker
Steckle
Strahl
Telegdi
Thalheimer
Torsney
Valeri
Volpe
Wells
Williams
Reed
Richardson
Ringuette–Maltais
Rompkey
Scott (Fredericton—York Sunbury)
Sheridan
Simmons
Speller
Stinson
Szabo
Terrana
Thompson
Ur
Vanclief
Walker
Whelan
Zed—188

NAYS

Members

Axworthy (Saskatoon—Clark's Crossing)
Bellehumeur
Bernier (Gaspé)
Bouchard
Canuel
Chrétien (Frontenac)
Daviault
Deshaies
Duceppe
Fillion
Gauthier (Roberval)
Guay
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Loubier
McLaughlin
Ménard
Paré
Pomerleau
Rocheleau
Solomon
Tremblay (Rimouski—Témiscouata)
Venne—51
Bachand
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bélisle
Caron
Dalphond–Guiral
de Savoye
Dubé
Dumas
Gagnon (Québec)
Godin
Jacob
Landry
Laurin
Lebel
Lefebvre
Leroux (Shefford)
Marchand
Mercier
Nunez
Picard (Drummond)
Péloquin
Sauvageau
St–Laurent
Tremblay (Rosemont)

PAIRED—MEMBERS

Members

Asselin
Campbell
Debien
Peters
Pillitteri
Stewart (Northumberland)
Brien
Crête
Guimond
Peterson
Plamondon
Young

* * *

CONTROLLED DRUGS AND SUBSTANCES ACT

The House resumed consideration of the motion that Bill C–7, an act respecting the control of certain drugs, their precursors and other substances and to amend certain other acts and repeal the Narcotic Control Act in consequence thereof, be read the second time and referred to a committee; and of the amendment.

The Speaker: Pursuant to Standing Order 45(5)(a), the House will now proceed to the taking of the deferred division on the amendment at the second reading stage of Bill C–7.

The question is on the amendment.

[*Translation*]

Mr. Gagliano: Mr. Speaker, I think you will find there is unanimous consent for the results of the division on the amendment to Bill C–7 to be applied in reverse of the division on Bill C–17.

[*English*]

The Speaker: I am sure you all heard the motion and understand it. Is it agreed?

Some hon. members: Agreed.

(The House divided on the amendment, which was negatived on the following division:)

(Division No. 36)

YEAS

Members

Abbott
Axworthy (Saskatoon—Clark's Crossing)
Bellehumeur
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Breitkreuz (Yorkton—Melville)
Bélisle
Caron
Chrétien (Frontenac)
Dalphond–Guiral
de Savoye
Dubé
Dumas
Epp
Forseth
Gagnon (Québec)
Gilmour
Gouk
Guay
Hanrahan
Harris
Hayes
Hill (Macleod)
Jacob
Johnston
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Loubier
Marchand
Mayfield
McLaughlin
Meredith
Morrison
Nunez
Penson
Pomerleau
Ramsay
Sauvageau
Silye
Speaker
Stinson
Thompson
Tremblay (Rosemont)
Williams—95

Ablonczy
Bachand
Benoit
Bernier (Gaspé)
Blaikie
Breitkreuz (Yellowhead)
Bridgman
Canuel
Chatters
Cummins
Daviault
Deshaies
Duceppe
Duncan
Fillion
Frazer
Gauthier (Roberval)
Godin
Grey (Beaver River)
Hanger
Harper (Simcoe Centre)
Hart
Hermanson
Hoeppner
Jennings
Kerpan
Landry
Laurin
Lebel
Lefebvre
Leroux (Shefford)
Manning
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Mercier
Mills (Red Deer)
Ménard
Paré
Picard (Drummond)
Péloquin
Rocheleau
Schmidt
Solomon
St–Laurent
Strahl
Tremblay (Rimouski—Témiscouata)
Venne

NAYS

Members

Adams
Anawak
Arseneault
Assadourian
Bakopanos
Beaumier
Berger
Bertrand
Bevilacqua
Bodnar
Boudria
Brushett
Caccia
Cannis
Cauchon
Chrétien (Saint–Maurice)
Cohen
Collins
Copps
Crawford
DeVillers
Dingwall
Duhamel
Easter
English
Finlay
Fontana
Gaffney
Gallaway
Gerrard
Graham
Grose
Harb
Harvard
Hubbard
Iftody
Jordan
Keyes
Kirkby
Kraft Sloan
Lavigne (Verdun—Saint–Paul)
Lee
Loney
MacLellan (Cape Breton—The Sydneys)
Malhi
Manley
Marleau
Massé
McGuire
McLellan (Edmonton Northwest)
McWhinney
Mills (Broadview—Greenwood)
Mitchell
Murray
Nunziata
O'Reilly
Pagtakhan
Patry
Peric
Pickard (Essex—Kent)
Reed
Richardson
Ringuette–Maltais
Rompkey
Serré
Simmons
Steckle
Telegdi
Thalheimer
Ur
Vanclief
Walker
Whelan

Alcock
Anderson
Assad
Axworthy (Winnipeg South Centre)
Barnes
Bellemare
Bernier (Beauce)
Bethel
Blondin–Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Calder
Catterall
Chamberlain
Clancy
Collenette
Comuzzi
Cowling
Culbert
Dhaliwal
Dromisky
Dupuy
Eggleton
Fewchuk
Flis
Fry
Gagliano
Gauthier (Ottawa—Vanier)
Godfrey
Gray (Windsor West)
Guarnieri
Harper (Churchill)
Hopkins
Ianno
Irwin
Karygiannis
Kilger (Stormont—Dundas)
Knutson
Lastewka
LeBlanc (Cape Breton Highlands—Canso)
Lincoln
MacLaren (Etobicoke North)
Maheu
Maloney
Marchi
Martin (LaSalle—Émard)
McCormick
McKinnon
McTeague
Mifflin
Minna
Murphy
Nault
O'Brien
Ouellet
Parrish
Payne
Phinney
Proud
Regan
Rideout
Rock
Scott (Fredericton—York Sunbury)
Sheridan
Speller
Szabo
Terrana
Torsney
Valeri
Volpe
Wells
Zed—146

Adjournment Debate

PAIRED—MEMBERS

Members

Asselin	Brien
Campbell	Crête
Debien	Guimond
Peters	Peterson
Pillitteri	Plamondon
Stewart (Northumberland)	Young

[*Translation*]

Mr. Gagliano: If there is unanimous consent for the House to divide immediately on the main motion on Bill C–7, I ask that the results of the division be applied in the same manner as the division taken on Bill C–17.

The Speaker: Agreed?

Some hon. members: Agreed.

• (1830)

[*English*]

(The House divided on the motion, which was agreed to on the following division:)

[Editor's Note: See list under Division No. 32.]

(Motion agreed to, bill read the second time and referred to a committee)

ADJOURNMENT PROCEEDINGS

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

MANPOWER TRAINING

Mrs. Francine Lalonde (Mercier): Madam Speaker, on April 14, I put a question to the Prime Minister and reminded him that the Premier of Quebec said:

> Job training is, according to Quebec's traditional position, a basic issue of respect for our jurisdiction over what affects us directly.

And I asked him:

> Given these statements...does the Prime Minister still think that Quebec's demands are mere whims?

Madam Speaker, the Quebec National Assembly voted unanimously in favour of the following resolution:

> That the Quebec National Assembly ask Mr. Jean Chrétien and the federal Liberal government to abide by the unanimous consensus of all parties in Quebec on the need for Quebec to exercise exclusively its jurisdiction over manpower training.

Madam Speaker, considering the current situation, this unanimous resolution demonstrates the very serious concern of all Quebec's elected representatives for the manpower training issue.

There is more, however. Since then, we have heard statements from other important sources in Quebec. This morning I read in the Quebec media that the Forum pour l'emploi is opposed to Ottawa's centralist policies. Who does the Forum pour l'emploi represent? The Forum includes central labour organizations, as one would expect, but it also includes Quebec employer associations. It includes representatives of regional organizations, the Mouvement Desjardins, and just about any organization that is connected with job issues.

Finally, Claude Masson, a respected editorial writer in Quebec, who seldom shares the views of the Official Opposition, made some comments in *La Presse* which I would like to read to the Prime Minister before he answers my question. Mr. Masson said, in referring to manpower training:

> If governments,as they keep repeating *ad nauseam*, really want to serve the public and at the same time substantially reduce public spending, it makes good sense to have only one government in charge of manpower training, and the government that is closest to the workers, the unemployed and people on welfare and knows best what they need and what it can offer them is the provincial government, in this case the Government of Quebec. This is not a matter of ideology but of common sense, not a constitutional choice but a practical and realistic one.

Madam Speaker, does the Prime Minister realize that by reviving disputes between Quebec City and Ottawa on an issue that is the subject of unanimous agreement in Quebec, he not only gives his centralizing vision precedence over the interests of the unemployed but also clearly shows to all Quebecers—federalists and others—that the only federalism possible for them is one of confrontation and scorn for their people?

[*English*]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Madam Speaker, clearly the federal government has exclusive jurisdiction over unemployment insurance. Much of what we do in the labour market area is based on that responsibility: for example, employment services, counselling, training and labour mobility programs.

Specifically our employment services and the programs and services flowing from these are adjuncts to the UI program. They go hand in hand with UI to reduce costs primarily by getting claimants off UI as quickly as possible and keeping them off UI as long as possible.

Continued federal intervention in this area is a legitimate exercise of jurisdiction. Virtually every jurisdiction in the world which has an unemployment insurance program has associated with it an unemployment service as well as other active programming to help the unemployed return to gainful employment quickly. Federal interventions in the labour market help people avoid claiming UI either in the short term or the long term and reduce the costs of UI by shortening the duration of claims either in the short term or the long term. This applies regardless of

whether funding is channelled through the UI account directly or whether these programs are funded by tax dollars.

• (1835)

Nevertheless all government have agreed that we need to find ways to co–operate more in order to provide better service to clients, to increase efficiency and to eliminate any duplication that may exist.

The federal government is actively pursuing agreements to achieve this end even while the reform of social security is under way. Any major changes in labour market roles and responsibilities of governments will be based on the outcome of the comprehensive social security review.

[*Translation*]

IMMIGRATION

Mr. Osvaldo Nunez (Bourassa): Madam Speaker, on January 26 and March 10, I put questions in this House to the Minister of Citizenship and Immigration concerning the plight of approximately 50 Salvadorian refugees in Montreal who are facing the threat of deportation to their native country. Despite my pressing the point, no action has been taken and the problem remains unresolved to this day.

Yet, my request that this group of individuals be granted permanent resident status on humanitarian grounds was and remains extremely legitimate. If these individuals were forced to return to their country of origin, their safety and their lives would be placed in danger.

Moreover, on December 19, 1993, the minister's colleague, the Minister of Foreign Affairs, recognized himself that political violence was again on this rise in El Salvador. Several reports by the human rights commission of this country, by the UN and by Amnesty International have all reached the same dramatic and incontrovertible conclusion: El Salvador's death squads are still active.

I myself travelled to that country and stayed there from March 15 to 22 last as part of a Canadian mission to observe elections that were taking place. My colleagues and I saw that life in that country had by no means returned to normal. During the election campaign, over 30 people were murdered.

Moreover, we saw firsthand that the peace agreements concluded under the auspices of the UN had been violated and that numerous election irregularities had occurred.

On March 10, I urged the minister to take the time to meet this group of Salvadorian refugees to learn firsthand how grave the situation had become. This group had taken the time to travel to Ottawa from Montreal. Despite giving the minister prior notification, he steadfastly refused to meet the Salvadorians.

I am asking the minister again today to grant permanent resident status to these 50 refugees living under the threat of deportation. I also want to take this opportunity to call to his attention the apparently forgotten case of another young Salvadorian refugee, Mr. Mauricio Flores Romero, who took refuge five months ago in the basement of a Calgary church where he has been living ever since under far from auspicious conditions.

I visited this young man last February. Every member of his family, except for him, has been granted refugee status. I was deeply touched by this meeting. His application is very legitimate. Once again, I ask the government to have some compassion for this claimant.

• (1840)

[*English*]

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Madam Speaker, officials with the Department of Citizenship and Immigration met with representatives of the Centre de Développement Salvadorien to discuss this issue on three separate occasions: January 31, February 15 and March 3.

As a result of these meetings we made two commitments to the organization and to the Salvadoran community in Canada. First, all Salvadorans facing removal from Canada would have their cases reviewed to ensure they would not be at risk if returned to El Salvador. Second, officials who conduct these reviews would be in possession of the most recent, up to date information on country conditions and political events in El Salvador. We have delivered on these commitments.

All unsuccessful refugee claimants from El Salvador facing removal from Canada benefit from an extra review in addition to the current post claim determination review. Each case is reviewed to ensure that they will not be at risk if returned to El Salvador. In addition, we have ensured that officials are kept informed of the country conditions through reports and bulletins of human rights organizations, the United Nations observer mission in El Salvador, and information from our representatives in Central America.

[*Translation*]

We must not lose sight of the fact that the fundamental issue here is refugee protection, not immigration. At some point, we have to accept the decisions handed down in the course of this process. Our refugee determination system is recognized as one of the fairest and most generous in the world.

NATIONAL DEFENCE

Mr. Antoine Dubé (Lévis): Madam Speaker, on March 18, I asked the Deputy Prime Minister if she could promise on behalf of the government to implement the recommendation of Canada 21 Council, a committee charged with reviewing Canada's defence policy that recommends building in Canada three support ships for humanitarian aid and peacekeeping. I also

asked the Deputy Prime Minister if she could promise to give the MIL Davie shipyards the mandate to develop the "smart" ship, which could effectively support Canada's peacekeeping efforts.

Unfortunately for the thousands of MIL Davie workers threatened with job loss who need a little hope, we only had a vague answer like "we are looking into it". That is tragic, but it is always the same answer with this government. We ask questions, but they go unanswered. When we get answers, for example in the case of the Magdalen Islands ferry, we are promised an answer in two months, but the time goes by and still no answer. I hope that in the "smart" ship case, the government will be diligent for once.

You should know that the Canadian navy's AOR–type supply and logistical support ships are coming to the end of their life. Moreover, these three ships are not equipped for humanitarian support and peace missions. For example, Canada must now rent foreign ships to transport the vehicles, equipment and supplies needed to support our troops overseas. It usually takes several weeks before these ships are available to begin to take on the materiel our soldiers need.

The MIL Davie shipyard already has a solution for this problem with its project for a versatile strategic transport and supply ship, known as the "smart" ship. For peacekeeping operations, a single "smart" ship can carry a mechanized battalion group including 70 armored troop carriers, 21 tanks, 96 trucks, 8 M–109 armored self–propelled howitzers, 50 jeeps and 50 trailers, together with 300 tonnes of munitions and the fuel required for the vehicles.

In another configuration, a single "smart" ship can provide the support needed for airborne operations with 600 infantry soldiers and 24 transport helicopters that can be used for refugee evacuation in particular. With a different configuration, the "smart" ship can transport everything required to operate an air base for 24 CF–18s, which would have been very useful for our forces during the gulf war, for example.

• (1845)

In the event of a natural disaster, the "smart" ship can be quickly modified to transport a range of vehicles such as ambulances, trucks, materials, construction equipment, water tanks, fuel and bridge–building equipment. Up to 192 containers can fit on the main deck and be loaded with food, clothing, tents and other supplies. These ships would have been very useful in Somalia or when Hurricane Andrew hit Florida a few years ago.

In case of a spill at sea, the "smart" ship can carry small clean–up boats to do the job. It can also carry clean–up equipment such as chemical dispersants and material to contain and absorb the spill. Its huge storage tanks can also be used to hold the recovered hydrocarbons. It can accommodate a 600–person clean–up crew and be used as a command, control and communication ship.

I hope that this time, faced with these facts, the federal government will stop dragging its feet when we propose a project that meets the new realities of today's world. Above all, do not give us answers like the one from the Minister of Transport in a letter sent a few weeks ago to the City of Lévis, talking about a business plan that had already been filed a year ago.

So we hope that the person representing the minister today will be able to give us a clearer and more definite answer.

[*English*]

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, I appreciate the hon. member's question and the interest of where he is coming from.

He is out to get support for the hundreds of workers in his riding. As somebody who has over 6,000 fishermen and plant workers unemployed, and it looks like they will be for the next five years, I can certainly identify with the thrust of his question.

I responded to the first part of his question the day he asked it in March. What gave rise to his question was one of the recommendations made by the Canada 21 report. The Canada 21 Council submitted a very thought provoking report which is still being reported on in the media and is among the first of many submissions the government hopes to receive over the course of the defence policy review.

The hon. member's question concerned the recommendation that the planned acquisition of three submarines be cancelled and replaced by the purchase of three peacekeeping support multi–role replenishment ships, that he so adequately describes, from domestic shipyards. His proposal of course is to give MIL Davie a mandate to develop these ships.

The Canada 21 recommendation is a very complex one. The report is complex, and this particular recommendation prompts questions abut the need for peacekeeping and more specifically the future of Canada's defence policy.

As I stand here this evening the special joint committee is meeting in an adjacent room. They are addressing the future of Canada's defence policy and precisely this kind of question.

As the Prime Minister suggested and indeed stated in November when speaking of the defence review it is on the basis of the conclusion of such a review that the government will best determine the long term requirements, including equipment, for our forces.

There are some recommendations in the report that simply must await the outcome of the policy review and this is one of them.

Certain things about the report are of a different nature. For example the government was in total agreement that a defence policy review was necessary and indeed had embarked on it before the recommendation was made. There are some other recommendations, for example in the case of the defence infrastructure and the reduction of the headquarters staffs where the government is in basic agreement with the council and has already taken action.

The response to the hon. member is that I can understand where his suggestion is coming from, but he will have to wait until the defence policy review is completed by the end of this year. I would say there will be decisions forthcoming in the new year after the review.

[*Translation*]

TAINTED BLOOD INQUIRY

Mrs. Pauline Picard (Drummond): Madam Speaker, I have spoken in this House many times to express my growing concern about the lack of financial resources needed by the commission of inquiry on tainted blood for Mr. Justice Krever to get to the bottom of this outright scandal.

Judge Krever himself told the daily *La Presse* on November 24, 1993, that the funds granted to the commission and to the Canadian Hemophilia Society were clearly insufficient and that it would be difficult to show what really happened in this tainted blood affair.

The time has come to give more money to this commission and the Canadian Hemophilia Society.

• (1850)

But every time I spoke in this House to ask the minister to act or to grant the funds essential to the proper operation of this commission, she always repeated the same thing, that the request was being considered by Treasury Board and a decision would be made as soon as possible.

How can the minister justify the government's slowness to allocate more funds? What are the minister's intentions on this? These questions are unanswered.

The minister should realize sooner or later that her inaction has and will have a major impact on the work of this commission and its findings. For example, the Canadian Hemophilia Society, the only real defender of the victims of the scandal, is now financially unable to send one of its members to follow all the proceedings of the commission of inquiry.

Who is in a better position than a member of the Canadian Hemophilia Society, which knows every aspect of this affair, to follow it up and properly inform the lawyers on location? However, the inaction of the minister and her government does not allow it and deprives the least fortunate victims of an opportunity to defend themselves in the same way as those who hold economic and political power.

The democratic principle whereby all are equal before the law is being violated, this time with the consent of the minister and her government. Even worse, neither the minister nor the Prime Minister have seen fit to act on the many distress signals from the Canadian Hemophilia Society.

Do the government and the health minister really care about their citizens' welfare? Indeed, do they have something to hide about this shameful saga, one unworthy of a modern society? Why are the minister and her department systematically obstructing the repeated requests of the Canadian Hemophilia Society and thus making any openness in this case impossible?

Need I remind you that lack of openness will leave a bitter memory for all the victims of tainted blood and their families. These victims are entitled to know the circumstances surrounding this scandal and this is the government's and the minister's responsibility. No one has a right to hide the truth and to silence anyone who could clear up this horrible nightmare.

It would be in the minister's interest to speak out clearly and as soon as possible on granting additional funds for the inquiry on tainted blood and for the Canadian Hemophilia Society, as requested by Mr. Justice Krever, so that justice can be done.

My question is simple: what is the minister waiting for to act?

[*English*]

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health): Madam Speaker, the hon. member is the health critic for the opposition and therefore she is aware of the complexity of the issues surrounding the blood inquiry by Justice Krever.

She is also aware that it was the federal government and the Ministry of Health that has with the provincial governments put forward the money initially and has helped and assisted in every way for the Krever commission to occur.

Therefore, we are very supportive. We are anxious and we are willing to find out what the commission has to say.

The commission has been meeting in many cities across the country and is still doing so. It is getting very valuable information. Therefore, at this time the commission is not in any way impaired due to lack of funds or due to lack of resources. While we are speaking now officials from the Ministry of Health are discussing what to do for future funding.

In the meantime I would like to stress that the commission is carrying on. It is still able to listen to evidence with all the resources that are necessary for it to function at this time.

[*Translation*]

NATIVE COMMUNITIES

Mr. André Caron (Jonquière): Madam Speaker, on March 18, after the tabling of the annual report of the Canadian Human Rights Commissioner Mr. Max Yalden, I put a question to the Deputy Prime Minister, whose reply was unsatisfactory.

• (1855)

In his report, the Human Rights Commissioner was very critical of the way native people were treated by the Government of Canada under the Indian Act.

I do not think one has to be an expert on Amerindian issues to realize that aboriginal people in Canada often suffer job discrimination, that they live in a state of forced dependency on the federal government as a result of the Indian Act and face a number of social problems that merely reinforce the prejudice against native people. We do not need learned studies to realize that significant changes are urgently needed to improve their living conditions.

In response to my question in about the strategy and concrete measures the government had in mind to correct a situation that was both deplorable and well known, the Deputy Prime Minister merely replied that her government was negotiating agreements with aboriginal peoples aimed at granting them a form of self–government, and that as a result of this process the department of Indian affairs could ultimately disappear.

Aboriginal nations, Quebecers and Canadians expect more specific answers from the government when discussing issues that are so important to the future of these communities. Although it has plans to conclude an agreement with aboriginal peoples involving their inherent right to self–government, the Government of Canada, through its minister of Indian affairs, is dragging its feet, avoids answering the questions and refuses to be specific about the form aboriginal governments will take.

Will these governments be constituted along ethnic lines? Will they have specific and exclusive territories? Will they have legal and fiscal powers? Will they be able to sign agreements with other governments? There is complete confusion and uncertainty about these issues which are extremely important to the country, and that is because the government just keeps repeating that negotiations are under way with various aboriginal nations.

We want to be informed about the negotiating process. We want to know about the Government of Canada's definition of native self–government.

Finally, considering the recommendations of the Human Rights Commissioner who indicated in his report that the Indian Act encourages the dependency and marginalization of aboriginal peoples, could the Minister tell the House what specific measures he has in mind to put an end to the social and economic problems created by this paternalistic legislation?

[*English*]

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):

[Editor's Note: Member spoke in Inuktitut.]

[*English*]

I am pleased to respond to the question raised by the hon. member for Jonquière on March 18. The answer to his question about the federal government's strategy for implementing the recommendations made in the Human Rights Commission's report can be found in the red book, otherwise known as "Creating Opportunity: the Liberal Plan for Canada".

He has to understand that it took many years to get to the stage where we are now starting to discuss self–government issues with the aboriginal groups of Canada. It is going to take some time to get agreement from the different aboriginal groups whether they are Indian, Inuit or Métis. He has to understand it is going to take some time. It took us an awful lot of time to get to the stage of what he calls complete confusion. It is going to take a while to try to sort out that confusion. I ask the hon. member to be patient and assure him that we are working on those things.

The federal government's red book has identified many of the same issues as those outlined in the commission's report: the aboriginal right to self–government, land claims, the Indian Act and aboriginal justice. These are priority areas which the federal government has dedicated itself to working on in partnership with aboriginal people. Together we must find solutions that will lead to improvement in the economic and social conditions in First Nations communities.

The federal government is acting on the premise that the inherent right to self–government is an existing right in the Constitution. The Minister of Indian Affairs and Northern Development, as I said earlier, has initiated a discussion process with aboriginal leaders and leaders of the provincial and territorial governments.

Following these discussions the federal government intends to translate its policy intent into concrete action. When aboriginal people assume more control over their own lives, we will be in a much better position to make the kind of changes that will work best in our communities.

[*Translation*]

The Acting Speaker (Mrs. Maheu): It being 7 p.m., this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7 p.m.)

HOUSE OF COMMONS

Wednesday, April 20, 1994

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*English*]

ETHANOL INDUSTRY

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, job creation, economic growth and environmental improvement are the challenges that face the government.

The development of an ethanol industry in Canada will help us tackle these challenges. The proposed ethanol plant in Chatham, Ontario, will create 1,100 construction jobs, employ 90 people permanently, generate another 400 indirect jobs, contribute $125 million annually to our economy, provide a market for Ontario corn, and manufacture a renewable fuel which will reduce carbon dioxide emissions.

I urge our government today to commit to this development. This industry is important for our future.

* * *

[*Translation*]

THE ARMENIAN PEOPLE

Mr. Michel Daviault (Ahuntsic): Mr. Speaker, on April 24, Armenians will commemorate the 79th anniversary of the Armenian genocide in which 1.5 million people lost their lives. This is a people that, despite its ordeals, has always shown its determination to survive. Tragedy struck again in 1988, when nearly 25,000 Armenians died in an earthquake.

I wish to salute the Armenian community in North Montreal which is working to provide humanitarian support in Armenia.

The Quebec National Assembly recognized the Armenian genocide in 1980, but the Government of Canada has yet to do so. I therefore wish to ask the Canadian government to recognize the historic truth of this tragedy.

We wish to extend our sympathy to our fellow citizens of Armenian origin and wish them every hope for a better future.

* * *

[*English*]

RICK FOLK

Mr. Werner Schmidt (Okanagan Centre): Mr. Speaker, over this past weekend in Oberstdorf, Germany, Rick Folk of Kelowna, British Columbia, led his rink to a second World Curling Championship.

There is also a decidedly human side to the story. Just days before Rick and his teammates left for Germany, Rick's father passed away. After his victory Rick told reporters:

> Definitely I was thinking of my dad. When I finished throwing my last shot, and I knew I had it, that was the first thing that went through my mind. I wondered where he was watching. I promised I would do my best and for my dad my best is always the best.

Canadians appreciate Rick's victory all the more because he was able to demonstrate that quality of triumph through adversity that all Canadians find so inspiring.

I invite all members of this House to extend congratulations to our new men's world curling champion, Rick Folk, his team and his family.

* * *

GUN CONTROL

Mr. Benoît Serré (Timiskaming—French River): Mr. Speaker, Timiskaming—French River is a rural, northern Ontario riding, and our way of life differs greatly from that of urban centres. Solutions that work in Toronto will not necessarily work in the north. The majority of gun owners in my riding are law abiding and safe users of firearms for hunting and sport. It is part of our way of life.

In the interests of public security it is important to maintain a certain level of gun control in Canada. However, since 70 per cent of all criminal acts involving guns are committed with smuggled, illegal firearms, we need to have and enforce stricter laws and penalties for criminal users of firearms. We do not need more complicated regulations for law–abiding citizens.

I will forcefully oppose any new legislation that will impose further controls on law–abiding firearm owners.

* * *

CANADIAN CITIZENSHIP

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, I rise today to congratulate the hon. member for Don Valley North on his initiative in organizing the first citizenship day for members of Parliament and senators to publicly reaffirm their allegiance to Canada.

Yesterday the hon. member for Don Valley North brought us together in the Hall of Honour because of his appreciation as an immigrant to hold Canadian citizenship and because of his love and commitment to this great country.

It was a moving experience and for many of us it was the first time we experienced the joy of enunciating the words aloud, declaring our allegiance for Canada. At a time when many nations are being torn apart by civil insurrection and war, it is imperative that we Canadians show the world through our leadership and policy how people with many diversities live in harmony as one nation.

Let this ceremony be the beginning for all members in the House to publicly serve and pledge allegiance to one great country, one Canada, our beloved country.

* * *

CANADA HEALTH AUXILIARY WEEK

Ms. Hedy Fry (Vancouver Centre): Mr. Speaker, I am pleased to inform the House that the Canadian Association of Health Care Auxiliaries has declared this week of April 17 to April 25 Canada Health Auxiliary Week.

This year's theme is the challenge of choices. Health care auxiliaries across the country will be celebrating this week with the goal of increasing public awareness of the tremendous contribution made by volunteers to the health care system in Canada.

Last year health auxiliaries across Canada worked to raise in excess of $33 million for their respective health care facilities. One hundred and thirteen thousand volunteers gave 8.5 million hours to patient services, community health care, public relations and fund raising.

I am sure all members will join with me in congratulating the Canadian Association of Health Care Auxiliaries on its work and in urging Canadians to support their local auxiliaries.

* * *

[*Translation*]

PREMIER OF QUEBEC

Mr. Gaston Péloquin (Brome—Missisquoi): Mr. Speaker, there will soon be an general election in Quebec, and the federalist troops, terrified at the prospect of being swept from the Quebec political scene, are using underhanded tactics to convince Quebecers that their option is the right one.

• (1405)

Premier Daniel Johnson, with the hounds of sovereignty nipping at his heels, went before foreign investors with a message of gloom and doom, predicting political instability in Quebec if the Parti Quebecois came to power.

These desperate and highly irresponsible tactics are unworthy of someone who is supposed to defend Quebec's best interests, especially when he is in another country. Now that die–hard federalists can no longer scare Quebecers, they are trying to scare foreign investors.

* * *

[*English*]

NATIONAL VOLUNTEER WEEK

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, in Okanagan—Similkameen—Merritt we are particularly proud of the efforts of our local volunteers. Lynn and John Bremmer of the town of Oliver in my riding recently returned from the Slovak republic where they worked with CESO on a development project, helping a producer of agricultural products with their expertise. Perhaps more than money their volunteer efforts will help those people stand proudly on their feet as their country emerges from the dark ages of communism.

Volunteers have made a personal choice to make all our communities better places to live, whether it be through working with a service club, organizing a community event, helping the disadvantaged or leading a youth group.

I call on all hon. members and all Canadians to join me in honouring volunteers during National Volunteer Week.

* * *

ANTI–VIOLENCE CAMPAIGN

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, yesterday the Minister of Canadian Heritage launched "Speak out Against Violence", a campaign of public service announcements by the Canadian Association of Broadcasters.

The Government of Canada is a very committed partner in this initiative which is another fine example of what can be achieved on an important social issue through co–operation between the public and private sectors.

To accommodate our federal contribution, Canada's private broadcasters are committing $10 million in free air time to broadcast these announcements.

[*Translation*]

The government is aware that the media heavily influence our attitudes, and we think this campaign is an excellent way to make all Canadians think about the questions raised by violence in our society.

[*English*]

I invite all Canadians to join us in this bold initiative to help build the Canada of the future, a Canada where men, women and children can be safe in their homes and can walk the streets without fear of harm.

* * *

RYAN WHITE BILL

Mr. Glen McKinnon (Brandon—Souris): Mr. Speaker, today marks the day that the United States of America adopts the Ryan White bill, a bill that was endorsed by President Bush but is being enacted by President Clinton. It is a law that mandates hospitals to notify emergency response personnel about the infectious status of a patient who was treated by the emergency worker.

This law prohibits involuntary testing of patients and only requires the hospital to share any such information in its possession. The program is also structured in a way that protects the confidentiality of patients.

I would encourage all members of the House to co–operate in establishing such legislation in Canada.

* * *

[*Translation*]

ECONOMIC DEVELOPMENT

Mr. Patrick Gagnon (Bonaventure—Îles–de–la–Madeleine): Mr. Speaker, I would like to call the attention of the hon. members of this House to a recent initiative from our government to promote the economic development of Quebec.

On April 14, we announced, in conjunction with the Government of Quebec, a first set of projects to be implemented under the Canada–Quebec agreement on infrastructure projects. This program is being initiated a mere two months after the agreement was signed. This is palpable proof that we do meet the demands of the Canadian people. It also demonstrates clearly that we are intent on putting Canada back to work as soon as possible.

This first stage will see nearly $35 million invested in 50 projects involving 43 municipalities in Quebec. These projects will result in the creation of 400 direct jobs over the weeks to come because, as you know, this government was elected last fall to put Canadians back to work, and this program is being put into place to do just that.

* * *

PREMIER OF QUEBEC

Mr. Benoît Sauvageau (Terrebonne): Mr. Speaker, I would like to call the attention of this House to the statement Senator Kennedy made yesterday, within the context of the Quebec Premier's pre–election visit to the United States.

Senator Kennedy said that as far as the Americans were concerned, whatever the outcome of the decision, they respect the right of Quebecers' to self–determination.

• (1410)

Now, Mr. Speaker, here at last is a level–headed statement reflecting profound respect for democratic values. Unfortunately, you are more likely to hear that kind of remark abroad than within this chamber.

The universal standard for democracy is respect for other people, respect for the decisions made by the people.

I urge the members from the other political parties represented in this House to follow the example of Senator Kennedy and show the same open–mindedness, the same democratic regard, the same respect for political diversity.

* * *

[*English*]

GUN CONTROL

Mr. Allan Kerpan (Moose Jaw—Lake Centre): Mr. Speaker, last week in my constituency we held two townhall meetings to discuss gun control.

The message that I received from the people attending these two meetings was loud and clear: do not handcuff together what are two separate issues, gun control and criminal justice reform; do not attempt to control the criminal abuse of firearms by punishing the innocent, legitimate gun owners in the country.

This message has been supported by over 300 phone calls and faxes to our "let the people speak" lines here in Ottawa. These come from all across the country. The people of Moose Jaw—Lake Centre say we need to get tough with violence and violent criminals. We need to do it now, but let us leave law–abiding citizens alone.

* * *

IRAQ

Mrs. Carolyn Parrish (Mississauga West): Mr. Speaker, I rise today to condemn the savage, inhumane and ruthless actions of dictator Saddam Hussein in the southern Iraq marshes perpetrated on the one million marsh Arabs who live there.

As Canadians we advocate and uphold human rights and must protest both a human and an environmental catastrophe which has been well documented and recently aired on CBC.

Water is being diverted from the historic wetland where the Tigris and Euphrates rivers meet. The delicate ecostructure is being destroyed to provide a huge military base. The native marsh Arabs, Shia Muslims, are being harassed, arbitrarily arrested and detained, tortured, killed and systematically starved to death. Women, children and the elderly are particularly vulnerable.

We as Canadians of conscience must uphold the human rights of the Shia Muslims and express our outrage and indignation to the Iraqi government and to the United Nations, immediately addressing this matter of genocide and ecological disaster.

* * *

NATIONAL VOLUNTEER WEEK

Mr. Peter Adams (Peterborough): Mr. Speaker, the other day I helped launch National Volunteer Week by attending a celebration breakfast of the Association of Managers of Volunteer Services in Peterborough.

During this week in Peterborough riding and across Canada recognition events are being held to honour volunteers who do so much to maintain our standard and quality of life.

Volunteerism is one of the unwritten secrets of democracy. Healthy democracy demands the full and free participation of all citizens. That is why during in this particular volunteer week, while remembering all Canadian volunteers, we should save a special thought for Canadians helping with the election in South Africa. These people, including members of the House, people from my riding and many others, are a special reminder to us all of the importance of volunteerism in 1994. They are an example to us all.

* * *

INTERNATIONAL ASSOCIATION OF FIREFIGHTERS

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, over the last few days many MPs have met with representatives of the International Association of Firefighters.

The firefighters are asking for a number of things, all of which I support, but today I would urge the government to act as soon as possible on a number of them.

There is no good reason for delay on setting up the system for tracking hazardous materials and right to know legislation. Likewise there is no good reason to delay on setting up a notification protocol for infectious diseases.

I call on the government to act swiftly on these two requests of the firefighters. They serve our communities well in an already dangerous job. It does not need to be made unnecessarily more dangerous by government failure on these two particularly responsible requests.

ORAL QUESTION PERIOD

• (1415)

[*Translation*]

FOREIGN AFFAIRS

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Foreign Affairs.

Despite yesterday's ceasefire, Serb forces are continuing their assault on Gorazde. They have even shelled the hospital. The emergency room was hit this morning by rocket fire and 10 people were killed and 15 wounded. According to a wire report just in, even the wounded cannot be rescued because Serb fire is preventing would–be rescuers from reaching them. At noon, we learned that following a request from the UN, NATO countries agreed today in Brussels to proceed with new air strikes in retaliation for Serb atrocities.

Can the minister confirm to us if Canada has endorsed the NATO resolution to proceed with new air strikes and can he also confirm whether Canada has in fact expressed some reservations about the effectiveness of such strikes?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, we are extremely concerned about the deteriorating situation in Bosnia. The decision by the UN Secretary General to ask NATO to order offensive, rather than purely defensive, air strikes is obviously one fraught with implications.

In light of this change of policy, forces serving under the auspices of the UN will no longer be in the field solely to maintain peace and provide safe passage for humanitarian aid convoys. They could be called upon to take action to impose peace. Ambassadors to NATO are currently meeting to discuss this request and once a final decision has been made, I will be happy to convey it to the House.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I agree with the minister that the situation has reached a critical stage beyond which major decisions will have to be made. Must Canadian and other peacekeeping forces be content to stand by, powerless to stop a disaster of inhumane proportions, almost as if they were sanctioning what was happening by doing nothing, or should they take more concrete actions and intervene, as the minister said, to impose peace? The other option is withdrawal. I think that the conscience of the western world will lean more toward intervention. The fact that the

Russian security council convened a meeting this morning is a sign that the conflict is getting worse.

My question to the Minister of Foreign Affairs is this: Can he tell us if Russia has agreed to back the UN resolution calling for more air strikes?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, all I can say to the House today is that talks are continuing between government leaders in an effort to thrash out a unified policy. A short while ago, the Prime Minister of Canada spoke with the President of the United States who himself was scheduled to speak with the Russian president. These talks will continue during the next few hours, the objective being to devise a plan of action, one that has the widest possible support, to bring an end to the conflict raging in the former Yugoslavia.

[*English*]

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, we have learned that the Russians could decide to retire the kind of support, at least the sympathy they had for the Serb movement. Now we hear that the conflict might expand to Iran because the last dispatch is to the effect that the Ayatollah Khamenei has just ordered Iranian troops to intervene in Bosnia to defend the Muslims.

Does the Minister of Foreign Affairs agree that the situation could deteriorate very rapidly?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I think we should be very cautious about all these rumours. One thing is certain, and that is that members of NATO are trying to put forward a unanimous position and to bring along other important players in this area of the world to draft a common approach to the current situation.

• (1420)

I can confirm that there have been discussions at the highest levels. It is quite clear that the involvement and the co–operation of Russia with the European Union, the United States and Canada could be very decisive in making sure we take steps that will stop this conflict in the ex–Yugoslavia.

Our purpose is to arrive at a united front and to ensure that all the parties in ex–Yugoslavia come to the table and respect a peace initiative.

* * *

[*Translation*]

ACTION PLAN FOR YOUNG PEOPLE

Mr. Michel Gauthier (Roberval): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs. The Minister of Intergovernmental Affairs claims that his government consulted the provinces before announcing its youth strategy.

Yesterday, Quebec's Minister of Education categorically denied having been consulted by Ottawa.

How can the minister continue to claim that the provinces were consulted, when Quebec's Minister of Education denies that he was consulted? Will the minister now withdraw his allegations and admit that Quebec's Minister of Education was not consulted?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, on February 28 I met with the ministers of education who compose the Council of Ministers of Education. The federal government was invited by the council to develop a co–operative approach to a broad range of matters affecting young people.

At that time we gave a full briefing to all the ministers of education concerning the various youth initiatives: the internship program, the youth services corps, the student loans and the learning initiatives which were discussed at the request of the provincial ministers themselves.

As the hon. member probably knows, they had issued a declaration over a year ago asking that there be full co–operation between the federal and the provincial governments to undertake a common approach to the problems facing education.

After the meeting, at which we outlined the approach we were taking, we offered to establish a number of meetings with officials to go over the specific parts of the program. There were a series of meetings on the student loans program.

Specifically last Friday a meeting was held in Quebec between federal and provincial officials to discuss the internship program.

That is a fair description of the kind of consultation, collaboration and co–operation we want to have with the provinces. We outlined the approach and certainly in response to any request by the provincial ministers we are very open to continuing the dialogue to look at the specific implementation of that program so we can once again work together to help young people.

[*Translation*]

Mr. Michel Gauthier (Roberval): How can the minister seriously say that he made every effort to avoid further duplication of responsibility between Quebec's programs and his youth action plan, since this plan has three components that directly overlap similar Quebec programs and are in no way complementary?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I understand fully the inability of the hon. member to understand the notion of co–operation. That is probably not part of his vocabulary. It is certainly not part of his behaviour in the House.

However, I want to emphasize that at the present time we are already—and I will just take one province as an example—in the province of Quebec, co–operating with the province on the development of the purchase of training courses. We are working with the provinces directly on looking at labour market needs. We work in a co–operative fashion with the SQDM. We have joint management of co–operative education with the province of Quebec. We have joint approval of stay in school initiatives. There is a substantial number of areas where we work in co–operation with the provinces and with the province of Quebec. It is too bad the hon. member is not interested in co–operation.

* * *

• (1425)

FEDERALISM

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Deputy Prime Minister or any of the senior ministers from Quebec.

All of us in the House know that the people of Quebec will be making a fundamental choice later this year that will affect all Quebecers and all other Canadians. That choice will be between a federalist provincial government and a sovereignist provincial government committed to the separation of Quebec from Canada.

My question is for the Deputy Prime Minister. Because of the seriousness of this issue I hope that she will not regard this as a partisan question. What steps does the government believe Parliament should take in the next two months to ensure that the federalist option is chosen by a majority of Quebecers?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I welcome the admonition of the leader of the Reform Party to take this issue seriously.

The Liberal Party believes that the future of the country is a very serious matter. We do not consider it a family feud and we do not consider it simply a matter to be discussed by Quebecers. We think the issue of Canada staying together is an issue that touches every single one of us in every part of the country.

That being said, we think that the best way to convince Quebecers that Canada wants them as part of our country is by showing Quebecers and the rest of the country that we are capable of providing good, decent, honest government for all Canadians.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, the Deputy Prime Minister's reply makes myself and other federalists uneasy because it suggests that status quo federalism, simply "good government", is enough to rally support for federalism.

Will the Deputy Prime Minister and the government not acknowledge that what Parliament really needs to do is put a new and better face on federalism; the face of a balanced budget, the face of a more accountable Parliament, the face of economic and social renewal, in order to deepen the commitment of all Canadians, including Quebecers, to Canadian federalism?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, over the last six months the government has shown it is not the party of the status quo. We do not believe that by changing suits you are going to somehow show people that you have a better government.

What this party has shown over the last six months and what we will continue to show is balance in decision making. We will also continue to fight, as we fought yesterday, for the rights of every single minority wherever they live in our country. An important part of a country is understanding that in building for the future you also have to understand your history and that is what the Liberal Party represents.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I appreciate the Deputy Prime Minister's answer. However what is missing from it is any deep commitment or acknowledgement of the need for real reform of federalism itself.

If it can be demonstrated to the government that a majority of Quebecers want a balanced federal budget, that a majority of Quebecers want an overhaul of federal language legislation, that a majority of Quebecers want systemic change, like many other federalists in the country do, would that persuade the government to offer Quebecers and indeed all Canadians something more than status quo federalism?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, to understand what Quebec wants I think the member has to start by electing some members of Parliament from Quebec.

• (1430)

The member's unfortunate ignorance of the situation in Quebec is reflected by the resolution put yesterday which basically tried to carve up the city of Montreal into east and west.

The reality is a nation is built by celebrating its differences, by making sure every part of the country feels it is part of the whole. Every single policy that passes through the government is going to be based on principles of equity and fairness. Therefore we say exactly the same thing in the city of Montreal as we do in the city of Vancouver. We do not wait for a telephone call to tell us what our policy should be.

[*Translation*]

TRANSFER PAYMENTS

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, yesterday, in response to the federal finance minister's intention to slash transfers to the provinces in order to reduce his deficit, the Quebec minister of finance issued the following warning to his federal counterpart:

> —we told the federal government that this reform should not be achieved on the backs of the provinces and that the issue of government debt in Canada will not be resolved by offloading the federal deficit onto the provinces.

Will the Minister of Finance ever understand—now that his Quebec counterpart has joined with the Official Opposition in trying to make him understand—that he must cut federal government waste and stop dumping his deficit problem on the provinces?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, we fully agree that we should not dump our problems on others. That is why we first settled the issue of equalization that has been of enormous benefit to Quebec and six other provinces. That is why we agreed with finance ministers, including the Quebec minister of finance, to impose a moratorium on social security reform. That is why, as I said in my speech, we clearly stated in the budget the objectives agreed on by the finance ministers in January.

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, could the finance minister's insensitivity despite his Quebec colleague's appeal be explained by his urgent need to carve out for himself, at the expense of the provinces, enough fiscal leeway to finance his colleagues' repeated, brazen and appalling intrusions in areas of provincial jurisdiction?

[*English*]

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, let me simply read what I said. I will do this in English because it is part of the speech that was given in English.

> —then we took a look at the absolute necessity of renewing fiscal federalism.

The provinces agree with that. The minister of finance for Quebec agrees with that.

> —it is now crucial that we begin to take a look at what all levels of government do, not with some political aim in mind, but in terms of its affordability and efficiency.

The Government of Quebec agrees with that, as do all of the provinces who want to solve our problems. Then I went on to say that we have discussed that with the provinces.

> —they have two years in which to complete with us this process. At the end of that two years we will be taking massive amounts of money out of the federal–provincial structure, hopefully not at their expense nor at ours, but as a result of the more efficient programs between the two levels of government.

That is what the provincial finance ministers want. It is what the provincial governments want. It is what the federal government wants. It is what Canadians want. It is what we are going to deliver.

* * *

THE ECONOMY

Mr. Jim Silye (Calgary Centre): Mr. Speaker, my question is for the Minister of Finance. I will give him a little hint on the answer: billions versus millions.

Today's *Financial Post* reports that the Deutsche Bank has recommended to its clients to reduce their Canadian bond exposure to zero from 3 per cent which could represent up to $10 billion. One of the primary reasons given is that Canada's heavy budgetary risks will result in further underperformance. It is obvious the Deutsche Bank does not share the minister's optimism and opinion that the budget was a success.

Why would the Deutsche Bank recommend pulling out of the Canadian economy?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, the questioner being a businessman himself understands that what makes markets are obviously differences of opinion.

The fact is the analyst in the Deutsche Bank has expressed an opinion. I had breakfast with the president of the Deutsche Bank not long after that report and it certainly was not his. He wanted to give you his best.

• (1435)

The fact is the majority of investment houses in the United States recommend a holding of Canadian bonds at 3 to 4 per cent. That is what makes markets and that is why we are very confident.

The member should have read the whole report because the Deutsche Bank talked about provincial deficits and about the very uncertain political situation in Quebec. Let me tell you, once the political situation in Quebec is cleared up with a victory to the provincial Liberals the Deutsche Bank will change its mind.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, further to the remarks of the finance minister I would like to add another possible reason the Deutsche Bank gave this recommendation despite the breakfast.

One of the reasons both foreign and domestic investors are uneasy about the Canadian economy is that mixed messages

keep coming from the Prime Minister and the Finance minister. The billions versus millions controversy is only the latest contradiction by these two senior ministers.

Could the Minister of Finance clarify once and for all for the House and for foreign and domestic investors, whose comments on deficit reduction can be relied on, his or the Prime Minister's? And no double talk, please.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, the hon. member asked the same question yesterday. I will give him the same answer.

The fact is that in the red book, in the budget and in statements in the House the Prime Minister and I have made it very clear that the cuts have been made in the budget which are required to get us to 3 per cent of the GDP within three years. At the same time we have said a major review of every single program is being carried on by the Minister responsible for Public Service Renewal.

The Prime Minister has said it; I have said it; and you can keep asking us. I would really suggest to the hon. member that he come up with some new questions. Ask Canadians for some new questions. I think your research well is running dry.

The Speaker: I am sure all hon. members will continue to address the Chair.

* * *

[*Translation*]

FISHERIES

Mr. Yvan Bernier (Gaspé): Mr. Speaker, yesterday the Minister of Fisheries and Oceans unveiled his new program regarding income support and labour adjustment for fishery workers adversely affected by the dwindling groundfish stocks in the Atlantic.

How can the minister be satisfied with a program which does not propose any measure to get the fishing industry going again through the development of new markets or new products, and how can he justify the reduced assistance, considering that compensation cheques will now drop by 6 per cent?

[*English*]

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, quite frankly I am surprised at the attitude of the hon. member, given his previous experience with the fishery.

The fact of the matter is the Government of Canada is not reducing the groundfish sector. The Government of Canada is not shutting down the groundfish sector. The hard truth rather than the easy rhetoric is that the groundfish sector today is closed. There are 14 moratoriums in place. People in the groundfish sector are not working today and a great many, the majority, have not worked for two years.

The issue is not whether or not we are going to shut the sector down, but how much of the sector we can reopen, how much of the capacity we can employ based on the ability of the resource to sustain that sector.

We are taking the hard and difficult choices but the honest choices to work with communities, fishermen and plant workers to restore as much of the industry as possible and, where that is not possible, to give them the truth so they can make the decisions to rebuild their lives.

Does the member want us to do something different? If he does, we will not.

[*Translation*]

Mr. Yvan Bernier (Gaspé): Mr. Speaker, this is all very nice; however, what fishery workers need is hope. Right now, the government is giving them false hopes; in fact, the package offered is 6 per cent smaller than last year's.

Nevertheless, I will give the minister a chance. How does he reconcile his will to help Atlantic economic diversification with the fact that his government just reduced by $160 million ACOA's budget for the next three years, as well as FORD–Q's budget, an office whose role is precisely to promote regional economic diversification? Perhaps the minister could clarify this issue, because so far, rather than discussing he is cutting.

● (1440)

[*English*]

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, the hon. member talks about empty hope. We are not talking about empty hope. We are talking about a $1.9 billion program. It is the only new major expenditure in the February 22 budget. That expenditure represents the commitment of the Prime Minister and the government to the people of Quebec and Atlantic Canada affected by the fisheries crisis to stand by them in their time of crisis and to help them rebuild their lives. The member ought to recognize that.

We have said clearly there are three legs to this program. The first is assistance for individuals. That we have delivered on. The second is to restructure the industry. That process begins over the next six weeks through consultation. The third is to diversify the economy of Atlantic Canada and Quebec.

I have the greatest confidence the Minister for the Atlantic Canada Opportunities Agency and the minister responsible for FORD–Q will work hand in glove with the Minister of Human Resources Development and me to see that commitment is delivered in spades.

* * *

EDUCATION

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, my question is for the Minister of Human Resources Development.

Yesterday the Reform Party suggested the concept of post–secondary education vouchers given to students and income contingent repayment plans for student loans.

Could the minister tell the House if education vouchers and income contingent loans are specifically on his agenda?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, on the matter of income contingency repayments, if the hon. member would look at the announcement we made on Friday he would know the legislation we propose to bring in the House very shortly will include the opportunity for us to undertake a series of pilot projects with the provinces to develop an ICR system.

That was based upon the meeting with the ministers of education I spoke about earlier. Several of them requested that we undertake that kind of approach. Others were not in agreement. Therefore rather than bringing it in on a national basis we thought we would work with those provinces that were interested to develop it and see how the methodology would work.

As for the question of a form of education voucher or education investment that idea has been presented to us through the work of the House of Commons committee by experts in the field. It is one of the considerations I would like to raise when we meet with the ministers of education and labour at the provincial level.

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, I hope the program the minister is talking about is not the band–aid type variety but is a true reform to a commitment to education.

One of the most appealing aspects of a voucher system is it allows individuals to choose what is best for themselves.

Could the minister tell the House if he has already discussed the idea with his provincial counterparts and, if so, what was their general reaction?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I just told the hon. member but I am glad to repeat it.

When we met on February 28 with the Council of Ministers of Education we outlined the proposals we would want to undertake to substantially improve the student loans program.

As the hon. member knows we substantially increased the loan limit to bring it into reality with today's costs. We have undertaken a program of more direct support for students, particularly women going into graduate school, students with special needs, single mothers, so that they can get back into a higher education program.

What we did discuss with them is how we can provide a program that would enable all Canadians to be able to go into the educational system on a lifelong basis. We want to turn the notion of lifelong learning from a cliche into a reality for people.

Members in the entire House would be interested that the co–chair of the Council of Ministers of Education who happens also to be the minister of education for Quebec said in a speech recently in Vancouver that it is a fact Canadians everywhere have common expectations.

• (1445)

It is also a fact that we are faced with common problems. It is clear that we must adopt a common approach in dealing with them. That is our philosophy too.

* * *

[*Translation*]

FLU VACCINE

Mrs. Monique Guay (Laurentides): Mr. Speaker, my question is for the Minister of Public Works. Yesterday, the minister used decisions of previous governments to justify awarding 50 per cent of the flu vaccine contract to Connaught. Need we remind him that in 1991, when Connaught was awarded this contract, the maritimes ran out of vaccine, and that last year, 100 per cent of the contract was awarded to BioVac?

On the substantive issue, does the minister know that Connaught is only a distributor of flu vaccine in Canada and imports this vaccine from the United States, while BioVac, the only manufacturer of this vaccine in Canada, made a bid that would have saved $600,000 of public money if the minister had accepted it?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I thank the hon. member for the question.

The fact is that the Government of Canada, as I have said repeatedly in the House, purchases approximately 1 per cent of the total amount. Ninety–nine per cent of the vaccine is purchased by the provinces. This is done through the auspices of a co–operative committee by federal but primarily provincial governments across the country. They are the ones that purchase the vaccine.

As a result, there was an agreement reached by that committee where 50 per cent would be purchased from the province of Quebec, namely BioVac, and the other 50 per cent purchased from Connaught.

[*Translation*]

Mrs. Monique Guay (Laurentides): Mr. Speaker, does the minister not realize that the direct result of his Canadian solution is to export high–tech jobs from Quebec to the United States and that it jeopardizes the development of BioVac on international markets?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I will take the House into my confidence and respond to the hon. member very clearly, very directly.

This member and that party have been pushing this government to be involved in the process. The hon. member should know that BioVac's price to the Canadian taxpayers, primarily the provinces, was $1.85. Connaught's was $1.69. A compromise was reached whereby it would be $1.77.

If that is not a measure of fairness reached by provincial governments across the country, I do not know what is. The real thing here is that member and that party wish to sabotage this deal in order that they can create political havoc in the province of Quebec.

The Speaker: I know that all hon. members, both in their questions and in their answers, will want to ensure that we never impute a motive to any hon. member.

* * *

ST. LAWRENCE SEAWAY

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, my question is for the parliamentary secretary for transport.

The Great Lakes—St. Lawrence seaway is a viable economic route. It is economic and it is friendly to the environment. Unfortunately there is predatory and very unfair pricing by the railroads of Canada when competing against commodities being shipped by the St. Lawrence seaway and into the St. Lawrence seaway system.

The railways in the country do that by and large by the almost one billion dollars a year they receive in subsidy.

When will the government stop this abuse of this transportation subsidy? When will it maximize the return to the farmer where it should be? When will it create a level playing field for all modes of transportation in the country in which to compete?

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, first let me congratulate the member for Thunder Bay—Nipigon on becoming chairman of the subcommittee that is reviewing and will bring forward recommendations on the seaway.

• (1450)

I want to thank the people from the mid–Canada port survival task force that I met with yesterday. The National Transportation Agency did make a ruling last year, for the most part exonerating the railways but that decision has been appealed and will be reviewed by the government.

At the same time, my hon. friend will know that the whole question of western grain transportation reform is undergoing an intensive review.

The Minister of Transport and the government are determined to build a national, integrated, efficient transportation system, one that is affordable to the user and to the taxpayer of the country.

* * *

GUN CONTROL

Mr. Jim Abbott (Kootenay East): Mr. Speaker, my question is for the Minister of Justice.

There are many law–abiding, decent Canadians who choose to own guns. They comply with the letter of the law respecting handguns. Yet the government is considering taking away their choice of responsible ownership of those guns.

Does the minister respect Canadians who have acted responsibly? If so, why is he considering a ban on handgun ownership?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, time and again studies have demonstrated and our experience shows that guns inherently dangerous fall into the hands of criminals either because they are lost or they are stolen. There is a need for gun control in the country.

Bill C–17 recently adopted by this Parliament and now in place across the country constitutes an important measure toward achieving that safety. However, more steps must be taken. We campaigned for office on a platform that included specific proposals for increased and stricter gun control.

I do not quarrel at all with the assertion by the hon. member that there are honest and law–abiding people who are entitled to the use of rifles for the purpose of hunting or other legitimate purposes. However I say that we have an obligation to the public and its protection to ensure that these inherently dangerous weapons are under control so they do not fall into the hands of criminals.

Mr. Jim Abbott (Kootenay East): Mr. Speaker, with the greatest of respect to the Minister of Justice, I suggest that he is continuing to target those who choose to obey the law, the law–abiding gun owners.

The minister should be focusing his concerns on those who are breaking the law. The focus should not be on the gun owners but on the criminals who are misusing them.

Why does the minister not enforce the law, stop the illegal gun trade, get guns out of the hands of criminals and stop harassing legal gun owners?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. member has just read from the list of priorities in the Department of Justice to act effective-

ly to deal with those guns that are being smuggled illegally into the country.

I am meeting shortly with the Solicitor General and the Minister of National Revenue with that very objective in mind to ensure that the laws that are on the books at present providing penalties for those who possess firearms in the commission of offences are enforced and are effective and to take other steps to ensure that the use of firearms in criminal activity is properly punished.

However, the integrated approach to gun control and the enforcement of the criminal law must happen at the same time and that is precisely what we are going to do.

* * *

[*Translation*]

REFUGEES

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, my question is for the Deputy Prime Minister.

The dramatic situation persisting in Rwanda could bring many refugees from that country to Canada. We know that 800 Rwandans from the Tutsi minority already live in Canada, most of them in Quebec.

Can the Deputy Prime Minister tell us what the Canadian government's policy on Rwandan refugee claims will be and can she promise that every case will be carefully examined so that the people responsible for the massacres cannot seek asylum in Canada to escape justice?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): I think that the hon. member shows a good knowledge of the very difficult situation in Rwanda.

Clearly, our government has always had a very open policy regarding the warm welcome extended to those who are forced to flee their country, but we will also have to be very efficient at turning away the people who contributed to terrorism.

I think we will take his suggestion and refer it to the minister of immigration who has already done some work on this very important issue for Canadians.

• (1455)

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, given the terrible situation now prevailing in Rwanda, can the Deputy Prime Minister promise to put in place special family reunification measures, as was done in 1992 for nationals of Somalia and the former Yugoslavia?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, in the absence of my colleague, the minister of immigration, I am happy to inform the House that one of the main points of the new immigration policy recently announced by the minister was an increase in the family class.

Our red book recognizes that it is important for families to be reunited here in this country, both for their integration and for the good of Canada. I am sure that the minister will consider the suggestions of the hon. member opposite and act accordingly.

* * *

[*English*]

TOBACCO PRODUCTS

Ms. Margaret Bridgman (Surrey North): Mr. Speaker, my question is for the Minister of Health.

Recently, after having asked the House Standing Committee on Health to study the issue of plain packaging of tobacco products, the hon. minister publicly stated: "I would like to see us move on that as quickly as we possibly can" and "I feel that it would do a lot to discourage young people especially from taking up smoking".

Could the minister tell the House why she has requested both her department and the health committee to study this issue, at considerable expense to the taxpayer, when it is apparent from her statements that she has already decided to go ahead with the plain packaging?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I thank the hon. member for her question.

In January 1994 the Canadian Cancer Society released a report "The Effects of Smoking on Young People". This report concluded that it would discourage young people from taking up this terrible habit of smoking.

In February 1994 when we released our anti–smuggling strategy, the Prime Minister announced in the House that we would look at the issue of plain packaging. The Standing Committee on Health is looking at that at this time. I await with great anxiety and I am anxious to hear the results of what the committee is doing. I am sure it will have some very valuable information to give to all of us.

In the meantime, I have asked the Department of Health to undertake a research project, a very specific marketing project, to look into allegations that it would discourage young people from smoking. As the member knows, if we can prevent just one death it is very worthwhile. In this case every year 38,000 Canadians die as a direct result of smoking.

Ms. Margaret Bridgman (Surrey North): Mr. Speaker, I appreciate the minister's answer. Considering that the Department of Health has publicly stated that its study would take until the end of the year and that the committee on health care was also looking at this, is it fair to assume that the government will not make a decision on this issue until those reports are in?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I can tell the hon. member that no legislation has been drafted at this time. I must add that when I met with provincial ministers of health there was a great deal of interest on their part to look into the matter of plain packaging. It is not just the federal jurisdiction that is interested in doing some work in that area. We will continue this as I truly believe that plain packaging will

have an effect in influencing young people not to take up this habit.

* * *

• (1500)

TRANSPORT CANADA

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Transport.

Transport Canada has just issued a notice to airmen and the marine industry advising of the possibility of space debris re-entering the atmosphere and crashing off the east coast of Canada, specifically the east coast of Nova Scotia.

What information could the parliamentary secretary give the House concerning this matter, more particularly whether it is the view of the government that this re-entry poses any threat to the safety of Canadians on the east coast of Canada?

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I thank the member for giving me this opportunity of advising the House that Transport Canada has been advised by Cape Canaveral that there is a possibility that some space debris may re-enter the atmosphere and crash into the ocean off Nova Scotia and Newfoundland on Thursday, April 21, 1994, between 1200 and 1500 hours, eastern daylight time.

This is a serious and important issue and Transport Canada is working with the departments of National Defence, Foreign Affairs and our respective American counterparts to monitor the path of this debris. As the member mentioned, notice has already gone out to the marine and aviation industries.

I also advise the House that it is intended that the departmental satellite re-entry contingency plan, which provides for Transport Canada emergency staff, will give the authority to take whatever action within its sphere of competence to—

Some hon. members: Oh, oh.

The Speaker: One would hope that contingency plans are also in place to protect us here in Ottawa.

* * *

POINTS OF ORDER

COMMENTS IN CHAMBER

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I rise on a point of order under Standing Order 18 to bring to the attention of the House a very serious matter with respect to statements made by the hon. member for Carleton—Gloucester both in and outside the Chamber.

Standing Order 18 states in part that no member shall use offensive words against either House or any member thereof.

I refer to *Hansard* of Monday, April 18, 1994, page 3175:

> The Reform Party proposes a form of ethnic cleansing.

Also, in response to a question I had asked the hon. member, I refer to page 3176 of *Hansard*:

> I think you are a bunch of bigots.

The hon. member later withdrew this but only after the Deputy Speaker insisted.

Also, in response to my colleague, the hon. member for Nanaimo—Cowichan, the hon. member for Carleton—Gloucester stated: "The Reform member should not have worn a dark suit to address the House today but rather a white sheet".

Erskine May 21st edition of parliamentary practice also states that insulting language of a nature likely to create disorder is unparliamentary.

The only reason that these remarks did not create disorder which has been seen so often in the House is that the Reform Party has too much respect for Parliament and for the Canadians who elected us. However, the words spoken by the member for Carleton—Gloucester are offensive in the extreme. This type of language has no place in the parliamentary forum or anywhere else.

I would also like to draw to the attention of the House that today outside the House the member for Carleton—Gloucester once again—

The Speaker: As to the remarks outside the House, whatever is said outside the House as a general rule we do not deal with in here.

Does the member have something to add to the primary?

Mr. Hermanson: Mr. Speaker, I agree with what you said. What I was saying was that while these remarks were made outside the House they were similar to those remarks made in the House.

While I recognize, Mr. Speaker, that you cannot rule on comments made outside the House, the repetition of remarks made in the Chamber does nothing for the level of decorum that Canadians expect from their parliamentarians.

Finally I would ask that you make a ruling on this unacceptable language in the House.

The Speaker: Before I turn the floor over to the hon. member for Carleton—Gloucester, I did read over *Hansard* and I did see the tapes. It is my understanding that the hon. member has

withdrawn the word bigots categorically. He has withdrawn that and I turn the floor over to the hon. member for Carleton—Gloucester.

• (1505)

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I want to thank you for giving me this opportunity to respond to the Reform Party's House leader, the one who had just thrown four sheets to the wind.

Some hon. members: Oh, oh.

Mr. Bellemare: Mr. Speaker, we have here a prime example of what the Reform Party——

[*English*]

The Speaker: Order. I would encourage the hon. member, as he is directly involved, to please direct himself to the point of order on the floor.

Mr. Bellemare: Mr. Speaker, the House leader is offended by the fact that I talked about ethnic cleansing. He quoted some pages of *Hansard* to support his contentions a short while ago.

I would like to refer to page 3147. A member of the Reform Party stated yesterday that language fractures a country and he made reference to Bosnia and suggested that all the problems and wars in the world today are caused by ethnic problems. He then continued to speak about the problems that the French Canadians are creating in Canada by wanting to be recognized for their rights, minority—

Some hon. members: Oh, oh.

The Speaker: Order. Of course we are engaged every day in very strenuous debate in the House. We all encourage one another to use language which is not offensive in any way to any hon. members. Sometimes in the heat of debate we use words which are not entirely appropriate.

The hon. member has raised a point of order and rather than get into a debate about perhaps what was said and what was not said, I wonder if he would give me the time to review, in total again, the specific words which were said. Then perhaps we could take this up tomorrow when I could make a ruling on the particular words that were put before us.

If we would agree to this, I would look into it and come back tomorrow.

Mr. Hermanson: Mr. Speaker, I am sure that my colleagues would be happy to drop this matter and not put you to the trouble if the member would withdraw those statements.

The Speaker: I hope there is agreement in the House to give your Speaker time to review all the words that were said and the context in which they were said.

I believe there is agreement and, if so, I will come back to the House tomorrow. Is that agreed?

Some hon. members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

ENERGY EFFICIENCY ACT

Hon. Anne McLellan (Minister of Natural Resources): Mr. Speaker, I am pleased to table, in both official languages, the 1992–93 annual report of the administration and enforcement of the Energy Efficiency Act, pursuant to section 36 of that act, chapter 36, Statutes of Canada, 1992.

* * *

• (1510)

CRIMINAL CODE

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to place before the House, in both official languages, draft amendments to the Criminal Code and the customs tariff dealing with crime cards and board games.

* * *

GOVERNMENT RESPONSE TO PETITIONS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to four petitions.

* * *

[*Translation*]

ENERGY EFFICIENCY

Hon. Anne McLellan (Minister of Natural Resources): Mr. Speaker, I am proud to present the first annual report on the administration and application of the Energy Efficiency Act.

[*English*]

By promoting energy efficiency and alternate energy my department will help increase economic competitiveness by lowering energy bills and reducing the environmental impacts associated with energy use.

This report notes a variety of important departmental activities which integrate economic and environmental objectives. Through my department's programs and initiatives the Government of Canada is working in partnership with business to promote energy efficiency.

I will use these initiatives as a base for a more co–ordinated program with higher visibility among Canadians. Energy efficiency is widely recognized as the best short term strategy to achieve our economic and environmental goals. I have encouraged an expansion of voluntary action programs within both government and the private sector.

We are working with the provinces and the Canadian Federation of Municipalities to reduce duplication and expand the scope of these programs, and we are participating in initiatives to encourage fuel efficiency in transportation fleets and residential energy retrofits.

[*Translation*]

I encourage all members of this House to support the gradual direction in which Canada is moving for the sake of greater energy efficiency.

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies): Mr. Speaker, the report which the Minister of Natural Resources has just tabled is another example of the form of centralizing federalism which Quebec chose to move away from on October 25 last. Whereas the Government of Quebec already has jurisdiction in this area, now the minister is announcing clearly today her plans to move further into this field.

Responsible energy management is a provincial matter. It is precisely this kind of jurisdictional overlap between levels of government that we must eliminate if we are to avoid these endless squabbles over jurisdiction which ultimately cost the taxpayers a pretty penny indeed.

Must we remind the minister once again that Quebec has already adopted a broad energy efficiency strategy, that it administers sizeable budgets for energy efficiency research and development and demonstration projects, and that it already has in place an important energy productivity program? Through its Department of Natural Resources, the Government of Quebec is already involved in this area, acting in co–operation with Hydro Quebec, the private sector and regional chambers of commerce.

If, as she claims, the minister really wants to reduce overlap between the provinces, then she should be setting an example and abolishing her department's own programs which only add to the confusion and distort the efforts undertaken by Quebec. If the minister cannot bring herself to do this, then she should at least have the decency to allow Quebec to oversee its own energy efficiency policy independently and turn over to the Quebec government the money she was planning to spend in the province under these nice Canada–wide programs.

• (1515)

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, we appreciate the tabling of the document. We have no further comments at this time.

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INTERPARLIAMENTARY DELEGATIONS

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present, in both official languages, the report of the Canada–Europe Parliamentary Association of the 21st annual meeting between the Canadian and European Parliaments held in Vancouver, British Columbia, from February 15 to 18, 1994.

Might I add that this is one of many examples of a parliamentary association doing positive work on behalf of Canadians on an issue that could potentially have been very damaging to the Canadian economy and thousands of jobs, namely the forestry industry.

I want to thank everyone who participated in this great forum because I think we did good work for Canada.

* * *

DECADE OF THE BRAIN ACT

Mrs. Sue Barnes (London West) moved for leave to introduce Bill C–239, an act respecting the decade of the brain.

She said: Mr. Speaker, I wish to introduce a bill to declare the 1990s the decade of the brain following an original initiative of the World Health Organization in the late 1980s.

It is the human brain which makes us unique among living creatures. Ailments of the brain carry with them heart rending disabilities that can rob us of the very essence of personhood. The real tragedy is not only the disease that may cause death but the disintegration of the mind, with devastating impact on family and on society.

A great threat to the independence of the elderly are diseases of the brain, some treatable, most preventable. A healthy mind is the greatest guarantee for continued independence.

A cognitive mental stability enhances the ability to heal and recuperate, to cope and overcome physical ailments. It is also important to note that diseases of the brain are among the costliest, both directly and indirectly.

It is my fond hope that the bill will raise the awareness of Canadians and will encourage further research and support to those in our communities who are forging advances of knowledge that will ultimately improve the lives of all of us.

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

* * *

NATIONAL CITIZENSHIP WEEK

Miss Deborah Grey (Beaver River): Mr. Speaker, as members know, music is one of the most effective ways of communicating our love for Canada. In this week of national citizenship some of us participated in the Hall of Honour yesterday reaffirming our oath.

We sang "O Canada" like it has never been sung before, I am sure, in these halls. In every one of our constituencies there are gifted individuals, choirs, et cetera. Unfortunately music is conspicuously absent from the daily proceedings here in Parliament. After having given notice to the other two official parties in the House I am seeking unanimous consent for the following motion:

> That Standing Order 30 be amended by adding the following words: "and shall cause Canada's National Anthem to be played or sung in the House every Wednesday immediately preceding oral questions".

• (1520)

I think you would find unanimous consent in the House for that, Mr. Speaker.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I agree with the substance of what the member is trying to propose.

However, there are errors in the drafting of the text. Perhaps the member would be willing to move that the item in question be referred to the parliamentary committee on procedure. I am acting chairman and I commit to her to deal with it forthwith. As a matter of fact, we have a meeting as early as tomorrow morning. There are errors in the text. It does not refer to what subsection of section 30 the item should be addressed to.

It is traditional for amendments to the standing orders to be made pursuant to a recommendation of the Standing Committee on Procedure and House Affairs.

If the member is willing to make that small modification, on behalf of my colleagues I am willing to give consent to have the matter referred immediately to the parliamentary committee in question.

Miss Grey: Mr. Speaker, it is my understanding that when we asked the Table and the clerks about this, it was in order. It was given back to me saying that it was in order and we could proceed with it. I appreciate the generosity of the member and, barring unanimous consent in the Chamber now when we are on national TV, that the secondary way we could proceed is as he suggested.

As an individual member I believe I have every right and privilege to ask if there is unanimous consent for the motion so I would like the Chair to put the motion to see if there is unanimous consent for it.

Mr. Boudria: Mr. Speaker, it is not a matter of whether this issue is dealt with on or off television. I would like to think that we stand for a bit more substance than that.

The issue is whether the wording is proper. I am acting chairman of the committee this week. I have given my undertaking to the member. If this is as serious as she claims it is and I believe it is, then surely a commitment to deal with it at 10 or 10.30 tomorrow morning in committee would not seem like undue delay in anyone's mind and in any reasonable Canadian's mind, listening to the proceedings on or off TV.

The Deputy Speaker: As an alternative the hon. member for Beaver River might wish to wait until tomorrow.

She has already indicated she wants me to ask if there is unanimous consent now. We have not heard from the Official Opposition. Perhaps she could put it off for 24 hours and bring it back tomorrow, having discussed it with the deputy whip for the Liberal Party.

It is entirely her right if she wants me to ask for unanimous consent. I will do it as soon as she sits down.

Miss Grey: I did ask once, Mr. Speaker. That was my request.

Let me then put an amendment because the hon. member is upset about the technicalities of it. I would move an amendment:

> That Standing Order 30, subsection (1), be amended.

And everything further to that. Yes, we would like unanimous consent but barring that we would be willing to send the matter to committee.

This is a very large thing, but in fact a very small thing for the House to deal with. There is no shame to it, and surely this is the place for us all to say: "Yes, we love this country". Maybe we should sing it right now. Who knows?

The Deputy Speaker: Does the hon. member have the unanimous consent of the House to move the motion as indicated a moment ago?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: The House has heard the terms of the motion. There is not unanimous consent.

* * *

PETITIONS

SERIAL KILLER CARDS

Ms. Paddy Torsney (Burlington): Mr. Speaker, it is my pleasure to table some 2,000 signatures that are supporting the efforts of Mrs. Debbie Mahaffy, my constituent, in her quest to have serial killer cards banned in Canada.

These cards are published by a number of publishers including Eclipse Comic Books, Rigamor Press and others.

Canadians do not want these trading cards in their communities. We abhor crimes of violence against persons and we believe that killer trading cards offer nothing positive for children or adults to admire or emulate, but rather contribute to violence.

• (1525)

It is my great pleasure to support this endeavour and the minister's motion today.

NATIONAL WITNESS AND INFORMANT PROTECTION PROGRAM

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I have petitions on two subjects. The first petition contains 800 signatures ranging from such diverse places as Alberta, Ontario and the maritimes. It concerns the subject of a unified national witness and informant protection program. The petitioners ask the House to enact such a program as quickly as possible.

I have another petition from my riding and the constituents reiterate what the previous petitioners have said. It also asks that the House enact Bill C–206 which is the bill I have put forward to provide for the relocation and protection of witnesses.

ASSISTED SUICIDE

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I have a final petition from my constituents of Scarborough West. It reads: "Therefore, your petitioners pray that, first, Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously, and second, Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia".

I want to go on record as saying I completely agree with my constituents.

SUNSHINE VILLAGE

Mr. Myron Thompson (Wild Rose): Mr. Speaker, pursuant to Standing Order 36, I am presenting a petition on behalf of slightly over 750 constituents of Wild Rose. They feel that the stop work order imposed on Sunshine Village that calls for yet another environmental study is an unnecessary cost to the taxpayers.

Numerous studies and public forums have already been held and expansion was approved by Liberal and Conservative governments during the past 16 years.

The petitioners therefore have called on Parliament to allow the expansion at Sunshine Village to go ahead as previously agreed to and without further costs to the taxpayers for repetitive environmental studies.

PORCUPINE CARIBOU HERD

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I have the honour to present petitions signed by residents of the Northwest Territories and Yukon regarding the protection of the Porcupine caribou herd.

The petitioners call on Parliament to formally reaffirm the position stated in 1987 of the best way to ensure the future of the many shared wildlife populations of the coastal plain. Canada's preference would be for the United States to follow the example already set in both the adjacent Arctic national wildlife refuge lands and on the Canadian side of the border by designating the 1002 area as wilderness.

This was the position taken by the previous Parliament. I agree with my constituents and those of the Northwest Territories that the Porcupine caribou herd is a national treasure. I would urge the government and Parliament reaffirm that position as these petitioners request.

OFFICIAL LANGUAGES

Mr. Philip Mayfield (Cariboo—Chilcotin): Mr. Speaker, I have the honour to present a petition from constituents of the city of Quesnel, British Columbia.

My constituents are unhappy that Canadians were not consulted before the Official Languages Act was entrenched in the Constitution.

They call on Parliament to enact legislation providing for a referendum of the people binding on Parliament to accept or reject two official languages, English and French, for the government and the people of Canada.

SERIAL KILLER BOARD GAME

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have petitions signed by 4,460 people asking the government to ban the product known as the serial killer board game.

These petitions are in addition to the 105,000 signatures I have tabled already for a grand total of 109,460 signatures thus far.

With the indulgence of the House, I would like to take a moment to thank a senior citizen by the name of Liana Cléroux of Rockland, Ontario, who arranged that most of these petitions throughout Canada were accumulated during the last two years.

I also want to thank the Minister of Justice for having tabled today legislation which in my opinion proved that Mrs. Cléroux is right.

• (1530)

PENSIONS

Mr. Peter Adams (Peterborough): Mr. Speaker, I have a petition from more than 100 residents of Peterborough and surrounding areas. It is on behalf of long service employees who lose their jobs and have locked in pensions.

These petitioners request changes to the Pension Benefits Act, 1985, which was revised in 1990 to bring that act they say in line with the economy of the 1990s and to improve the situation of displaced long term employees.

The petitioners suggest that consideration be given to releasing such pension funds in cases such as financial hardship, the loss of a job, where someone is starting a new business, or where there is no job available. They also suggest that the eligibility age should be reviewed and lowered. I have signed these petitions.

SERIAL KILLER CARDS AND GAMES

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, I have several petitions with several hundred signatures of citizens who want to ban the importing of serial killer cards.

Canadians who are offended by these killer cards will be pleased that the minister has acted so quickly. Today draft amendments to the Criminal Code have been tabled which "would restrict or prohibit the sale or distribution of materials such as serial killer cards and serial killer board games to children under the age of 18". He has suggested that this would go to the justice committee which will be studying it starting next week.

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, I too have a petition to present on behalf of the constituents of Calgary North, several hundred of whom have signed this petition. They request that the serial killer board game be banned from sale in Canada.

They will welcome the speedy passage of the legislation that has been introduced today. It is clear these concerned citizens and many others firmly support this legislation demanding the banning of this alleged game from Canada.

ETHANOL

Mr. Rex Crawford (Kent): Mr. Speaker, I am always honoured to rise in the House on behalf of the constituents of my riding of Kent.

I have several hundred signatures pursuant to Standing Order 36 concerning the ethanol plant they hope to have in the city of Chatham through the help of the federal government.

They say: "Your petitioners humbly pray and call upon Parliament to maintain the present exemption on the excise portion of ethanol for a decade, allowing for a strong and self–sufficient ethanol industry in Canada".

I am pleased to note the Minister of Natural Resources in tabling her report was stressing energy conservation and clean fuels.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I ask that all questions be allowed to stand.

The Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I ask that the notices of motions for the production of papers be allowed to stand.

The Deputy Speaker: Shall the Notices of Motions for the Production of Papers be allowed to stand?

Some hon. members: Agreed.

[*Translation*]

The Deputy Speaker: I wish to inform the House that because of a ministerial statement, Government Orders will be extended by five minutes, pursuant to Standing Order 33(3)*(b)*.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

Hon. Jon Gerrard (for the Minister of Finance) moved that Bill C–13, an act to amend the Excise Tax Act and a related act, be read the second time and referred to a committee.

• (1535)

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I welcome this opportunity today to reaffirm the government's commitment to a fair and simpler sales tax system.

Our goal is to make it fair for consumers and business, especially small business, and to have a tax structure that promotes federal–provincial co–operation and harmonization.

The House of Commons Standing Committee on Finance has already begun to explore alternatives to the current GST. The committee is focusing on the objectives of administrative ease for registrants, enhanced competitiveness for Canadian business and fairness for all taxpayers. It will also be mindful of the transitional impact on taxpayers of any proposed changes.

In addition the committee will have to be sensitive to the impact on revenue, for we need a sales tax system that can be relied upon as a stable source of revenue for the government.

The committee is consulting with Canadians. By June 1 it will report back to the House on ways in which we might achieve these goals.

The committee's report will help to set the agenda for consultations with provincial governments. We will invite the provinces to work with us to achieve a greater sales tax co–ordination. The lack of co–ordination in the tax system, particularly in the area of sales tax, increases the complexity for businesses and creates many extra costs for governments, both federal and provincial.

Through this process of consultation we will do our best to ensure that improvements to the tax system rest on a broad public and intergovernmental consensus. It will take time to build this consensus. It will take time to reform the sales tax system, to do it once and to do it properly.

It is therefore necessary for this government to take steps to make the GST easier to comply with in the interim. Bill C–13 proposes amendments that will accomplish this.

In several areas the GST legislation needs to be brought into line with what is practical on an administrative level both for the government and the GST registrants. The bill contains measures that have been developed and refined in consultation with representatives from the business community and other sectors affected by the changes. These measures will make the GST easier for businesses and other entities to comply with in their day to day operations.

Even though the GST will be replaced during the government's mandate, we will do what we can in the meantime to make the existing rules easier to understand for businesses, taxpayers and their professional advisers. The bill contains provisions that will ease the administrative burden on seasonal and part time businesses.

Bill C–13 is beneficial for charities as well. In fact it will allow some of the smaller charities to be excluded from the GST rules altogether. For charities that do remain in the system there are measures that would make the rules easier to follow.

This bill will also clarify and broaden the scope of the special treatment in the agricultural sector and certain exempt sectors.

I would now like to take a few minutes to tell my hon. friends about some of the specific measures in Bill C–13. I would like to begin with the changes we are proposing for the business community, especially small businesses, for it is in this sector that the need for change is particularly critical.

The bill contains provisions related to a simplified method for registrants to claim input tax credits, that is to recover the GST they pay on their business expenses.

This simplified method will be available to businesses with annual taxable sales of $500,000 or less. It will eliminate the need for them to identify the amount of tax payable on each and every purchase they make. Effectively this special approach will allow them to calculate input tax credits by using the same information they need for income tax purposes.

• (1540)

Other amendments in this bill will ensure that seasonal and part time businesses will no longer have to file GST returns during the off season.

Taken together, these small business measures will make the current sales tax system easier to comply with for many registrants in Canada.

There are other sectors of society that have special needs and practices to which the tax system must adapt. Bill C–13 contains provisions that respond to the concerns of the health, charitable and non–profit sectors.

For example, the legislation will guarantee the tax free status of adapting privately owned vehicles to the needs of the individuals who use wheelchairs. Another measure will broaden the GST exemption for homemaker services that are rendered to people who require special assistance due to age, infirmity or disability.

The bill will help charities by entitling them to rebates or input tax credits on allowances and reimbursements they pay to volunteers who have incurred expenses on the charity's behalf. It will also make it easier for them to calculate input tax credits on their meals and entertainment expenses. Another amendment will make it simpler for charities to determine whether or not they are required to register for GST purposes.

In the agricultural sector Bill C–13 guarantees the tax free treatment of rabbits produced for food.

For suppliers of exempt services particularly in the financial sector, the bill clarifies the extent to which they may claim input tax credits in respect of expenses they incur in support of both their exempt and taxable activities.

The measures contained in Bill C–13 will lessen the administrative burden of the GST. They will resolve some of its technical shortcomings until we, together with our provincial counterparts, have an opportunity to forge a solid consensus for a fundamental reform of the sales tax system.

I therefore urge the hon. members to give their full support to the bill.

[*Translation*]

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, this afternoon, the House will consider three bills, including one which concerns the Department of National Revenue and, more specifically, the merger of customs and excise. The other two bills deal, respectively, with legislative provisions concerning the GST, Bill C–13 and Bill C–15 which deal with certain Income Tax amendments.

The Official Opposition will support the government on the adoption of Bill C–13. As the hon. member for Vancouver South just pointed out, this bill, whose purpose is to revise or adjust certain provisions of the GST legislation, will affect small and seasonal businesses, charities, health care services, agriculture, financial institutions and other exempt suppliers, and also sets requirements for payments and remittances of $50,000 or more.

I would like to take this opportunity to discuss why the government has to revise these bills from time to time. In the case of Bill C–13, the bill before the House today, I must admit this is an admirable attempt by the government to make our taxation system more straightforward and more equitable.

• (1545)

The Official Opposition certainly welcomes this initiative, especially since it also aims to correct some technical deficiencies in legislation adopted previously. However, I think this would be a good time to explain how important it is for us, as legislators, to produce legislation that is clear, concise and consistent. The trouble with most of the legislation being passed today, especially when the government is trying to move a large number of bills through Parliament, is that the implementation of all this legislation often creates problems that are even worse than those it was supposed to resolve, which are often quite simple. The result is that today, we have hundreds of laws that merely complicate the lives of most citizens.

I think we should realize, as legislators, that there is the federal government, the House of Commons, which passes bill after bill, and the provincial legislatures which also produce a considerable number of bills and regulations every year. There are also municipal governments across Canada and Quebec which adopt by–laws to be observed by all members of the community. There are also school boards, each with their own by–laws.

My point is that the well–known principle that ignorance of the law is no excuse is often difficult to maintain in the maze of legislation we find at all levels of government. Often the only people who can be sure of enjoying the benefits of these laws are the experts in the field, including lawyers, notaries and accountants, for whom I have tremendous respect; but the fact remains that more often than not, they are the real beneficiaries of this maze of legislation at all levels of government.

How do you expect ordinary people whom we are supposed to represent in this House to find their way through the incredible labyrinth of legislation in this country? A law is never perfect, but we should at least ensure it is worded as simply as possible. Legislation that is not clear will inevitably be misinterpreted or misused, sooner or later. As I said before, there are hundreds of laws in Canada that would gain by being simplified or at least clarified.

Bill C–13 fills that need to some extent, and that is why the members of the Bloc Quebecois support it. We, on this side, are able to recognize it when the government does it right and we will never hesitate to support any measure or bill such as Bill C–13 that makes it possible to simplify the Canadian legislative system. Unfortunately, such is not the case with all Canadian legislation. In some cases, it is almost ridiculous and Canadians get the impression, in fact the conviction, that the legislator does not know where he is going, that he has no vision and that all we are asking of our fellow citizens is that they trust their government and obey the many laws passed just about everywhere.

• (1550)

Survey after survey shows that current Canadian public opinion on the confidence of the people in their governments and elected representatives in general —and Quebecers agree with their fellow citizens in English Canada on that— is lower than the interest rates set by the Bank of Canada, although these are relatively low.

All this to say that neither increasing the number of laws nor enforcing them will improve the public's perception.

I will come back to that later, but we will also be debating Bill C–15, which is a good example of the kind of legislation that should be put before this House to make some sense of the legislative and administrative jumble created by previous legislation.

Bill C–13 clarifies the legislation that governs us. While a step in the right direction, such efforts remain very modest in the face of the masses of legislation which continues to make the lives of people and corporations miserable in this country because of their lack of clarity and transparency.

Let us not forget that each time a flawed piece of legislation is passed in this chamber, that a statutory regulation providing for the execution of a law is misinterpreted or applied incorrectly, and that this has an impact on the everyday lives of our fellow citizens. As legislators, we often acquire the annoying habit of forgetting that the various bills we pass impact on the daily lives of our fellow citizens.

Those were the main comments I wanted to make as the Official Opposition critic concerning Bill C–13. In conclusion, I would like to reiterate that the opposition will support this bill because, as I pointed out, it improves several legislative provisions on the GST. We hope that, under the GST review initiative referred to by the hon. member for Vancouver South—we know that public hearings and consultations are being held on a new

act, perhaps, or an in–depth review of the GST—the government will take the time needed to table before Parliament a bill that will make sense to Canadians, that will be equitable and that will, in the end, benefit our society.

[*English*]

Mr. Jim Silye (Calgary Centre): Mr. Speaker, I will be the only caucus member for the Reform Party addressing the bill today.

I rise today to address Bill C–13, an act to amend the Excise Tax and a related act. The bulk of the bill offers relief to small business, charities, health care users and rabbit growers in paying their GST. Yes, that is right, they now get back the money they paid in taxes on rabbit food.

The bill makes life easier for them or permits them to pay less. It makes permanent administrative practices already in place. One section, however, prevents people who owe over $50,000 GST to pay by cheque on Friday afternoon and get a weekend of extra interest credit because the cheque does not clear until Monday.

• (1555)

The only contentious section concerns financial institutions that have been trying to get their GST bill lowered by claiming that a section of the act is ambiguous. The ambiguity was discovered by tax lawyers, which justifies their high pay. It would take several paragraphs to explain the highly technical nature of the ambiguity. However the weak position of the banks is revealed by the fact that for four years they paid between $150 million and $300 million under protest. The new bill removes the ambiguity and the money stays with the government. This is a very good and sound decision under the current economic circumstances.

It is particularly refreshing to note that Bill C–13 offers relief to rabbit growers in the country. Now all the Minister of Finance has to do is magically pull out one of these rabbits from a hat and balance his budget.

My party supports Bill C–13 but it would like to point out that it represents yet another example of a federal government tinkering with an old idea that does not work.

Since its inception the GST has been a burden for business to collect on behalf of the government the moneys owed and also for the government to administer. With its countless exemptions and high rate, the GST has become symbolic of the country's chaotic tax system causing confusion and resentment among Canadians.

I have said this before and I will say it again. Canadians pay too much in taxes and want the current system overhauled, not just tinkered with.

The problem is that governments have been spending in ways that ignore both the need for a strong economy and the dangers of continued deficit spending. The government, like those before it, relies on the revenues generated by taxes like the GST and the new tax sources to fund their programs and make interest payments on the debt.

If the federal government were to truly attack the debt and not just nibble around the edges as is currently the case, tinkering with rabbits, interest payments to service it would be lower and leave it with more revenue to fund other programs.

This would give the federal government the ability to reduce its current tax hauls from hard working Canadians and give them back their disposable income which will then be spent more efficiently and effectively. They know how to spend their money on their needs better than the government knows how to spend it on their behalf on what it perceives to be their needs.

With more disposable income in the hands of taxpayers, people in the private sector will stimulate the economy creating jobs using at risk money that motivates and not government money which wastes.

Continued government overspending of debt capital, not equity capital, on rehashed programs from the 1960s and 1970s has further encouraged taxpayer resentment, unemployment, high deficits and debts. In today's world, real sustained growth depends on trade, investment and strong industry.

Over the past two decades, the country has lost the competitive edge that it once held in the world marketplace because of poor government policies combined with overspending and high taxation.

As Mr. David McLean from the Vancouver Board of Trade has said:

> Foreign investors do not just look at the costs of the goods and services tax and provincial sales taxes, they add them all up. If the cost is too high then capital will not come to Canada.

This is why we must re–examine all taxation, stop tinkering and put in place a simple, comprehensible system that will take the country into the future, leaving the old policies behind.

Enough reruns. Let us create an entirely new program. Canada needs a proportional system of taxation. The Liberal member who spoke first to this bill today mentioned that the finance committee is looking for a replacement for the GST as promised by its leader. One alternative it should consider is a proportional system of taxation or, as is sometimes otherwise referred to, a flat tax.

The present system of taxation is too complicated, too high and too unfair. These factors in combination with consistent government overspending are stifling our economy. I recommend the implementation of a proportional tax on individual and corporate income.

A proportional tax is the only way to increase the revenue side of the budget, remove the incentives for the underground economy, restore fairness and, most important, stimulate economic growth, which is a priority of all of us here.

• (1600)

While we are fighting with our high annual deficits, the high debt and the interest on that debt, we could increase the disposable income both for corporations and individuals through a completely new taxation system. This would help speed up the process of reducing the deficit to zero and starting to supply some surplus funds to the debt. This is the kind of signal, the kind of message that will really inspire and encourage this country to be a haven for investment as it used to be.

This concept is not new to the House or the government. It was the member for Broadview—Greenwood who sits opposite me who initially, I understand, supported a single or flat tax. He wrote in his book *The Single Tax*: "Lower marginal rates and more take home pay would be an incentive to work harder and smarter. The new incentives plus elimination of avoidance and evasion would lead to this tax taking in more revenue".

I unequivocally agree with the member for Broadview—Greenwood. I am very impressed by his intelligence and insight on this subject.

The objective of this tax would be threefold. First, it would simplify current complicated tax forms so that all Canadians could understand them. I challenge the 295 members of the House for this taxation year to fill out their own income tax forms by themselves and with no help go through the form. Whatever they come up with then send it in to the Minister of National Revenue and have two independent people within that bureaucracy figure out their tax return. I would not be surprised if over half the returns had two different answers with a lot of mistakes which would prove that is very difficult and complicated. Nobody understands the 2,300 and some pages of the Income Tax Act.

This would also increase savings for the Department of National Revenue in the collection of taxes and the monitoring of all personal and corporate tax exemptions.

Second, it would restore equity in the tax system, eliminating the perception that one group of taxpayers is favoured over another by setting a lower fixed rate of tax over a certain threshold for individuals. Corporations would also pay a low fixed rate of taxation under this reform system.

Equity is when people who make relatively the same amount of income pay relatively the same amount of tax. By eliminating yesterday's incentives, which we refer to today as loopholes for the rich people, we can ensure that we capture 15 per cent or 20 per cent, whatever the flat rate would be of that income. That is what would increase the revenue for the government. We could give a high enough tax deduction for the first $12,000 or $15,000 of earned income so that nobody has to pay tax on that. That would also relieve a lot of the pressure on our social programs.

It would restore integrity and bring effectiveness to the system by eliminating the need for so many tax concessions and loopholes like those that the government is trying to close with Bill C–13. We waste our time on old laws and old rules that are not working.

The Liberal government must stop following the same path as its predecessors and show some initiative. Stop just talking the talk and walking the walk. Take some tough action and act instead of talking about acting by setting up 15 new committees. It will take six months before they come back with a recommendation which the House will then have to review for a further six months or a year. Let us take some action.

By maintaining the status quo with taxation and programs like infrastructure and the Katimavik II youth job program, Canadians are seeing nothing new from this government. When will this government wake up and realize that you cannot keep taking from Canadians higher and higher taxes and borrow indefinitely in the bond market. One of these days and soon somebody will not buy the bonds.

My hon. colleague for Beaver River said in the House yesterday something which I believe is worth repeating: "Old songs by new singers are still old songs".

The Liberal red book for example is now becoming an old song book which offers a two–track policy of growth which will, and I quote from the book, "make possible a monetary policy that produces lower real interest rates and keeps inflation low". The Liberals promise that their policies, measures, budget and all the necessary budgets made to date will get the deficit to 3.5 per cent of the GDP, will keep the interest rates low and we will have low inflation. Since the budget was released the Bank of Canada rate has jumped to a two–year high of 6.26 per cent, an increase of 2.16 per cent. Interest payments on our debt will now increase which will likely force businesses and consumer rates to follow as well in the marketplace.

• (1605)

As a former professional football player, I would like to point out that the current Liberal government playbook is not working. It is time to write a new one.

I finally have the attention of somebody from the government side. He finally put down the trivia that he was reading and is now listening to me. I got his attention.

The playbook is not working. It is time to write a new one, a dynamic one. Let us create a new system of taxation which is fair and simple for all Canadians, that will put to rest the need for band–aid bills like Bill C–13. It is our collective responsibility to develop new ideas and move the country toward a future based on prosperity and away from the old school ideas that just do not work.

I hope that in the Standing Committee on Finance where new ideas are being presented by witnesses from all across the country that the new proposals being suggested for a replacement for the GST are really and truly listened to and that the committee will not be just a job for backbenchers to keep them out of the way while cabinet occupies itself on the greater issues of the country.

There have been some worthwhile suggestions put forth in that committee. Some good solutions have been put forward in that committee. It comes from non–politicians, the intelligent people in this society. They have put forth some good ideas and we should be listening to them. If they do and it is on a non–partisan basis, I look forward to a report in the House that comes to you, Mr. Speaker, and says "the replacement for the GST is—"and that it has the unanimous consent of all members of the three parties in the House who are on that committee. I look forward to that and I hope it will be that conclusion.

In conclusion, easing the GST burden on the public is highly desirable and we should support all such legislation. I encourage the federal government to examine the benefits of a completely new system of taxation, a proportional tax which would remove the need for undesirable taxes like the GST and put money back into the pockets of hard–working Canadians.

The Reform Party will offer any assistance it can to move this country toward a proportional system of taxation and eliminate the need for debate and talk by the bureaucracy and politicians on useless bills like Bill C–13 when there are much better solutions to the problems, new solutions to new problems.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

Mr. Boudria: I rise on a point of order, Mr. Speaker. I think you would find unanimous consent for the bill to be dealt with immediately at committee of the whole.

Also, you would probably find unanimous consent to have the bill immediately dealt with at third reading after the bill is completed at committee of the whole.

• (1610)

(Motion agreed to, bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Kilgour in the chair.)

The Chairman: Order. House in committee of the whole on Bill C–13, an act to amend the Excise Tax Act and a related act.

Shall clause 1 carry?

On clause 1:

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, there is an amendment to clause 1 that I would like to put forward.

I move:

That clause 1 of Bill C–13 be amended by striking out line 11 on page 1 and substituting the following:

"come into force on December 17, 1990 and any regulations made for the purposes of the definition estimated federal sales tax in subsection 121(1) of the Excise Tax Act as enacted by subsection (1) may have effect from that date".

The Chairman: Shall the amendment carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Amendment agreed to.)

The Chairman: Shall Clause 1, as amended, carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Clause, as amended, agreed to.)

The Chairman: Shall clause 2 carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Clause 2 agreed to.)

The Chairman: Shall clause 3 carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Clause 3 agreed to.)

The Chairman: Shall clause 4 carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Clause 4 agreed to.)

The Chairman: Shall clause 5 carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Clause 5 agreed to.)

The Chairman: Shall clause 6 carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Clause 6 agreed to.)

The Chairman: Shall clause 7 carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Clause 7 agreed to.)

The Chairman: Shall clause 8 carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Clause 8 agreed to.)

The Chairman: Shall clause 9 carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Clause 9 agreed to.)

The Chairman: Shall clause 10 carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Clause 10 agreed to.)

The Chairman: Shall clause 11 carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Clause 11 agreed to.)

The Chairman: Shall clause 12 carry?

Mr. Boudria: Mr. Chairman, in order to assist the committee of the whole, you might want to ask if clauses 12 to 36 could carry if there are no questions. Perhaps there are. In order to expedite the proceedings, Mr. Chairman, you might want to refer to it that way.

The Chairman: Is that acceptable to the Bloc Quebecois and the Reform Party?

Some hon. members: Agreed.

The Chairman: Shall clauses 12 to 36 inclusive carry?

Some hon. members: Agreed

Some hon. members: On division.

(Clauses 12 to 36 inclusive agreed to.)

The Chairman: Shall the title carry?

Some hon. members: Agreed.

Some hon. members: On division.

(Title agreed to.)

(Bill reported.)

• (1615)

[*Translation*]

Hon Jon Gerrard (for the Minister of Finance) moved that the bill as amended be concurred in.

The Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. members: Agreed.

Some hon. members: On division.

(Motion agreed to.)

The Deputy Speaker: When will the bill be read the third time? Now, with the unanimous consent of the House?

Some hon. members: Agreed.

Mr. Gerrard (for the Minister of Finance) moved that the bill now be read the third time and passed.

[*English*]

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I would like to take this opportunity to thank hon. members of the Reform Party and the Bloc Quebecois for supporting the bill.

I think the bill is an important bill because often we have had in the House both the Reform and the Bloc talking about duplication in government, talking about paper burden on small businesses and the administrative difficulty of managing the GST.

I think the government recognizes some of those concerns and this bill shows that we want to ensure that the government is aware of the concerns of small business in terms of the difficulties of the GST.

As someone who has been a small businessman, I think that doing things as simply as possible, as the hon. member said very well, we can help small businesses to be more competitive. We can help to ensure it is efficient and productive.

I want to thank the members for that and for the excellent comments that were made by the hon. member on how we as a government can work toward improving the environment for small business so it can be more productive, efficient, create more jobs and get this economy moving.

[*Translation*]

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, I would agree with what the parliamentary secretary just told us, but the co–operation he received from the Bloc Quebecois shows that we are always ready to co–operate on sensible and useful bills. It is a very small step in the right direction and I think he could use what we just did as a model to tackle real problems such as the

overall review of government spending and the entire federal bureaucracy. We would be more than willing to co–operate.

[*English*]

Mr. Jim Silye (Calgary Centre): Mr. Speaker, as a point of protocol, I guess, I rise to indicate that we do support the bill in third reading. I hope that all the points we have exchanged here today do flow back to the Standing Committee on Finance and from the Standing Committee on Finance back to the House and that the government some day in the near future, perhaps in time for the next budget, can come up with comprehensive reforms in taxation that would improve the system that we have.

[*Translation*]

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Agreed.

The Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. members: Agreed.

Some hon. members: On division.

(Motion agreed to, bill read the third time and passed.)

* * *

• (1620)

[*English*]

INCOME TAX ACT

Hon. David Dingwall (for the Minister of Justice) moved that Bill C–15, an act to revise certain income tax law amendments in terms of the revised Income Tax Act and Income Tax Application Rules, be read the second time and referred to a committee.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, Bill C–15 contains in its schedules a rewrite of the nine income tax amending acts passed between November 30, 1991 and July 1, 1993; that is to make them consistent with the revised Income Tax Act.

Amending acts passed prior to December 1, 1991 were incorporated in the revision of the Income Tax Act and the income tax application rules in the context of the statute revision exercise which forms the fifth and last supplement to the revised Statutes of Canada, 1985, which came into force on March 1, 1994.

Between November 30, 1991 and July 1, 1993 nine acts amending the Income Tax Act were passed. These acts amended the old version of the Income Tax Act, which was in force at that time.

In Bill C–15 the nine amending acts are being rewritten to read as they would have read if the revised version of the Income Tax Act had been enforced when they were passed. Each schedule of Bill C–15 revises one of these nine amending acts.

What needed to be done to bring the form of the amendments in line with the revised version is under question. In English, for instance, where the Income Tax Act once contained a large number of gender related terms, these have now been removed or replaced.

In the French version terminology and style have been improved and standardized to correspond as much as possible to the improvements in the language of the general statute revision of 1985.

The enactment of the bill will bring the revision of Canada's income tax law to a close. It will provide the citizen and the tax community with a uniformly revised, up to date version of the current income tax legislation.

I wish to stress the point that this bill does not amend the substance of the Income Tax Act. Indeed, Bill C–15 specifically provides that this bill shall not be held to operate as new law when it provides that the Revised Statutes of Canada 1985 Act will apply to these schedules.

This is a technical bill that does not create new law and I am seeking the co–operation of the House for its speedy passage.

[*Translation*]

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, as I said in my speech on Bill C–13, Bill C–15, as was just noted again in this House, is intended to clarify several provisions of the Income Tax Act and does not make any new law. Accordingly, the Bloc Quebecois supports this bill.

My speech will be short. I want to come back to the point that I raised earlier, and I think that this bill shows it even more clearly than the previous one.

• (1625)

We have before us a bill that is over 650 pages long, with some 150 clauses that, I repeat, are intended to amend some previous legislative provisions in accordance with the legislator's desires or with amendments made to other laws so that all these amendments are in the Income Tax Act.

The point I want to make is as follows: although it is good occasionally to have bills that clarify previous provisions or do some housekeeping, this shows that legislators must act wisely in passing these laws the first time. Of course, I am not saying that once passed, a law must never be revised, but it should be changed for substantive reasons, to adapt it to new circumstances and to situations that prevail when the need for change arises.

This bill is meant to correct errors, if you like, that were made or adopted in some other legislative provisions. Especially at this time of year when everyone lucky enough to have a job must file an income tax return, it is easy to understand how hard it is for the ordinary citizen to make sense of all this mountain of legislation. We add to that complexity when we have to pass this kind of legislation.

Although it will be more understandable for specialists, ordinary citizens will still have difficulty making their way through it. That is what we want to emphasize to the government. When you present a bill, you should ensure that it is as easy to understand as possible for the citizens who will have to comply with it.

That said, I repeat that the Official Opposition will support the amendments contained in Bill C–15.

[*English*]

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, if I am informed correctly I am the only speaker on this subject.

Today I rise in the House to comment on Bill C–15. This bill is intended to revise certain amendments of the Income Tax Act. I think the Reform Party generally supports the bill except for a few minor suggestions that I would like to throw over to the other side of the House. The bill does, however, provide this opportunity to criticize somewhat what the hon. members on the other side are doing with our tax money.

I was very surprised this afternoon in oral question period when we were criticized for using the telephone to gather information and opinion. I would like to suggest to the hon. members on the other side of the House that it is probably a lot more efficient than using Challenger jets to go and see individuals or small groups of people, and I think we get better information on certain subjects.

The Reform Party position on income tax includes a single rate tax, with larger personal and family exemptions so that families earning below a certain income would pay less tax or no tax. We would also eliminate most of the tax deductions and loopholes which are not general in application for most Canadians. As a party we are opposed to any increases in general income tax burden imposed on Canadians by the federal government.

The flat rate system would be simpler, more sensitive and fairer than the current system.

• (1630)

It helps to look at a few facts and figures since 1984. The Canadian tax burden has been the largest among the G–7 countries. In the fiscal year 1991–92 the personal income tax yielded $61.5 billion which accounts for 49.6 per cent of federal revenues.

The root cause of this serious overtaxation is the problem of government overspending. It seems incredible that government after government refuses to recognize this.

In 1984 the Liberal government was defeated by Brian Mulroney and the Conservatives on a platform of deficit reduction and political patronage. The same thing happened in 1993 when the Liberals defeated the Conservatives on deficit reduction and overspending.

Thank heavens there are 52 Reformers on this side of the House now to watch the spending, even if they cannot do anything on the revenue side. Therefore we have a little more balance which I hope will be positive in this House.

I wonder sometimes why the governments have tried in vain to get the government spending problem fixed by increasing taxes. The notion that a deficit can be reduced from government revenue increases alone is a misguided one.

Federally higher taxes have failed to reduce the deficit. They have in fact stalled the economy by cutting the spending power of the consumer, by dampening new investment and diverting growth into a flourishing underground economy.

In my riding of Lisgar—Marquette agriculture producers have seen along with the rest of Canadians a reduction in our country's international competitiveness. Our income taxes to our producers and businessmen have got to the rate that the Americans are a lot more competitive just on that one simple tax.

I urge the government not just for the farmers, but for the businessmen, private enterprise, entrepreneurs and constituents, to start thinking of lowering taxes and not raising them.

The evidence is across this country. University educated professionals leave Canada for nations where the income taxes and cost of living are lower. This is after we have paid to educate them.

The government should be looking at a tax break that would help our farmers, businessmen and consumers to increase their buying power, their productivity and our competitiveness.

I was shocked to learn recently that since 1961 Canada's tax freedom day has advanced 73 days. In 1961 the ordinary Canadian paid his taxes by May 5. Today that same taxpayer has to use his wages or productivity until July 15. This type of taxation whether it is corporate tax or income tax is unforgivable.

We are rapidly approaching a point where we will be working for governments full time just to pay for their debt–creating policies and bad spending habits. If we do not break this cycle soon and allow ourselves to implement useful, carefully considered tax breaks, Canadians will see their incomes taxed out of existence.

What direction should the Government of Canada take in its tax policy?

A good example is happening right now in Alberta. Since the election, the premier of Alberta has been on a crusade to eliminate his province's $2.5 billion deficit. He is on track to achieve a zero deficit within three years. This has been done with a commitment not to raise taxes. The message has gone out that he will not raise taxes.

• (1635)

It surprises me that where we live in our global economy technology and freer trade will reduce the importance of political boundaries. Investments and jobs will go to places with highly skilled workforces, good public services and competitive tax rates.

I can tell you what this means to my own province of Manitoba. Recently I have seen two companies move their Winnipeg operations to Calgary. A number of small businesses have moved their production facilities from the Morden–Winkler area to North Dakota. Why? One of the big reasons is income tax, sales tax. Alberta has no sales tax. Alberta has a lower corporate tax. The income tax in North Dakota is about two–thirds of what we pay.

The blunt fact is that Canada's political establishments have overspent and are on the verge of bankruptcy. Governments take 50 per cent of the average Canadian family's earnings. Multiple layers of government drain off the highest personal income tax burden in the G–7 countries and it seems not to be enough.

Reckless borrowing by government still continues as bond rating agencies prepare to downgrade our government credit ratings. Ridiculous tax levels are transferring people's spending power to unaccountable governments. That means retail sales and job growth shrinks and investment falls. It is a simple message that government should heed, or beware.

Mr. Boudria: Mr. Speaker, I rise on a point of order. Prior to your putting the question, I wonder if we could again seek unanimous consent after the question is put to proceed immediately to committee of the whole, followed immediately after committee of the whole stage by the third reading of the same bill.

The Deputy Speaker: Is there unanimous consent to do that?

Some hon. members: Agreed.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

An hon. member: On division.

(Motion agreed to, bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Kilgour in the chair.)

The Chairman: Order. House in committee of the whole on Bill C–15, an act to revise certain income tax law amendments in terms of the revised Income Tax Act and the income tax application rules.

The parliamentary secretary would like to make the motion that all the clauses be done on division by unanimous consent.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Chairman, I move that all the clauses be approved and adopted by unanimous consent and give an undertaking that there is nothing here untoward and that is not obvious or has not been disclosed to all members of the House.

The Chairman: By unanimous consent shall all clauses, schedules and the title be passed on division at one time?

Some hon. members: Agreed.

• (1640)

(Clauses 1 to 6 inclusive agreed to.)

(Schedules I to VIII inclusive agreed to.)

(Title agreed to.)

(Bill reported.)

Mr. Dingwall (for the Minister of Justice) moved that the bill be concurred in.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

(Motion agreed to.)

The Deputy Speaker: When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Mr. Dingwall (for the Minister of Justice) moved that the bill be read the third time and passed.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I want to thank all members of the House for their co–operation. It is a very worthwhile way in which we are proceeding with the bill in the interests of achieving this, saving a lot of time and getting this consolidation finished.

[*Translation*]

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, I wish to inform our colleague, the Parliamentary Secretary to the Minister of Justice, that if his minister wants to move quickly to bring in a bill on firearms, he would find as much co–operation on this side as there was today. He may have some trouble with his own

party, but as far as we are concerned, we would be happy to co–operate fully.

[*English*]

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, I like this co–operation. It is something I can really appreciate. I have been in the House for only about six months. I have a feeling we have accomplished something already and I hope we will accomplish a lot more.

I plead with government members to listen to us carefully when we admonish them on overspending. That input can be used very wisely for the benefit of this whole nation.

[*Translation*]

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Agreed.

The Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. members: Agreed.

Some hon. members: On division.

(Motion agreed to, bill read the third time and passed.)

* * *

● (1645)

[*English*]

DEPARTMENT OF NATIONAL REVENUE ACT

The House proceeded to the consideration of Bill C–2, an act to amend the Department of National Revenue Act and to amend certain other acts in consequence thereof, as reported (without amendment) from the committee.

Hon. David Dingwall (for the Minister of National Revenue) moved that the bill be concurred in.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

(Motion agreed to.)

The Deputy Speaker: When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Mr. Dingwall (for the Minister of National Revenue) moved that the bill be read the third time and passed.

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I rise today to begin third reading of Bill C–2. This is an act to amend the Department of National Revenue.

While the amendments are administrative in nature they go to the heart of one of the fundamental concerns of the government and the country. That concept is to reshape the instruments of government and to provide both better service and better value to the taxpayer.

Bill C–2 does that in terms of the services provided by the department most involved with the concerns of the taxpayers, the Department of National Revenue.

Since 1926 the Minister of National Revenue has had responsibility for two separate functions: customs and excise on the one hand and taxation on the other. Over this time these two components of the department have operated as virtually autonomous organizations. Yet the daily reality with which taxpayers live has never been so easily compartmentalized. Increasingly through technology, trade and travel Canadians find their lives becoming more complex, more frustrating to manage and more difficult to understand in terms of the burdens government places on them.

All of us see this daily in terms of the complaints received from our constituents of overlap and duplication, of paper burden and red tape. The distinction between taxation on the one side and customs and excise on the other has become more and more an artificial distinction.

Increasingly the distinction denies rather than reflects the way Canadians live their lives. The distinction renders Canadians' lives more complicated than they need be. Reversing that trend must be and is our first priority.

However, increasingly this artificial separation also impedes rather than improves administration, making it more difficult to redeploy resources and to employ new technologies as tools to improve services on the one side and compliance on the other.

It is long past time that we brought the department in its structure and operation into line with the reality with which ordinary Canadians live. It is time we free the quality people who work within Revenue Canada to do a better job. It is time we eliminate overlap and duplication within the department for the sake of the department's clients and the Canadian taxpayer. It is time that we do this in law.

We have already demonstrated what consolidation can achieve within the existing legislative framework. The savings have been substantial. We have also demonstrated that we are at the limits of what we can do within that framework. We require Bill C–2 to remove those limits, to create new possibilities for improvements, to continue our momentum toward the goals of better service and better value and to free the department to work to its full potential. By doing that we can better align what we do with what Canadians want.

• (1650)

During the minister's appearance before the Standing Committee on Finance on February 15 members asked him for specific information on the benefits inherent in the administrative consolidation of Revenue Canada and he has responded to them.

I would like to share with all members of the House some of the benefits administrative consolidation will bring to Canadians and governments in terms of efficiency, productivity, effectiveness in generating revenue, and finally lightening the burden of the Canadian taxpayer.

First, let me speak to efficiency and productivity. Revenue Canada has a solid record of providing Canadians with good value for money. It administers more than 185 acts, regulations, incentives, credits, surtaxes and international tax treaties, and does so with its eye on the bottom line. Through ongoing improvements to its operations and efficiency gains realized through technological advancements, the department has achieved productivity gains equal to adding more than 2,000 full time staff in the last ten years.

These savings have permitted the department to carry out its legislative mandate while also investing in better service, enhanced enforcement and staff training and development.

At the same time, Revenue Canada has made a significant contribution to deficit reduction through both enhanced revenue collection and reduced spending. This will continue in the future.

Bill C–2 will allow the department to go even further in streamlining administration and generating savings for reinvestment. Already the consolidation of corporate activities and administration, which we have been able to pursue within the existing legislative framework, has saved $30 million.

Some $13 million of this saving has been reinvested in critical customs programs that are essential in protecting Canadian law and sovereignty at the border.

These include $2.3 million for the primary automated lookout system. This system provides a primary inspection line officer with access to data base of local and national information to determine the admissibility of travellers and their goods. The cost includes the acquisition of a licence plate reader system to streamline and speed the examination of travellers.

Also included is $1.2 million for the personal alarm security system. Seventy–four isolated border posts will be connected to ultra high frequency radio communications networks to enable customs inspectors to summon help in case they face threats to their health or safety.

Also included is $1.1 million for X–ray equipment. Four X–ray vans will be purchased to enhance examination and enforcement capabilities in Halifax, Toronto, Montreal and the Pacific region for providing a less intrusive and more time saving examination technique.

Also included is $1 million for the integrated customs enforcement system. This project will integrate and replace a number of customs systems to reduce overlap and improve enforcement. The integrated customs enforcement system is a comprehensive information repository and analytical tool that ensures front line customs personnel have the most reliable information to more effectively manage risk at the border.

Also included is $3.5 million for the new business relationship. Significant funds have been allocated to re–engineer processes such as electronic data interchange and to develop profile based release, accounting, self–assessment and audit processes. The benefits translate into real savings for business.

Also included is $1.3 million for the Peace Arch crossing entry. This initiative, which has been successfully piloted in Douglas, B.C., enables frequent pre–approved travellers to use an express lane at border crossing points. Duties and taxes are billed electronically to the travellers credit card based on personalized declaration forms. Additional funds will expand the service to other locations.

• (1655)

Also included is $2.6 million for specialized customs enforcement tools and systems.

Funds have been allocated to purchase a number of devices such as contraband detection kits to detect commonly smuggled goods and to improve compliance.

The full consolidation of Revenue Canada which Bill C–2 enables will permit even further savings. We anticipate that consolidation could generate a further savings of $30 million for the year 1995–96.

Let me turn to the second area, our enhanced revenue generating capability. As the Minister of Finance declared in his budget speech on February 22, our government is committed to take decisive action on tax compliance and to strengthen enforcement.

Through administrative consolidation Revenue Canada will have a stronger combined enforcement capacity and thus be able to follow through on this commitment. Our experience has shown that non–compliance in one area such as under reporting income tax is often matched in other areas such as under reporting on GST.

As a single unified department we will improve our penetration into the underground economy and thus increase the fairness of our tax system. It will do this by allowing us to build bridges between our tax system, trade system and border operations to improve the effectiveness of them all.

We want to apply the benefits of such collective efforts to target those who do not comply with the law and to level the playing field for those who do. Efforts to date in co–ordinating the administration of the two existing departments have enhanced revenue generation by enabling increased co–ordination and enhanced sharing of data bases as shown by the following illustrative examples.

First, we have established a pilot in 15 district offices to identify areas of major non–compliance through joint GST and tax audit activities. As at December 31, 1993, $8.4 million in additional federal tax has been assessed and 4,343 non–filers and non–registrants have been identified.

Second, in November we enhanced our effort to identify GST non–filers. It utilizes a combination of overtime, casual staff and facilities from both taxation and excise. Results to date include $417 million having been identified as additional accounts receivable, of which $220 million has already been collected.

Third, we have undertaken the cross–referencing of excise, GST and taxation data base to identify non–filers and non–registrants. The estimated recovery for 1993–94 is $240 million.

As members will see, the return in terms of revenue far outweigh the cost. This will be enhanced by departmental consolidation. The best examples of this is the initiative to offset GST credit payments against income tax liabilities and family court orders.

For 1992–93, $59 million was offset from GST credit payments. Results for the first three quarters of 1993–94 show that $56 million has already been offset. In similar fashion we have made efforts to use better co–ordination to provide more convenient and fair services in particular areas. As well, we expect enhanced revenues from our recent efforts to clamp down on smuggling.

The recent announcements concerning 42 additional customs officers in the Windsor area and 350 customs personnel for the government action plan on smuggling are examples of the government's commitment to improve border protection.

Finally, let me turn to our efforts to reduce the burden on Canadians of compliance with tax laws.

• (1700)

By eliminating the unnecessary barriers between the different components of Revenue Canada, Bill C–2 will have a positive impact on those who must deal with Revenue Canada whether small and large businesses, professionals, importers or the taxpaying public.

The following are but a few examples of the opportunity presented by administrative consolidation to reduce burden and increase service: an integrated collection program so that clients and their representatives need deal with only one Revenue Canada official; the provision of a convenient, one stop shopping service whereby clients can obtain information, acquire forms and make payments at any of about 130 customs, excise and taxation offices across the country; a single business registration number to replace the various identification numbers that business is currently required to use in its dealings with Revenue Canada.

The plan is to develop one single and common registration process, a single registration form, an integrated approach to payments, inquiries and account maintenance as regard corporate tax, source deductions, GST and customs; a simplified combined business return enabling small business with gross sales of less than $500,000 to file a net payment in a single annual return; simultaneous GST, income tax and source deduction audits when necessary and where possible.

Revenue Canada has been entrusted with a significant mandate that involves the lives and the livelihood of Canadians. This is indeed a challenging mandate affected by national and international elements. This consolidation will give Revenue Canada an unprecedented opportunity to enhance its ability to respond to these challenges without imposing any further burden on taxpayers.

As I said at the outset, this legislation provides concrete evidence of our commitment to reshape government to the needs of Canadians. The unanimous report of members of the Standing Committee on Finance is testament to the recognition of this imperative.

I now seek the support of all members in the passage of Bill C–2.

[*Translation*]

The Deputy Speaker: Once again, the hon. member for Mégantic—Compton—Stanstead has the floor.

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, do you mean you are tired of listening to me? This will be my last speech for the day, Mr. Speaker.

Today, April 20, 1994, we are witnessing an event of almost historical proportions in the House of Commons. If I am not mistaken, within a matter of hours the government and the opposition parties will have agreed to adopt three bills which, we hope, will have a positive impact on the lives of our fellow citizens.

Bill C–2, whose purpose is the consolidation of the taxation and customs and excise sectors in the portfolio of National Revenue, seems very appropriate because it brings about a reduction of current spending and overlap within one and the same department.

In his speech, the hon. member for Vancouver South described the savings that will result from this initiative. The proof of the pudding is of course, in the eating, but we are prepared to approach what was said by the hon. member for Vancouver South with a very open mind. At the same time, we as members of the Official Opposition will make a point of ensuring that

these commitments are met and that potential savings become a reality in the months to come.

However, aside from this particular aspect, as you know, Mr. Speaker, members of the Official Opposition have for months asked for a reduction in all forms of administrative duplication and even, I would say, of constitutional duplication.

• (1705)

The Bloc Quebecois will support such initiatives in this House, provided, of course, that the proposed changes do not adversely affect Quebec interests. In other words, we remain prudent but nevertheless very open to this type of proposal.

Bill C–2 is in itself a good bill, but I hope that when the time comes to implement this legislation, the government will consider all aspects of the question. In this respect, perhaps I may remind hon. members of apprehensions expressed by the president of the Customs and Excise Union, for instance.

In fact, the president of the union appeared last February before the Standing Committee on Finance, when the committee was considering Bill C–2, and he stressed the main concerns his union had about this bill. One of the union's concerns arises from the fact that as a result of consolidation, many employees trained to collect income tax will turn up as managers in Customs and Excise. However, the Free Trade Agreement, or should I say the Free Trade agreements between Canada and the United States and, more recently, between the United States, Canada and Mexico, as well as the trend towards the globalization of world markets, will mean that in the years to come, there will be fewer and fewer tariff items to enforce at our borders. Customs and Excise does not need more tax collectors. As I see it, Customs and Excise should be more concerned about the lack of protection at our borders.

A prime example is the smuggling problem we see today. While the lowering of taxes on tobacco products had a definite impact on smuggling, it would be naive to think that the whole smuggling problem has therefore been resolved. Canadian borders are said to leak like sieves in many places. Only last week, a U.S. government report put Canada on the list of the countries where it is the easiest to smuggle drugs in because of the length of our borders, but that stands to reason considering how few resources are allocated in that area by the government, although some remedial action was taken recently.

The fact that Canadian borders are poorly guarded has certainly given a boost to the black market phenomenon which is now spreading, as we know, to alcohol. It has been spreading for a long time, but loads of spirits keep flowing through our borders. It has even spread to such things as clothing, drugs, as I said earlier, but more dramatically to illicit arms dealing and pornography, which goes to show how urgently action is required in that area.

One of the purposes of Bill C–2 is to reduce the operating costs of the Department of National Revenue.

• (1710)

But if the government does not also step up our border security—I repeat, action has been taken, but it must really do more along those lines—it is likely to have much more serious problems than those it now faces. It will have a rude awakening, judging by what the president of the Custom and Excise Union said when he appeared before the Standing Committee on Finance.

Here verbatim is one of the warnings he served on the government concerning the actual savings that might be realized from this merger:

> Decreased border protection will ultimately translate into more weapons in our schools, more fraud and smuggling, and more expense in enforcing the laws of Canada when the criminal element ends up a step closer to our daily lives. This will cause the need for increased policing within Canadian communities. For example, one missed cocaine seizure at the Canadian border could require several hundred policing actions within the communities.

The government must deal with this problem before implementing this bill.

It is also important to question the motives behind the government's decision to merge the two departments in question, namely National Revenue and Customs and Excise. Why does the government now find it necessary to consolidate these two administrative entities? The answer to this question was given to us in this House on February 4 by the hon. member for Essex—Windsor, who is also Parliamentary Secretary to the Minister of Revenue, who said unusual things for a member of the government now in office.

She said: "This bill would enable the Minister of National Revenue to consolidate two distinct departments that have been under his responsibility since 1926 into one"—which was confirmed by the hon. member for Vancouver South a few moments ago—"and thus eliminate unnecessary duplication and overlap within government. It will also bring distinct benefits to taxpayers and it will enhance the Department of National Revenue's ability to provide more efficient and effective services and programs".

I recognized in this short quote several terms and expressions often used by members of the Official Opposition in this House. When the Parliamentary Secretary to Minister of National Revenue talks about eliminating unnecessary duplication and overlap to provide more efficient and effective services and programs, I get the impression that her speech was inspired by remarks made by members on this side of the House, and especially by members of the Official Opposition. In fact the comments made by the hon. member for Essex—Windsor seem

to come straight from the mouth of a member of the Official Opposition.

The Bloc Quebecois cannot logically oppose Bill C–2, as it is perfectly consistent with the philosophy we are advocating with respect not only to administrative management, but also to constitutional issues. The fact of the matter is that the bill incorporates principles which we hold dear: implementation of efficient and effective government programs, and the elimination of duplication and overlap; in other words, good administrative and political common sense. The problem, for the Liberal government, is that it is starting to sound a lot like what Quebec is demanding in terms of job training.

• (1715)

Why does the government not apply the same principle of sound management when comes the time to negotiate with its provincial partners, and Quebec in particular, to reach an agreement on manpower training? All the stakeholders—they are mentioned day after day in this House and several times each day—all those involved, whether federalists or sovereigntists, all agree to say that by repatriating all these powers in Quebec, hundreds of millions of dollars could be saved in the area of manpower, perhaps as much as $300 million a year. Yet, year after year, the federal government keeps systematically preventing any development. It does not even get along with the ultra–federalist, if there ever was one, Liberal government of Daniel Johnson.

Just last week, the Prime Minister used the word "whim" to describe Quebec's demands in that area. Why is the Liberal government forgetting the virtues and advantages of effectiveness and efficiency, in so far as Quebec's demands are concerned? How is it that overlap within the Department of National Revenue is a more pressing problem to be resolved than duplication in the administration of manpower training? This is but one example.

By tabling Bill C–2 in this House, the present government is unwittingly showing the inequities in the federal system and laying bare for all to see the problem it is having setting serious, credible priorities when it comes to managing its affairs. We applaud the federal government—and I want to stress this point—for taking the initiative to merge these two departments which in any event had been the responsibility of a single minister since 1926.

What worries me is that if the federal government needed 68 years to realize the damage created by overlapping authority at the Department of National Revenue, how long will Quebecers have to wait to see the same results, that is an end to duplication, in the area of manpower training?

Therefore, the Official Opposition applauds the federal government for recognizing the absurdity of administrative overlap. If the merger of these two departments indeed results in real savings and benefits, and I have no doubt that it will, then we urge the government to be innovative and to explore other similar initiatives, such as negotiating with the Government of Quebec on the issue of manpower training.

However, the federal government, in keeping with its reputation, apparently feels that the duplication hampering Quebec's development is a necessary thing and should be stepped up.

As we all know, Canada's political history is full of examples of federal intrusion in provincial areas of jurisdiction. The current Liberal government seems not only intent on staying this historical course, but also bent on increasing the number of areas in which it feels free to encroach, such as health, post–secondary education and, as I mentioned, manpower training.

Quebec taxpayers will not be satisfied with the simple internal merger of the Department of National Revenue. Of course they will reap the benefits of this merger and, like the Official Opposition, they will applaud the government's action. However, the majority of Quebecers are awaiting the day when they will be answerable to only one national revenue department, namely that of a sovereign Quebec which is master of its own economic decisions. Perhaps when that day comes, the expressions "administrative overlap", "duplication" and "government inefficiency" will become obsolete.

• (1720)

In conclusion, despite some reservations, the Official Opposition wishes to express its support for Bill C–2 which calls for a merger of the two departments in question.

[*English*]

Mr. Jim Silye (Calgary Centre): Mr. Speaker, I rise today to support Bill C–2 at third reading. I addressed the bill previously and have spoken favourably about it.

According to the Department of National Revenue, the approval of Bill C–2 will "enable it to be more responsive to changing needs, to streamline operations, to reduce the administrative burden on taxpayers, to reduce costs and duplication and to improve the quality of its services and programs". That is a pretty tall order and we hope it can be pulled off.

The Reform Party position on an objective like this is very much supportive. The steps taken by the Liberal government in an attempt to streamline departmental activities is a worthwhile effort. Combining immigration and citizenship, customs, excise and taxation and eliminating altogether the Department of Public Security will help reduce duplication and overlap.

I hope the current treatment of the overseas tax credit is not an example of this new and improved department's modus operandi in the future. The overseas tax credit is predicated on the assumption that people who work outside the country for extended periods ought not to pay full taxes since they do not consume their full share of government services.

This virtually eliminates tax on 80 per cent of total income for workers logging at least six months of the year abroad. I want to go into this to show members an example of what this super efficiency ought not to do.

By regulation, the tax credit cannot be claimed by employees of foreign parent companies but for years Revenue Canada permitted such workers to claim it anyway. They were taxed at the same level as employees of domestic firms working abroad.

Last fall, however, during a routine audit of the Calgary arm of Texas based Nabors Drilling, tax assessors said they would disallow the overseas tax credit not only for 1994, which seems legitimate, but retroactively for 1993, 1992 and 1991. The decision would nail up to 600 workers with additional tax bills of up to $48,000 each. Nabors' lawyers are currently disputing Revenue Canada's attempt to disallow the tax credit for the earlier two years, and so they should.

How can the Minister of National Revenue and the Department of National Revenue change the rules four years, three years after the fact? Once the department has set a precedent—it always deals on precedent—it should stick to it or change the law and give people warning so that they know what to expect.

If U.S. parent companies move their overseas operations centres back to the United States, that will kill office jobs in Canada and deprive Revenue Canada of far more money than allowing the overseas tax credit. It is not efficient. It is not effective. It does not serve the purpose for what this amalgamation is supposed to do. It gives the impression that we are creating a tax collection police force that is going to squeeze every penny, every dollar it can out of honest working Canadian companies and individuals. The Minister of National Revenue refused to be interviewed on this subject, so I plan to bring this up during question period in the very near future.

• (1725)

We need increased financial reviews and reforms for all government departments to ensure that taxpayers' money is being spent efficiently and effectively. The reduction of costs associated with departmental consolidation and the removal of a few individuals at the executive level are just the tip of the iceberg when one considers the amount of government waste that has existed over the years.

The ivory towers of the Conservative years have to come to an end and I hope the government is serious in its attempt to do so. The new super deputy minister of National Revenue Taxation, Customs and Excise through this amalgamation told us in the Standing Committee on Finance that he will save money. But I have a concern. He also told us that the department employs 44,000 people at a cost of $2.2 billion. When asked what the short term savings of this bill are, meaning within the next 12 months, his answer after much fumbling was $36 million.

He then pointed out in another part of the bill that through amalgamation and the changes that had to take place due to the smuggling problem that existed three or four months ago, the department would be spending more money on customs officials, et cetera, and there would be $50 million of new spending. The net saving is not a saving. It is a $16 million increase to the already high $2.2 billion cost of running the department. Let us hope that is not something of which he is proud.

Thirty–six million dollars is a lot of money and a savings of that amount is very much appreciated. It would do well in a lot of our pocketbooks and the pocketbooks of the taxpayers. It is very important that those people should have that money back.

If that is all the deputy minister is promising to save out of $2.2 billion, at the end of the current fiscal year I would hope the Minister of National Revenue would look for a replacement. There has to be a better objective than that. If that is all he can save he is unfit for the job.

Our party would encourage the minister and the government to initiate a line by line, item by item review of all departments to find out where the money is going. If we took the time to find the savings in the estimates, through the estimates of every committee and if the backbenchers of the government were allowed to point out where those savings are and if the cabinet had the courage and the confidence in its backbenchers to listen to their input, it would find a lot of further savings. If all the millions of dollars that the Prime Minister is talking about in savings and cuts are added together, it will come to the billions that the finance minister is talking about in cuts and savings. Therefore the two stories would go together and we could restore some confidence in the economy and in the government itself. It would then be speaking from the same song book whether it is old or new.

We have some concerns about Bill C–2. Although we support it, it is feared that the combination of Revenue Canada Taxation and Customs Canada is designed to place more of an emphasis on revenue collection, controlling the underground economy and smuggling rather than designed to save overhead and this ivory tower bureaucratic structure we talked about earlier.

Customs officials must not be hindered in any way by legislation from performing the important duty of protecting Canadians from illegal drugs, weapons and criminal elements by reducing their ranks. By making administrative cuts at the top, the minister must not reduce the number of customs

personnel in the field which would hinder their ability to function effectively.

Other concerns have also been raised by the customs union, several municipalities and the media—I am sure the media is doing it on behalf of the Canadian public—with the consolidation of the two departments, customs officers' resources to effectively defend the border will be strained. The customs union is under the impression that increased emphasis on these activities will lead to a reduction in resources for other activities such as controlling illegal immigrants, firearms, pornography and stopping child abduction.

• (1730)

The Minister of National Revenue has said—

Mr. Gagliano: Mr. Speaker, I rise on a point of order. Just a clarification, there has been discussion and there is agreement that we should pass this bill before we move to Private Members' Hour. I do not know how long the member has left but if the House agrees not to see the clock so he can finish his speech, then you could put the question.

The Deputy Speaker: In fairness to all members, the member has not had long. We should go to private member's in five minutes. Is there unanimous agreement not to see the clock so that we might pass this bill?

Some hon. members: Agreed.

Mr. Silye: Mr. Speaker, I have good news for the government Whip. I will be under that time limit so we will watch the clock closely and make sure we follow the schedule as pre–arranged by the three party whips. I am sorry, we have a party co–ordinator.

The Minister of National Revenue has said in relation to Bill C–2: "I believe a unified Department of National Revenue will build on the strength of our existing customs, excise and taxation administrations. It will better serve Canadians and strengthen their confidence in Canada's revenue administration".

I hope so, but I hope my example about the overseas tax credit is taken to heart and taken seriously because that is not the way to treat Canadian corporations or individual taxpayers.

In conclusion, we believe that improved efficiency and effectiveness can result from this bill provided that reorganization and government cost savings will be done with the security and the best interests of Canadians in mind, versus empire building within the bureaucracy or a heavy handed tax police force auditing and demanding tax dollars in a totalitarian fashion.

We support the bill but we will be watching and I will be watching as it is my duty to monitor the actions of this particular bill and the effect that it has on government over the next year. The Minister of National Revenue promises lower costs. The new super deputy minister of this cabinet minister in the Standing Committee on Finance promised lower costs. Therefore we will expect substantial lower costs.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

(Motion agreed to, bill read the third time and passed.)

The Deputy Speaker: It being 5.35 p.m., the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

WITNESS PROTECTION ACT

Mr. Tom Wappel (Scarborough West) moved that Bill C–206, an act to provide for the relocation and protection of witnesses, be read the second time and referred to a committee.

He said: Mr. Speaker, I begin by thanking my seconder for seconding the bill. In the 20 minutes that I have allotted to me under Private Members' Business I would like to deal with six specifics of my bill, an act to provide for the relocation and protection of witnesses in Canada.

The first point I would like to deal with is the genesis of my interest in the subject.

In the previous Parliament I was the Official Opposition critic for the Solicitor General. In that capacity I was approached by someone who had difficulty with the existing witness relocation protection program run by the Royal Canadian Mounted Police. I, like many Canadians, had assumed that such a witness relocation program was a national program with rules and regulations pursuant and subject to the laws of Canada. I was shocked to find out that is not the case. In my capacity as the Official Opposition critic I began to investigate to see what I could find out about witness protection in Canada.

It came to my attention that we in this country do not have a national witness protection program which would cover potentially all witnesses to serious crimes in Canada. What we have is ad hoc witness protection programs across the nation with various police forces.

We know, for example, that there is an ultra secret witness protection program for the Royal Canadian Mounted Police. We know that there is a witness protection program of some nature run by the Ontario Provincial Police. There may be one for the Quebec provincial police. We know that some but not all municipal police forces such as the metropolitan Toronto police

force and the Calgary police force have witness protection programs.

What is the common characteristic of these various witness protection programs? I think there are really a couple. First, there is really no legislative provision for any of them. There is no accountability to the public for any of them and they are all shrouded in complete secrecy. When I attempted to find out about these witness protection programs I found that this cloud of secrecy descended and became a fog of secrecy and we simply were not able to find out any information.

This would come as a surprise to Canadians, to potential victims of crime, to witnesses to crime and to the taxpayers of Canada.

That is what got me interested. Am I alone in thinking this way? Am I alone in feeling that there is a need for a national witness protection program? Of course I would suggest not. In fact I have presented in the last year or so numerous petitions with thousands of constituents and Canadians across the country asking that there be a national witness protection program enacted.

In response to one of those petitions the Solicitor General of the day, the Hon. Doug Lewis, said: "Witness protection is indeed a very important function of law enforcement and equally a crucial service to witnesses who are at risk of retribution as a result of giving testimony in court. It is accurate to say that presently there is not a national legislated program as exists in the United States, for example. My officials are currently examining the state of witness protection in Canada". This was March 16, 1993. Over a year ago the officials were examining the situation.

That was a different government at a different time. Thankfully I note that the current Solicitor General of Canada, when he appeared before the justice and legal affairs committee on April 13, 1994, had this to say about the subject: "An effective witness protection program is critical to the successful prosecution of serious drug and organized crime cases". He has also undertaken to report back.

The problem is that there have been studies and studies going on and we do not seem to be getting anywhere. Therefore, I brought forward my private member's bill. Is there some experience in some other jurisdiction that might help us? Indeed there is. In the United States, for example, a national witness protection program has been in existence since 1970. We can at least look at that to see whether it has served a useful purpose.

• (1740)

That particular program was enshrined in the 1970 omnibus crime control act and is currently in force in all 50 states.

Bill Dempsey of the U.S. marshall service in Washington said: "It is the most successful tool that U.S. attorneys have in their daily work". It merely buttresses what our own Solicitor General has so eloquently said before the committee.

Are Canadians, those who are at least aware that we do not have any rules and regulations pertaining to the protection of witnesses, behind this program?

I received a letter from "Canadians Taking Action Against Violence". The founder and president is Deborah Mahaffy. Her daughter was violently murdered and the alleged perpetrator is currently before the courts.

I think it expresses a lot of the intention I have in bringing this bill forward: "Dear Mr. Wappel, I am writing to commend your action and offer our support of Bill C–206, a national witness act. As we in Canada are guided by a national criminal code it is logical and economically apparent that we should also have a national witness protection act.

It is also very clear that there are a great number of people who have not been afforded proper protection for their valuable testimony in our criminal courts of law across the country. Unfortunately witnesses have found themselves victims, always looking over their shoulders for fear of reprisals from those they helped convict or someone associated with them.

Agreements between witnesses to crimes and police should not be left to chance. Written contracts would provide effective protection rather than add further insult to injury. We are paying far too great a price when witnesses and informants do not come forward as they fear exposing personal safety or that of their families.

When the general public becomes aware that Canada has an effective and efficient national witness and police informant program which would be accountable to the House of Commons with respect to budgeting concerns, only then will we see the desired reductions in delayed investigations and unsolved crimes.

My husband and I continue to support a national witness act, and in the memory of our daughter, murder victim Leslie Mahaffy, and all victims of violence in Canada. All families of victims of violence in crime need to see that justice is served in an expeditious manner based on accurate and forthcoming testimony and to achieve that it is imperative that Bill C–206 is votable", which thankfully it is, "and that it becomes the legislative framework of one national witness act which will aid

in the prosecution of violent crime and show that our government is willing to make public safety a priority".

The Canadian Police Association as well as Victims of Violence of Canada is also supportive of this particular bill and the principle behind it which is the protection of witnesses.

There are approximately 1,400 unsolved murders in this country, some of them clearly because witnesses are afraid to come forward for fear of reprisal.

What is the subject matter of this bill? It is a relatively short bill. I would like to discuss briefly some of its provisions and then talk about what would happen if this House were to give its agreement to this bill.

The underlying philosophy is in section 3. The minister may, where the minister considers it appropriate in the interests of justice, take action to relocate and protect the witness or any member of their family where the minister believes that there is a substantial risk of violence being directed toward that person in an attempt to interfere with the course of justice.

Is that somehow different than what we have now? Of course not. Any of these police forces using their current witness protection programs can do precisely what I have put into this bill. The difference is that they do it without legislative authority and without a minister responsible to this House and the Canadian people to answer for situations in which either a witness has been refused or a mistake has been made. There is nothing new except it is actually in an act giving the minister some direction.

• (1745)

The minister must consider certain factors. One is to determine whether there is any other alternative to providing relocation and protection. It is not mandatory. Every person who is going to be seeking relocation is not going to get it. It will depend on the minister's judgment whether the interests of justice and the safety of the witness are dealt with and that there is no other reasonable alternative.

One of the important features is in clause 5 because if the minister feels that it is necessary to relocate it may also be necessary to give a new identity. The bill provides that the minister would have the power to provide suitable documents to assist the person in establishing a new identity or to otherwise assist in protecting the person. This would mean a new name, a new social insurance number, new documents of all kinds.

It is my understanding, and I may be wrong, that the RCMP currently does this. They currently provide in certain circumstances a new name, new passport, new documents. Under what legal authority? There is no legal authority yet they are doing it.

However if someone happens to be a witness to a crime that the RCMP is not investigating, if it happens to be a municipal police force or if it happens to be a province, the province has no power to provide a new identity. Arguably the RCMP has no power, but at least they are doing it because they are a federal agency. Certainly there should be even treatment of all witnesses across Canada, just as there is even treatment of all people who are accused of a crime across Canada.

Another aspect of the bill I would like to highlight for the House concerns the responsibilities of the parties. I have set out in clause 7 that there must be a written memorandum of understanding. The memorandum of understanding would set out the rights and obligations of the parties. The federal government is currently being sued by a number of people who are in the witness protection program. Disputes arise as to whether or not the RCMP agreed to something or did not comply with some promise that was made. Why? The answer is because often there is no document to which to refer and to see whether or not the parties met their obligations.

I have set out there should be a memorandum of understanding and of course, because of confidentiality and protection, there should be a mechanism short of a court of law, short of requiring a witness to go public, if you will when they are trying to hide from criminal retribution, a method whereby those breaches or alleged breaches could be dealt with in a private way.

To protect the minister, to protect society I have provided that no decision made by the minister would be subject to review in any court in Canada. This would prevent all sorts of frivolous lawsuits by people who feel they were unfairly denied an opportunity. However it would not allow the minister to escape responsibility from certain decisions that were made and from questioning about those decisions in the House of Commons.

Finally, we have no idea how much money is currently spent on witness protection. We do know that money is spent, but there is no way of finding out how much. There is no way of budgeting. There is no way of suggesting that there should be another allocation. My bill provides that no payments shall be made out of the Consolidated Revenue Fund to defray the expenses necessary for the implementation of this bill without the authority of an appropriation made by Parliament for such purpose.

We need a witness protection act. Everybody seems to be in agreement. This provides some legislative framework for it. It provides some legal authority for the act to proceed and it provides also an opportunity for the aggrieved witness or the aggrieved crown to deal with problems of interpretation.

• (1750)

In drafting the bill I tried my best, but by no means do I pretend that it is absolutely perfect. I know that the minister has a department and I know the justice minister has a department that spend its days looking at legislation. I am not adverse to amendments to the bill. I am not adverse to any suggestions that would keep the spirit and the intent but make the bill better. I

have no desire to pretend that the bill as drafted is necessarily perfect, although I would like to think that it is pretty good.

However, it is important to realize that what I am asking, and those people who have petitioned the House over a course of 16 months or so are asking, is that we accept the principle of witness protection and relocation across Canada so that all people are treated the same way under law pursuant to legislation.

If the House is favourable to voting in favour of the bill, it would then be referred to the justice and legal affairs committee for intensive study. At that time the department, witnesses, everybody could come forward and put suggested amendments. The committee could deal with the bill on a clause by clause basis, accept those amendments which are thought appropriate and needed and then refer the bill back to the House for final passage.

What I am saying is very simple, an affirmative vote would not mean that the bill is cast in stone. It would mean that the principle, which is the protection of witnesses, would be espoused by the House. The fine tuning, the drafting, the repair, if any is needed to some of the drafting that was done by me and by the counsel who help us in doing these things, would then be done at the committee level.

In a nutshell then, I ask the House to very seriously consider this bill over the course of the time that it has to debate it, to look at the principle, look at the forest not the trees, examine the principle and remember that currently it has no legislative foundation. We are operating in a vacuum. We are operating under a cloud of secrecy We are operating under a system that is not fair because it does not apply equally to all people across Canada and is not accountable to the House of Commons.

I would ask my colleagues to vote in favour of Bill C–206 at the appropriate time so we could take the matter to committee, get it addressed and protect witnesses as soon as possible.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, I welcome this opportunity today to speak to Bill C–206, an act to provide for the relocation and protection of witnesses, standing in the name of the hon. member for Scarborough West. I would like to comment first on the principle of the bill and then on its substance or content.

As far as the principle is concerned, I am glad to see that some government members think about the issues. We have at least one member who just showed us he had examined a situation that was deplorable and who has now introduced a bill on his own initiative, and he is to be commended for that. I agree it is intolerable that today we have no legislation to protect these people. Canada is a society that provides a lot of protection for the rights of offenders and the rights of defendants, but very little for the rights of people who go to court to testify so that the accused will answer for the crime they committed.

• (1755)

Yes, we have the Canadian Charter of Rights and Freedoms. I checked the Charter, because I thought there might be something in it to provide for this. The only section is section 7, which says: "Everyone has the right to life, liberty and security of the person—" Other than that, there is nothing in the Criminal Code or any other item of criminal or penal legislation that deals directly with the subject the member has approached through his private members' bill.

Today, there are certain ways, and certain funds are used, to protect these witnesses, but that is not enough, and the trouble is that it is at the discretion of the police. I think that a program of this kind, when we are talking about taxpayers' money, should be organized so that everyone is treated equally, and I think this bill takes that approach.

On what basis do people make a decision, when we say these decisions are discretionary? How do they decide whether or not funds will be allocated in a given case? Does it depend on whether one criminal is more dangerous than another criminal? Does it depend on the fact that some crimes are more repugnant than others? I think it is intolerable to talk about "discretionary" in this respect.

The police force that makes the assessment can also make a wrong decision without being made to account for that decision. Sometimes these mistakes are covered up. It is very difficult, and I will give you an example of what I mean.

Since being appointed Official Opposition critic for the Solicitor General of Canada on October 25, I have had two cases that fit in very well with the bill of the hon. member for Scarborough. I will ask this House a question.

What do Lucie Leblanc from New Brunswick, Sue Smith from Alberta and Mireille Martin from Quebec have in common? What they have in common is that they are the same person. In five years this person changed names three times. I am giving them because the last time she called me, she told me she would be changing her name for the fourth time since her husband, a criminal famous across Canada, had discovered her new identity. How did he do it? The people dealing with her case had made every conceivable change to her passport, driver's licence, social insurance number and other pieces of ID but made a mistake in registering the car she was provided with under the name of Mireille Martin from Quebec. She had been living in fear for a few months, not knowing exactly where to go, how to proceed, or where to find money. She asked me to approach the

Solicitor General of Canada to have her case dealt with expeditiously because she was living in a terrible situation.

I too came up against a brick wall. I could not get information or find anyone accountable in this case. However, she told me herself that after a few calls her case was finally dealt with, but only after a member of Parliament intervened.

If the mistake is very serious, the person who did not enforce the law properly, who made the mistake, should be held accountable and asked where the money went to.

I am not saying the mistake was intentional; honest mistakes can be made but they can have serious consequences for the individuals who are given money to protect them from potential harm.

With all due respect to the hon. member, it is not a matter of reinventing the wheel. I think this is a good bill but, as he said, we must look at what is done elsewhere. There is a similar program in the United States. I also looked at Italy where, given what is happening with justice in that country, legislation was passed to protect witnesses. Great Britain also has a similar program.

• (1800)

This means that all great societies concerned with the protection of victims and offenders, whether accused or charged, are also concerned with the protection of witnesses, because I think it is all tied together in the system.

This kind of bill, if passed—I will address contents later—will send a clear message to the criminal element as well as to witnesses and the public, the message that this House takes this matter seriously, that we will not let the people who testify in court down.

I think that any legislation that supports, not informers because I do not like that word, but let us say witnesses who come forward, is good for the system we live in. If we encourage people to come forward and testify, I think that it will show in rulings, sentencing and the entire system. I think the judicial system stands to benefit greatly.

In my legal practice, I have noticed that it is one thing for a witness to testify, but quite another to give convincing evidence. I may comply when served a subpoena, yet be extremely reluctant to answer questions, knowing that my life could be in danger as soon as I step out of the court. Perhaps I would feel safer and my evidence would be more convincing if I knew that, when I walk out of court, there will be people there to protect me.

I am not saying that such a measure should be applied in all criminal courts. The mere fact of witnessing a murder near my home does not automatically endanger my life. However, my life could be in danger if I testified in a case involving organized crime or a major case of fraud. I think that work could be done on this bill to amend it so that it could become very useful to Canada and Quebec.

I knew from Quebec statistics that many crimes went unpunished because no one was actually found guilty. I was surprised to see Canadian statistics for the period 1980–1992. Over this 12–year period, for murders alone, there were 1,455 unsolved murder cases. One can wonder how many cases of fraud, robbery, assault and well–planned crimes also went unsolved. We could then ask ourselves the same question about smuggling. I think that it is a very important subject and that this deficiency must be corrected as soon as possible.

So I think that this bill could encourage witnesses to come forward and say what they know in order to clear up some crimes and some cases for which the criminals go unpunished.

As for the principle, there is no problem, we agree 100 per cent. The Official Opposition, the Bloc Quebecois, will support you on this bill. I think that we have always shown that we co–operate when presented with a good bill, and I think that is a way to show it to you again and to tell you again that we will co–operate with you on this bill.

I do not have much to say about the form and content. Of course, some small adjustments could be made, including the following. I would immediately take the matter to the Solicitor General. I would say that he is responsible for applying this bill once it is adopted, not a member of the Privy Council. In the Committee on Justice and Legal Affairs, among colleagues and people working on that committee, we will easily be able to come to an understanding; I say "easily" because everyone around the table will be on the same wavelength, so we will be able to agree.

But on the whole—and I conclude with that—regarding this bill, I would ask the whole House to be unanimous and I would ask the government to pay very careful attention to this private member's bill, and perhaps we will have something to show that private members' bills can go somewhere, for the good of society in general that will benefit from it.

• (1805)

Mr. Patrick Gagnon (Parliamentary Secretary to the Solicitor General of Canada): Mr. Speaker, I consider it both an honour and a privilege to rise today to open debate on Bill C–206, an Act to provide for the relocation and protection of witnesses.

I would first like to commend the Member for Scarborough West, the sponsor of this private member's bill, for bringing this important issue before the House.

His months of dedication and hard work to improve this particular aspect of our criminal justice system are reflected in the pages of this bill. The basic intent of Bill C–206 is very clear: The government must ensure the safety and security of persons who assist police and prosecutors in their efforts to crack down on crime, particularly organized crime.

This makes sense not only from a moral standpoint but from a practical standpoint as well. Past experience shows that witnesses who provide evidence or assist in police and prosecutors' investigations at the risk of harm to themselves or to their families, are often one of the most effective tools our justice system has against organized crime.

And we need that tool, today more than ever. Organized crime, and especially transnational and international organized crime, are growing concerns for Canada, and indeed for many nations.

Organized crime threatens basic social, political and economic institutions in countries around the world. And it is seldom easy, given the power and influence of many criminal organizations, for the authorities to obtain the information and assistance they need to move effectively against organized crime.

That is why we, as legislators, must take every step within our power to ensure our criminal justice system is as well–equipped as possible to respond to the threat posed by organized crime. For these reasons alone, I believe that this bill is both timely and well directed. However, having said that, I believe there are a number of fundamental issues that need to be considered before approval of the bill is given at second reading.

First, we must consider very carefully the scope of application of a protection program. Under Bill C–206, any witness appearing in a case prosecuted under a federal act could be eligible for protection or relocation.

My concern is that this broad, umbrella approach could be unwieldy and difficult to administer efficiently. Our experience regarding the RCMP Source and Witness Protection Program indicates that such a program should focus on very serious offences and cases involving organized crime.

A related issue here is the question of cost. The provision of protective services and relocation of witnesses or sources is a very expensive proposition.

The Prime Minister has said to this House and to Canadians on many occasions that fiscal responsibility is one of the basic principles of this government.

[*English*]

Accordingly we want to make sure that any witness protection program is not so broad that administrative overheads become unacceptable. All members will agree I am sure that we owe it to Canadians to make the best possible use of taxpayers' dollars.

Still on the subject of administration there is the question of who will manage and administer the program. It would appear that Bill C–206 seeks to provide a legislative base to the witness protection services provided by the RCMP. However it may be desirable to review other administrative options.

For instance in the United States an independent body, the Office of Enforcement Operations within the Department of Justice, decides who will be accepted into the U.S. marshal's service witness security program. The decision is made after this office has considered the recommendations for admission from the responsible enforcement agencies such as the FBI and the U.S. attorney's office.

• (1810)

The point I wish to make is that in the United States it is not the law enforcement body that makes the decision whether or not to give witness protection.

As well, once the witness is accepted into the program the protection is administered by the U.S. marshal's service. Again it is not the originating law enforcement agency that provides the protection but an independent agency, the U.S. marshal's service.

I raise these administrative issues as points that warrant further consideration and review before determining and legislating our own arrangements for witness protection in this country.

A second issue we need to carefully consider is the legislative basis for a witness protection program. It may be appropriate for example to link a program to provisions in the Criminal Code or other legislation.

Protection of people who assist in criminal investigations or prosecutions may involve changes in identity. This requires the active participation of federal authorities outside of law enforcement agencies.

[*Translation*]

It would seem to me to be appropriate to indicate that the responsibilities of these authorities also be captured in any legislation. The same rationale applies to the roles and functions of provincial authorities involved in the provision of protective services. Provincial interests in this area are a very important consideration given the constitutional responsibilities of provincial government for the administration of justice. At a minimum, I believe that legislation should permit provinces to opt in to a federal program. All of this is to say that we would want to work closely with the provinces in all respects.

There is also the question of cost sharing between the federal government and provinces desiring to participate jointly in a protection program. This could be addressed directly in legislation, or perhaps indirectly through the establishment of a statutory instrument or specific ministerial approval.

A last concern I would like to raise deals with the limitation of Bill C–206 to witness protection alone. Witnesses are not the only persons who provide information to the authorities in criminal cases and who may require protection for having done so. Many police investigations would never lead to arrests without the assistance of sources or informants, most of whom are paid for their services. Source information is just as vital to police investigations as witness testimony is to court proceedings.

I note that the RCMP source witness and protection program, which I referred to a few moments ago, protects both police sources and Crown witnesses.

These are the type of factors that must be examined before this government can, in good conscience, proceed further with legislation for a witness protection program. However, I do not want these concerns to overshadow the basic accomplishment of this bill. With this proposed act to provide for the relocation and protection of witnesses, the hon. member for Scarborough West has focussed the attention of this House on an important component of our criminal justice system. For that he deserves a vote of thanks from all members of the House, and indeed, from all Canadians.

I understand that other members will now take the opportunity to touch, in more depth, on the points I have raised, as well as discuss other key considerations.

[*English*]

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I rise to offer my support for Bill C–206. To me it is self–evident that anyone who risks his or her personal or family safety to testify for the crown is entitled to protection. This is especially true if protection has been promised as an inducement to take the stand.

In general, formal witness protection and relocations are needed for serious prosecutions involving drugs or organized crime. The people needing protection are often pretty unsavoury folks, criminals motivated by fear, vengeance or greed to turn against their fellows and act as police informers. Nevertheless, if they help us, for whatever motive, they have the right not to be hung out to dry by law enforcement agencies which use them to make their case. There must be national, predictable and enforceable mechanisms to deal with such people and this is what Bill C–206 is all about.

• (1815)

Without informants who can testify without fear, investigations and prosecutions of people involved in organized crime sometimes lead nowhere. The cost in wasted effort by police officers and courts is enormous. It must be incredibly frustrating for police to have the goods but be unable to secure a conviction because the safety of a witness cannot be guaranteed.

The type of protection envisaged through this bill is complex and expensive, and it might be required for several years for individuals. Nevertheless, if it helps to put dangerous criminals out of business it will be a sound public investment. When convictions are obtained, society wins.

Not all beneficiaries would be paid informants. In Canada the most famous protected person, federally protected because of his high profile, was Igor Gouzenko. He was given a false identity. If my memory serves me correctly he was kept out of sight for 40 years. I doubt that many Canadians begrudged him his new life.

Although I support this bill I do wish that it was a little broader in scope with provisions for increased penalties for threatening witnesses and with more emphasis on in situ protection for those witnesses who are not paid informers and who do not want to have their lives disrupted by relocation. I am referring to ordinary citizens who just happen to witness a crime and who hesitate to get involved because of the possible retaliation against them or their families.

I most especially wish that this bill would provide better and longer term protection for victims who risk being victimized again if they agree to testify against a dangerous individual, an individual who might very well be out on bail awaiting trial or who, if convicted, probably will be paroled after serving a fraction of his sentence.

Consider this. Women who cause their husbands or lovers to be jailed for assault face early confrontation with their attackers. Some of them live in fear of the man they sent to prison. The released criminals can walk around freely. If they are vindictive and vengeful, their victims have to cower at home, protected only by court orders which are scraps of paper or by anti–stalking laws which are useful only if the abuser tries to extract vengeance over an extended period of time.

A woman in such a situation cannot even keep a shotgun handy to protect herself because in Canada the victim has less rights than the brute who might want to kick her door down. She can live in fear. She can run. She can hide. That is not fair.

In summary, I compliment my colleague on the other side of the House for his initiative in this regard. Canada's witness protection system is at best patchwork. We need national guidelines and criteria so that from coast to coast the same protection is available for all Canadians.

It is high time that informers are given the guaranteed protection warranted for their assistance in bringing offenders to justice and this bill is a short step in the right direction. It merits our support.

Ms. Shaughnessy Cohen (Windsor—St. Clair): Mr. Speaker, I rise today to speak as well on Bill C–206, an act to provide for the relocation and protection of witnesses.

As we have already learned law enforcement agencies provide protection to their sources and to witnesses where there is a threat of retribution as a result of either the source informing on the criminal activity or a witness providing crucial testimony in a criminal proceeding. Generally witness protection requirements arise out of cases involving the most serious charges and by that I mean charges which upon conviction attract the heaviest penalties. Probably we are most familiar in this area with charges such as trafficking in large quantities of drugs, murder, armed robbery, and other conspiratorial crimes involving elements of organized crime.

• (1820)

It is obvious that the more serious the offence and the stiffer the penalty upon conviction, the greater risk to an informant or witness. As the threat becomes more serious to the witness of course, the more comprehensive must be the protection of that witness.

Witness protection programs are a valuable tool in law enforcement and in some areas an invaluable tool. They have been developed in varying degrees across the country by different police forces and services. The types of services available under a witness protection plan also vary according to the individual case. They vary as well according to the resources that an individual police department may have.

Examples of these services which are currently available in Canada include psychological counselling, escorts to and from the court house or the prosecutor's office, guarding a witness' residence at crucial times or on a full time basis if need be during a trial, documents in a witness' name, housing upon relocating a witness to a new location, transportation of the witness' private property to a new home, payment of basic living expenses to a witness for a period of time or assistance in obtaining employment.

In Canada, depending upon the capabilities of the individual police force, these services have provided some degree of protection to informants and witnesses but again administered individually through different police services.

Of all of these programs however the most comprehensive is the RCMP source witness protection program. It was originally established in the early 1980s for the RCMP to use, but now it is increasingly used by other police forces and services across the country.

The need for RCMP assistance would arise primarily when an informant or witness must be relocated to another province and where that police force needs to obtain some form of federal assistance, such as federal documentation in a new name for the witness or source. The RCMP has offices in every province and every territory. They have an extensive witness protection capability. It is easy to see why other agencies seek the assistance of the Royal Canadian Mounted Police.

There is no other department and no other agency in Canada that can facilitate and co–ordinate the various aspects of assistance and protection that are involved in a witness protection relocation.

These considerations of witness protection are not just going on in Canada. In fact, world wide there is a growing interest in the criminal justice community in the enhancement of witness protection services and the creation of national witness protection programs. This is in part most likely a result of the global growth in organized criminal activity and increased reliance on the use of informants to obtain convictions.

Here in Canada we too are examining existing witness protection services in light of increased organized crime and shrinking law enforcement budgets. To that end in 1992 a survey was undertaken of all police forces in Canada. This survey had a twofold aim. First, the government wanted to obtain information on police witness protection capabilities in general. Second, the government wanted to know to what extent provincial and municipal police services seek and obtain assistance from the mounted police source witness protection program.

Questionnaires were sent to 393 police services across the country and responses were received from 284. Only data for three years prior to 1992 was requested.

The great majority of police services, in fact 88 per cent of them, said that they had not used the RCMP witness protection program over the three years preceding the date of the survey. They had not done so primarily because they just did not have cases in which protection was necessary. This comes as no great surprise to the government because most cases involving witness protection occur in large urban areas.

• (1825)

The survey also shows that a very small number of provinces either have or are considering developing a standardized provincial witness program within their province.

We have to bear in mind that regardless of individual provincial programs, there will always be a need for an agency such as the RCMP to arrange out of province relocations. For example, should Nova Scotia wish to relocate a witness to British Columbia, it is probable that the provincial program would not have the reach and would not be able to provide for witnesses' various needs in British Columbia. As it stands, the Royal Canadian Mounted Police source witness protection program can and does accommodate relocated witnesses from one end of the country to the other.

The survey also revealed that 15 police services can provide some degree of witness protection. Again, this protection does

not include out of province relocation and is limited according to the availability of personnel and other resources.

Twenty–three police forces indicated that they had used the RCMP program in the past three years, primarily to facilitate name change and relocation. Of these, over 50 per cent were satisfied with existing witness protection arrangements including their own arrangements and those within the RCMP program.

The greatest concern of those expressing dissatisfaction with existing witness protection arrangements was lack of resources, in particular personnel. Another concern was the need for standardized witness protection procedures that are clearly understood by all local police services.

Finally, the survey pointed out that mainly due to a lack of resources, witness protection is not equally available to all police services.

Based on this preliminary survey it is clear that an effective witness protection program is a crucial part of the law enforcement community's response to growing incidents of organized crime and other types of serious crime. Further, this is a matter that requires close attention to the various needs of the general police community who are the potential users of this service and we have to pay special attention to their financial capabilities.

I believe that particularly in these times there is a requirement on the part of the government to further only the most cost–efficient and effective programs in co–operation with all the relevant players. I would submit that there is yet some work to be done before the government proceeds with legislation on this issue. I am thinking here of further consultations with the relevant players to define the parameters of an effective witness protection program.

Once these issues have been explored and decided on, the government will be in a much better position to bring forward legislation on witness protection services.

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, I appreciate the opportunity to speak on this particular issue and I am thankful to my colleague for having drafted this bill. I hope it succeeds.

Many areas of Canada's justice system need to be revamped. I believe here too regarding witnesses there is a need to restructure some of the existing programs. I believe a bill of this nature would certainly help do that.

As a former police officer who served for 22 years, I have seen more than my fair share of trials and certainly my share of witnesses. Unfortunately I have run into some situations where the safety of witnesses and informants and potential witnesses has been threatened, compromised by organized and ruthless thugs who know very well how to exploit fear to their advantage.

As a result of this experience I support this bill. I am confident that witness protection will be improved by uniformity of practice across the country. I hope in the future that my colleague and I will be able to work together to write more legislation that will help make Canada a much safer place.

I am quite frankly getting a little more discouraged at the fact that it is taking private members' bills as opposed to unified government action to cause changes to be made in the criminal justice system. Too often it is a private member along with our party, the Reform Party, that is interested in protecting the victims, the defence of witnesses and informants, the preservation of our peaceful way of life and swift justice for those who deserve it.

The last time I rose to speak to a bill dealing with a justice issue was on Bill C–8. It is a bill that will have the probable effect of taking power away from police officers. This government promises to regulate guns to such a degree that even lawful ownership by responsible people will be threatened.

• (1830)

The justice minister intends to regulate special rights for homosexuals. The chairman of the Standing Committee on Justice and Legal Affairs wants to get soft on murderers. There you have it: Disarm the people; take power away from the police; disrupt the family by giving all the privileges that are now accorded to married couples to homosexuals; and tap murderers on the wrist. If that is not a recipe for disaster, I do not know what is.

This government wants to make us totally incapable of self defence. It wants to limit the power of our police officers to defend us. It wants to contribute to the raising of a generation of dysfunctional youth by undermining the best system of justice preservation any society can have, the family.

It is no wonder we need witness protection legislation. The need for witness protection legislation begs the addressing of another issue. That is tough anti–gang and tough anti–organized crime legislation. As yet, and it is no real surprise, I have not seen any sign this government will be addressing those issues either.

One of the main threats to witnesses comes from gangs and organized crime. Fortunately this country has not been ravaged by gangs and crime rings to the degree our neighbour to the south has. However, with time and a vacuum of political will to get tough on crime, gangs will very well extract the same sort of toll on us as they have for years on the United States.

Incidents of witnesses who have been harassed either by an accused or by friends or family of an accused are not that frequent. Far more common is the terrorism people who come forward either as citizens or as repentant members of crime rings have to face before, during and after trial. This bill will help to make it easier to protect threatened witnesses.

There is so much more that could be and should be done. For instance we should be legislating harsher penalties for people who commit crimes as part of an organized crime ring. We should be cracking down on gangs before they get into our communities. We should be proactive in these areas.

While the legislation we are discussing today is a good piece of work, it is nonetheless a reaction to the symptom of a problem and not to the disease.

There is a disease in Canada. That disease is a growing lack of regard for the law and for public order. That disease has been allowed to spread and to contaminate more and more segments of our society. There are reasons for increased crime. There are reasons for a disregard of the law.

Canada has gone soft on crime. We are no longer doling out justice where it is deserved. We have become a nation of people claiming victim status. There has to come with that a subsequent decline of individual responsibility.

This government has been an accomplice in spreading the myth that somehow poverty or discrimination causes crime, that if Statistics Canada raises its arbitrary poverty rate then we will suddenly see a corresponding increase in the crime rate. That is nonsense.

Canada has become a nation committed to protected symbolic rights, arbitrary rights instead of basic common sense rights that everyone can relate to. Rather than protecting a person's right to have an income, a family, and a community that is unfettered by government taxation and regulation, we are protecting the rights of those who least deserve them.

We are attacking the family. We are burdening it with taxes so that parents cannot take care of their own. We are regulating how a family can raise its children. We are attacking its very definition by enlarging it so much that the word family becomes meaningless.

These things are leading to an increase in crime, an increase in lawlessness and a decline in the morality that has built this nation and has kept it so relatively free from crime over the generations.

It is tragic how we have mixed up our priorities. I think it is very tragic.

This government has a great opportunity to reverse the trend. Instead, the rhetoric of the government indicates that more of the same is coming. We can safely predict that rather than cutting crime and making Canada a safer place to live, the government's misguided and out of touch stand on justice issues will lead Canada further and further down the path of becoming the sort of society that none of us will want our children to live in.

It is a shame that only private members are producing legislation that makes sense. It is a shame that new and better witness protection legislation is necessary. The fact that my hon. colleague has felt the need to write this bill is a subtle sign of what is going wrong with Canada and our system. I only hope that his colleagues on the other side of the House will have the perceptiveness to pick up on this issue, listen to the common sense of the common people and take the correct steps to put Canada back on the right track.

I urge the support of the House for this bill.

The Deputy Speaker: The time provided for the consideration of Private Members' Business has expired. Pursuant to Standing Order 93, the matter goes to the bottom of the list for two more hours of debate.

It being 6.35 p.m., the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.35 p.m.)

HOUSE OF COMMONS

Thursday, April 21, 1994

The House met at 10 a.m.

Prayers

[*Translation*]

POINT OF ORDER

COMMENTS BY MEMBER FOR CARLETON—GLOUCESTER

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, on Monday the Reform Party presented a motion to amend the Official Languages Act. As you know, I did not share the views expressed by Reform Party members, individually and collectively, as they spoke in this debate. Nor do I agree with the proposal of the Reform Party to split our official languages, in other words, that French should be the only official language in Quebec and English the only official language outside Quebec.

You can imagine I felt under attack, and as a member of the francophone minority outside Quebec, I found the Reform Party's comments insulting. Because of them, I felt as though I were becoming less and less a Canadian.

I intend to pursue the debate on official languages and stand up for the rights of French Canadians throughout Canada and for the rights of anglophones throughout Canada, whether we are talking about English– speaking minorities in Quebec or French–speaking minorities outside Quebec.

However, considering the great respect I have for this House, if I happened to offend this House—and I do mean this House—by my use of rather emotional terms, I withdraw anything I said that may have offended. However, with respect to minority languages, whether we are talking about French or English, I repeat that I will continue my efforts to defend these minorities.

The Speaker: I accept comments of the hon. member for Carleton—Gloucester.

Yesterday, I told the hon. member for Kindersley—Lloydminster that if he withdrew that would be the end of it. So I will consider the hon. member's comments—

[*English*]

—as having concluded this point of order. There was a withdrawal of the statement categorically and the Chair accepts this withdrawal.

We will now go on to a point of order by the member for Saskatoon—Clark's Crossing.

Mr. Axworthy (Saskatoon—Clark's Crossing)): Mr. Speaker, I wonder when we might hear an apology from the Prime Minister, who last night criticized those on social assistance as doing nothing but sitting at home.

The Speaker: I am sure the hon. member realizes fully that would not be a point of order. Perhaps he would take another avenue to put his views forward.

Mr. McClelland: Mr. Speaker, while I accept the heartfelt apology on behalf of members on this side of the House offended by the hon. member from Carleton—Gloucester, I wish to put on record that the Reform Party in no way opposes bilingualism in the federal service.

The Speaker: From time to time in the course of debate we are emotional and aggressive. It is to be taken for granted in the House of Commons. The matter of the point of order which was raised is closed. I would like to leave that where it is.

ROUTINE PROCEEDINGS

• (1010)

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to three petitions, namely petitions Nos. 351–123, 351–131 and 351–134.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Alfonso Gagliano (Saint–Léonard): Madam Speaker, there have been discussions and there is agreement that the

House shall not sit on Friday, May 13, 1994 provided that it shall be deemed to have met and adjourned on that day for the purpose of Standing Order 28(2).

(Motion agreed to.)

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade): Madam Speaker, question No. 9 will be answered today.

[*Text*]

Question No. 9—**Mr. Simmons:**

Has any action been taken by the Department of Environment to address the concerns raised by the Auditor General in his 1992 Report to Parliament that "the capability to respond effectively to a marine spill of any significant magnitude does not presently exist anywhere in Canada", even though "each year, Canada can expect at least one major spill, and a catastrophic spill can be expected once every 15 years", and, if so, (*a*) what was such action (*b*) are any specific environmental protection measures being developed to deal with potential spills of hazardous materials in relation to the Hibernia project?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): (a) The activities being undertaken to address the concerns raised are primarily the responsibility of the Minister of Transport. The Canadian Coast Guard has taken a number of steps in co–operation with the Department of Environment and the Department of Fisheries and Oceans during the last three years to improve Canada's marine spill response capability.

Strategy: On June 26, 1991, the federal government announced a $100 million green plan marine environmental emergencies response strategy to implement the most urgent and high priority recommendations put forward by the public review panel on tanker safety and marine spills response capabilities.

Prevention measures: All foreign flag tankers are now inspected on their first visit each year to a Canadian port. Inspections of all foreign vessels entering Canada (including 100 per cent of foreign flag tankers) have increased from 9.2 per cent in 1989 to 38 per cent in 1992.

Preparedness measures: The Coast Guard has spent over $15 million since 1990 to acquire additional pollution countermeasures equipment.

Policy: The amendments to the Canada Shipping Act (Bill C–121) received royal assent June 23, 1993 and provide for tougher sentences for pollution offences, new shipping safety regulations and implementation of international conventions including OPRC 90 and salvage convention.

(b) The environmental protection measures to deal with potential spills from Hibernia are regulated by the federal government (lead is the Department of Natural Resources) through its participation in the Canada–Newfoundland Off–Shore Petroleum Board. The board ensures that appropriate contingency plans are in place to respond to any hazardous materials spills quickly and effectively.

[*English*]

The Acting Speaker (Mrs. Maheu): The question as enumerated by the parliamentary secretary has been answered.

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

The Acting Speaker (Mrs. Maheu): Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

CANADA–HUNGARY INCOME TAX CONVENTION ACT, 1994

Hon. Ethel Blondin–Andrew (for Minister of Finance) moved that Bill S–2, An Act to implement a convention between Canada and the Republic of Hungary, an agreement between Canada and the Federal Republic of Nigeria, an agreement between Canada and the Republic of Zimbabwe, a convention between Canada and the Argentine Republic and a protocol between Canada and the Kingdom of the Netherlands for the avoidance of double taxation and the prevention of fiscal evasion with respect to income taxes and to make related amendments to other acts, be read the second time and referred to a committee.

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

Some hon. members: Debate.

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade): Madam Speaker, the purpose of Bill S–2 is to implement reciprocal tax treaties—or conventions—between Canada and Hungary, Nigeria, Argentina and Zimbabwe that will eliminate double taxation on income tax. As well, this bill implements a protocol to revise the current tax convention between Canada and the Kingdom of the Netherlands.

• (1015)

I would first like to comment on the desirability and the role of tax treaties. A tax treaty between countries is an important tool to provide the benefits of certainty and stability regarding

tax regimes—benefits that concretely promote and facilitate international trade and investment.

Such certainty and stability is achieved because such treaties enshrine the basis, as well as the rate, of applicable taxes. This means that a treaty rate of tax cannot be increased unless the treaty itself is modified or terminated.

In fact, termination is a rare event, while revision of such treaties is a lengthy process requiring the concurrence of both governments. And in either case, taxpayers will normally receive considerable advance notice of the impending changes.

Another benefit of such tax treaties is that they also reduce annoyance in the operation of the national tax systems involved in several ways. First, they eliminate the necessity of paying tax on business profits in the source country if there is no permanent establishment in that country. As well, they provide a mechanism to settle problems encountered by taxpayers.

More importantly, tax treaties eliminate or alleviate double taxation in instances where international transactions are involved that may give rise to the same income being taxed by more than one country.

Let me expand on how this works. For the purpose of eliminating double taxation, the tax treaties establish two categories of rules. Firstly, in the case of a number of specified items of income, an exclusive right to tax is conferred on only one of the contracting states. In this way, the other contracting country accepts that it cannot tax this income, and double taxation is thus absolutely avoided.

Secondly, for other items of income, the right to tax is not an exclusive one. These provisions confer on the source country (or situs) a full or limited right to tax. In turn, under the treaty, the country of residence of the taxpayer must allow relief for the tax paid in the other country. Ultimately, this again ensures there is no double taxation.

I should remind this House that the treaties enacted by this bill are the latest within a long–standing process. The major reform of Canada's income tax legislation in 1971 required Canada to expand its network of double taxation conventions (tax treaties) with other countries. Since that time negotiations for the conclusion of new treaties or the revision of existing ones have been entered into with almost 75 countries.

In this bill, the four tax conventions under review follow the general pattern of the conventions previously approved by Parliament. The number of Canadian tax treaties in force now stands at 52. I would now like to briefly highlight if I may, the main elements of these new tax treaties covered by this bill. I will deal with the Protocol to the Netherlands Convention at the end of my remarks.

• (1020)

These treaties provide generaly that dividends may be taxed in the source country at a maximum rate of 15 per cent.

However, in the case of company dividends, the rate is often reduced if the company receiving the dividends holds an equity interest in the company paying the dividends.

Such a reduced rate has been set at 10 per cent for the countries covered here (execpt for Nigeria, where it will be 12.5 per cent).

Regarding interest paid by a resident of one country to that of another country, the rates set out in this bill are 10 per cent in the case of Hungary, 12.5 per cent for Argentina and Nigeria; and 15 per cent in the case of Zimbabwe.

There are, however, a number of exceptions. Interest paid on a bond or similar obligation of the national government, a political subdivision or local authority will be exempt from tax in the country in which it arises.

Also, these treaties (except that with Zimbabwe) contain a provision that will allow interest paid on loans or credits extended, guaranteed or insured by certain state entities (in Canada, for example, by the Export Development Corporation—EDC) to be taxable only in the country where the recipient of the interest payment resides.

These treaties also address the taxation of royalty payments. They provide for a general rate of source taxation of 10 per cent in the case of Hungary and Zimbabwe, 12.5 per cent in the case of Nigeria, and from 3 to 15 per cent in the case of Argentina, depending on the nature of the royalty.

Copyright royalties are exempt under the treaty with Hungary.

There are also a number of other matters dealt with in these tax treaties, such as capital gains. The treaty provisions dealing with capital gains reflect the standard Canadian position enabling the source country to tax profits from the sale of real estate, business assets and shares in real estate companies.

Second, non–discrimination. Under the conventions, discrimination on the basis of nationality is prohibited. This ensures nationals of one country equal treatment with nationals of the other country in the same circumstances. However, this does not prevent a country from providing fiscal incentives (for example, Canada's small business deduction) on the basis of the residence of the taxpayer.

Third, pensions. Canada has preserved its right to tax pensions paid to residents of the countries covered by this bill. In the cases of Argentina, Zimbabwe and Hungary, the maximum rate of tax applicable in the source country to periodic pension and annuity payments is 15 per cent. In the case of Nigeria, there

is no stated maximum rate of tax applicable to periodic pension payments.

Finally, war veterans pensions are generally exempt from tax under the four treaties.

Fourth, double taxation relief. The treaties provide that in Canada, double taxation of foreign source income of Canadian residents is alleviated by way of a foreign tax credit, in accordance with the limitations provided for in the Canadian legislation.

In addition, devidends received by a company resident in Canada from the exempt surplus of foreign affiliates resident in a treaty country are exempt from tax in Canada. Reciprocally, relief from double taxation is granted in the other treaty country in accordance with the method recognized by that country.

• (1025)

Let me turn now to a final undertaking enacted by this legislation. Bill S–2 will implement a protocol to the tax convention signed by Canada and the Kingdom of the Netherlands in 1986. This protocal updates this existing treaty to take into consideration changes made to the respective laws and policies of the two countries.

For example, in Canada's 1992 federal budget, the government announced it was prepared, in tax treaty negotiations, to reciprocally reduce the withholding tax rate on direct dividends. This was seen as a valuable incentive to encourage direct international investment. And in the 1993 budget, the governement affirmed its desire to negotiate, on a bilateral basis, exemptions from withholding taxes on payments made for the use of computer software.

I am pleased to say that the Netherlands is the first country with which we have signed such an agreement.

Under this bill, in cases where a dividend recipient holds 25 per cent or more of the capital, or 10 per cent or more of the voting rights, of the dividend–paying corporation, the withholding tax will be reduced to 5 per cent from the current 10 per cent. This reduction will take place over a five–year period starting from 1993. As regards interest payments, the protocol reduces the rate to 10 per cent from the current 15 per cent.

As well, the agreement eliminates the withholding tax on royalties for computer software and on interest paid to pension funds.

To conclude, on balance, the terms of the four tax conventions and the protocol provide some equitable solutions to the various problems of double taxation existing between Canada and these countries. Each of these countries hopes to implement the bilateral convention as soon as possible. Consequently, I commend this bill to the House and urge its speedy passage.

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): I welcome this opportunity to speak on behalf of the Bloc Quebecois in this debate on Bill S–2, which, as the hon. member explained, proposes to implement income tax conventions between Canada and Hungary, Nigeria, Zimbabwe, Argentina and the Netherlands.

The purpose of tax treaties is to avoid double taxation of business profits in the case of companies that have branches or affiliated companies in the other country. These treaties are useful and may, in certain cases, apply to trips by Quebec and Canadian performers who go abroad—or even athletes, including hockey players.

It is clear that tax treaties are not something new. They have always existed, and I have the impression they always will, especially in a world that is undergoing globalization.

• (1030)

Tax treaties establish what is called reciprocal treatment between countries with respect to income tax. However, reciprocity is only possible when tax rates for Canadian businesses and businesses in the countries with which tax treaties are signed are more or less equivalent or at least comparable.

Madam Speaker, the first negative aspect I want to discuss today concerning tax treaties is that, because tax rates on business profits in Canada differ greatly from those in countries that are signatories to such treaties, the system has long been considered to be a standing invitation to tax avoidance by Canadian corporations with foreign affiliates.

In fact, countries considered tax havens, such as Barbados, Cyprus, Malta and Singapore, to name only a few, have signed tax treaties with Canada. The tax rate applied in these tax havens is much lower than in Canada. This means, as was pointed out by the Auditor General in his 1992 report, and I quote:

> Income earned in countries that are tax havens—

—like the ones I just mentioned—

> —and that are designated by order in council can enter Canada tax free, even if it was not taxed or only taxed at a very low rate.

Still according to the Auditor General, the Department of National Revenue is aware of a number of taxpayers who have used this scheme to be in a position to move $500 million into Canada tax free. Quite frankly, this is outrageous. Earlier, I was amazed when I heard the presentation on Bill S–2, in which everything was sweetness and light, and I sat there wondering whether the members opposite were completely oblivious to the real world of tax treaties.

Madam Speaker, another reason, and this concerns the second negative aspect, why the Bloc Quebecois has been asking for a review of all our tax treaties is to pinpoint cases where tax rates on business profits are comparable to those in Canada and preserve only those treaties. The point is that the foreign income of a Canadian corporation, which is tax exempt or taxed at a very low rate, when paid in the form of dividends to Canadian

shareholders, is eligible for the same federal tax credit as dividends paid by a Canadian company operating in Canada, whose income is taxed in Canada.

We have often raised the problem of tax inequities between individuals, Quebecers and Canadians, but here we are dealing with an unfair tax situation affecting corporations based in Canada who decide to invest in Canada, to create jobs in Canada, to generate profits and to be good corporate citizens. All the while, other corporations decide to set up foreign affiliates and, through their investments abroad, benefit from tax exemptions here in Canada. These exemptions are generous, if not more generous in fact, than those enjoyed by corporations striving to create and fuel economic growth.

These inequities clearly act as a disincentive to economic development here at home. There is no question that preferential treatment is given to foreign investments by Canadian residents.

If this is how we plan to develop the Quebec and Canadian economies and employment, then I think we have taken a wrong turn. This situation is clearly unacceptable.

The third aspect of the tax convention legislation that caught my eye is the fact that pursuant to this act, a Canadian-resident corporation can deduct interest on funds it borrows for the purpose of investing in a foreign affiliate. Here again, investments made in Quebec and in Canada are afforded unfair treatment, all because of tax conventions signed between Canada and various countries considered tax havens.

Corporations that invest in tax havens avoid taxation in two ways: first, they can deduct some of the interest on funds borrowed and second, they can bring their profits, which were either not taxed at all or taxed only sparingly abroad, back into the country.

• (1035)

Mention is made of taxation rates that vary anywhere from 3 per cent to 10 per cent in some cases. These corporations are taxed little, if at all, abroad and enjoy tax-exempt status in Canada. The tax convention system is full of holes and has been for some time now.

According to the Auditor General, and I quote:

> That deduction of interest reduces Canada's tax revenue and, at the same time, the related income.

It is precisely this related income which is tax exempt in Canada. Speaking of income related to this investment,

> It may be received as a tax exempt dividend and may never appear in the Canadian tax base.

In times of serious financial crisis such as we are now facing in Canada, the government should not be encouraging corporations to invest their money abroad. Instead, it should be creating incentives to promote investment here at home, to develop employment and to fuel economic growth. In almost all instances, tax conventions clearly do not help us to achieve this objective.

Allow me to describe some of the other problems associated with tax havens. Some Canadian companies use stratagems to avoid paying their fair share of tax in Canada such as upstream loans or revenue stripping, as these methods are called in business jargon. Let me explain.

For one thing, these schemes enable Canadian companies to avoid tax by transferring the losses of foreign subsidiaries to the Canadian parent. In other words, if a Canadian company has a foreign subsidiary, the losses incurred abroad are brought home to Canada and included in calculating the Canadian company's tax.

Secondly, they allow Canadian companies to avoid tax by sending the income of Canadian corporations abroad, which works the other way. Some Canadian companies make profits in Canada, export these profits to countries where they have a subsidiary and with which a tax convention has been signed, thus avoiding paying tax in Canada.

Thirdly, these stratagems enable Canadian companies to avoid Canadian tax by making the income of Canadian corporations exempt.

The history of tax conventions between Canada and the signatory countries is full of horror stories which we are unused to reading about in the Auditor General's reports and which enrage us. Let me tell you a few of them, taken from the Auditor General's report for 1992.

> A Netherlands Antilles subsidiary of a Canadian company had assets of $865 million and income of $92 million not subject to the foreign income rules. Although the income of the foreign subsidiary has not been taxed at a rate that approximates Canadian rates, it can be transferred to the Canadian parent as tax-free dividends. The offshore income is not taxed on entering Canada, but it carries with it federal tax credits on dividends paid out to Canadian shareholders. The Canadian parent incurred the financing costs for its investment—

—it was still on Dutch territory—

> —in the subsidiary and reported a tax loss of $29 million.

With the huge financial problems we have, it is as if we suddenly decided to send $29 million abroad, as if we deliberately drove capital away, as if with all the loopholes in the tax conventions, we deliberately caused a revenue shortfall for the federal government, when the situation could be corrected quite quickly and easily.

Let me give you another of these horror stories, again taken from the Auditor General's report:

A Canadian company transferred $318 million in investments to its Barbados subsidiary. In six months this $318 million brought in revenues of $37 million exempt from foreign income regulations.

• (1040)

Even if the subsidiary's revenues were not taxed at a rate similar to the Canadian rate, namely 3 per cent, they can be transferred to the Canadian parent company as exempted dividends. Foreign income would then be tax–exempt on entering Canada, even if no, or practically no, taxes on this income were paid in Barbados. This net income is not subject to any taxes on entering Canada.

The Canadian parent company of this subsidiary also incurred financing charges for investing in its Barbadian subsidiary and reported—without generating any economic activity in Canada—fiscal losses in Canada. Again, we are losing millions of dollars in tax revenues when we do not need these tax losses. Everyone will agree that we really do not need them. With a $507 billion debt and a deficit that will exceed $40 billion, I think we should not hurt ourselves intentionally. Only masochists can present such tax convention proposals in a sentimental manner. As they say in my riding, no wonder things are not going well at the shop.

No exhaustive studies have been done on the 52 or 53 tax conventions now in effect between Canada and certain countries, but the Auditor General gave us a general idea of the tax losses they can result in. According to him, Canadian businesses that, in 1990, invested close to $92 billion in non–resident companies with which they have a non–arm's length relationship may have benefited a great deal—he does not give the proportion as there are no exhaustive studies on this—but it probably led to tax losses such as I mentioned earlier.

As the Auditor General pointed out, some investments are probably quite legitimate and totally above suspicion, but others are not. They may be legal but they are not legitimate given the federal government's financial position. In 1990, for instance, $5.2 billion was invested in businesses located in Barbados, a well–known tax haven. These investments in Barbados generated $400 million in tax–free dividends.

Here is another example: $10.9 billion was invested in businesses in Cyprus, Ireland, Liberia, the Netherlands and Switzerland, which are also considered tax havens. These investments brought in over $200 million in tax–free dividends, so that Canadian shareholders could benefit from the tax exemption on dividends paid to Canadian residents.

We must realize that much if not most of these so–called investments in these tax havens are made so that Canadian parent companies can avoid Canadian taxes and contribute to the deterioration of public finances already damaged by several years of budget carelessness on the part of successive governments here in Ottawa.

We can reasonably conclude that, as the Auditor General pointed out, the Canadian government—again, they are proving us right by presenting Bill S–2, which renews and introduces similar tax conventions—intentionally deprives itself of hundreds of millions of dollars in annual tax revenues.

The problems related to tax conventions have been known for a long time, mostly by the people opposite. And I would like to point out how long this kind of inconsistency, how long the problem of tax avoidance under tax conventions has been known. You should not laugh because public finance management is far from rosy, as is the way you treat Canadians by maintaining such a shameless system and by cutting social programs by $7.5 billion over the next three years.

• (1045)

The problem of tax avoidance under conventions has been well–known for a long time. For example, in 1987, the Department of Finance announced that it would review the taxation of affiliated foreign corporations. These studies were never carried out.

In 1989, the public accounts committee stated that the Department of Finance should ensure that tax avoidance under tax agreements be closely monitored and that solutions be proposed. Again, that was in 1989 and we are still waiting.

In 1992, in his comments on the Auditor General's report, the Minister of Finance clearly indicated that he had no intention of tackling the problem, even though he was aware of it.

In December of the same year—and the hon. members opposite should listen carefully to this—Jean–Robert Gauthier, a veteran Liberal member of Parliament, who was then chairman of the public accounts committee, said that what really concerned the committee was that the Department of Finance had taken no steps to eliminate, where possible, the tax avoidance schemes used by foreign subsidiaries. Mr. Gauthier, who is still a member of the Liberal Party of Canada, added that, in his opinion, the problem was not a new one; it had simply resurfaced.

Not only does Bill S–2 renew such conventions without an appropriate review of the opportunities for tax avoidance in countries considered to be tax havens but, on top of that, nothing was done by the government since it came to office to try somehow to save even a part of the hundreds of millions of dollars which are lost because of tax avoidance schemes linked to these agreements.

The Minister of Finance was quite pleased with himself when he tabled his first budget—a budget which has since been disavowed by the Prime Minister of Canada. The finance minister then said that his budget included amendments which would enable the government to alleviate the problem related to tax conventions.

However, this was just another performance put on by the stand–up comic that the Minister of Finance is when it comes to our economic policy.

Sure, some changes were made, but not to avoid the loss of hundreds of millions annually, and not to avoid problems which exist and which we have been aware of since 1982.

The measures taken will definitely not solve the problem and I urge the government to review all of the 52 or 53 tax conventions signed with other countries. These countries are not all tax havens, but many are and they deliberately deprive us of tax revenues.

It is a thorough disgrace to maintain such a system without an adequate review, especially when you consider that the system has been criticized for a long time by the Auditor General, by the Liberals when they were in office, and even by the various finance ministers, who pledged to do something but never did. It is unacceptable and it is even a disgrace to tolerate such a flawed system, especially when you consider that the recent budget puts a heavier burden on people who should not have to bear that burden. Indeed, the unemployed will contribute $5.5 billion through reduced benefits and fewer insurable weeks.

The government puts the burden on those who should not have to pay, since these people are already living in poverty because their government is unable to give them jobs to support their families and get their dignity back.

Neither was it necessary to take this other shameful measure, which consists in reducing by $2.5 billion, over the next few years, established programs financing. Again, this is not where the government should have looked to find the money it needs.

Nor should it reduce, cut and even eliminate the tax credit for seniors. These people do not deserve such treatment. They should not have to pay for the financial problems of the Canadian government, considering that they have already contribution so much throughout their lives and that the government persists in tolerating tax avoidance through these tax conventions.

• (1050)

The government also did not have the right to shift the burden of the deficit or to demonstrate such a lack of control and imagination in getting a handle on public finances. There was no need to make the provinces pay for the deficit by capping or freezing equalization payments, for instance. Canadian provinces have already lost $ 1.5 billion.

Bill S–2 has nothing to do with the tax agreement reform we have been calling for since the beginning of the election campaign which saw us become the Official Opposition in this House.

Before endorsing any new tax agreements or renewing any existing ones, I call on my colleagues and on the government to embark on a complete, total, in–depth review of such agreements and of the countries which are party to them.

My colleagues and I have nothing against Hungary, Nigeria, Zimbabwe, Argentina or the Netherlands, but in view of the financial burden Canadians and Quebecers must shoulder, one should not waste money on purpose or create a situation where we lose several hundred million dollars a year in tax revenue. What we need is to develop a sense of responsibility which has been totally lacking since this government came into power on October 25.

These people do not act responsibly. Not only do they shift the burden of the debt onto the shoulders of those who should not have to carry any more but, due to their incompetence, they cause Quebecers and Canadians to lose billions of dollars because of the uncertainty they create on financial markets. As we saw recently, not only did they take money away from people who did not deserve it, they did not even manage to please financial community, which found nothing in this government's first budget that would allow it to put its financial house in order and give some credibility to a government that is completely out of it.

As one of my colleagues said, not only has it failed to close the tax loopholes provided by these agreements, even though it is doing an about–face, having itself condemned this form of tax avoidance in the past, but it is doing nothing to get rid of shameful schemes such as family trusts.

As we said before, it is becoming increasingly clear that this government is starting to behave like the previous one, favouring its friends, and the businesses which pour thousands of dollars every year into the Liberal coffers. As long as the issues of party financing by the public and lobbying are not settled, in a true democratic manner, that is, we will keep on having this kind of inconsistency and tomfoolery which causes us to lose money when we are in no position to do so.

Therefore, Madam Speaker, we will vote against Bill S–2 not, as I said earlier, because we have something against these countries, but because we want the government to review tax agreements as a whole.

[*English*]

Mr. Jim Silye (Calgary Centre): Madam Speaker, I rise today on behalf of the Reform Party to address Bill S–2 which in essence establishes conventions between Canada and a number of other countries so as to prevent income tax evasion and double taxation of workers from Canada, Hungary, Nigeria, Zimbabwe, Argentina and the Netherlands while working abroad in these countries.

After listening to the hon. member for the Bloc Quebecois who just delivered his comments, perhaps a lot of us will be looking at how to enter into an arrangement with the Barbados and making a deal there since its taxation system is so favourable.

My party supports Bill S–2 but would like to point out to members in both Houses, this House and the other place, that there are millions of Canadians who do not work abroad who could surely use a break from the high taxes they are forced to pay at the federal, provincial and municipal levels. Implementing tax conventions between Canada and countries like Hungary is noble, but what about implementing similar conventions between federal, provincial and municipal levels of government within our own borders, ensuring that the Canadian taxpayer is not overburdened with double taxation?

• (1055)

For instance, the agreement between Hungary and Canada is 20 pages thick. I read it because my parents are Hungarian, I speak Hungarian, and I have a bit of a vested interest in Hungary and what happens there. If the principles in this agreement between Canada and Hungary were looked at and reviewed by this Liberal government, and it tried to negotiate and apply some of these principles with the provincial governments, what it would gain from that are the principles that would lead to removal of some of the interprovincial barriers to trade. That could save the country, our country, our economy and our taxpayers. The cost of doing business could be reduced by $4 billion to $5 billion.

One of the most common complaints about the goods and services tax that has been raised in finance meetings is the fact that when people purchase goods they are hit with a provincial sales tax of between 8 and 12 per cent and a GST of 7 per cent. In the eyes of most Canadians, this is seen as a double hit on their pocketbooks and has encouraged them to take billions of dollars in taxable revenue underground.

At a meeting in Vancouver either yesterday or today there is a presentation on the underground economy and the value of it. Why does one exist? It exists because this House and this government is continuing the practices of tax and spend and has not addressed the real issue of reduced spending, spending cuts, putting the money back into the taxpayers' hands so people would be willing to pay taxes on an equitable and fair basis and not go into the underground economy. It is becoming too expensive to be honest in this country. Even the finance minister has acknowledged that fact.

In the eyes of most Canadians the double taxation system with sales taxes, hidden taxes and income taxes is more than a double hit on their pocketbooks. It is a triple, quadruple whammy and it has encouraged them, as I said earlier, to deal in ways that they can save money.

According to *Canadian Business* magazine: "Canada now enjoys the dubious distinction of imposing one of the highest taxation rates among the group of seven industrialized countries".

I hope the government does not follow the practices of the previous Conservative government of always quoting the group of seven nations and how the United Nations said that this country is number one. We are no longer number one in anything except high spending on a per capita basis.

When will the government wake up and realize that the present system of tax and spend will no longer be tolerated by investors, lenders and consumers?

One of my constituents wrote in reply to a questionnaire that I sent out: "Only the federal government could find ways to make people pay for the privilege of living more simply and moderately".

For too long governments have forced people to live within their means and exercise fiscal restraint while politicians have lived in the world of guaranteed pensions and expensive junkets. While many Canadians are sitting around the kitchen table planning a budget, deciding what they need versus what they want, members of Parliament have travelled the globe, costing taxpayers millions of dollars. Parliamentary committees travel the country, justified on the basis that they are consulting with the people.

The cost of all these committee travels, combined with the junkets, is not in the millions of dollars, it is over a billion dollars. Yet the government will not look at ways and means of saving the taxpayers' money and getting input from taxpayers through householders or through visiting their constituencies every once in a while and finding out what they want.

It takes the Clerk of the House to look at ways and means of saving money for committees. It is a noble effort on the Clerk's part and the government should be looking and encouraging more effort on that basis.

How many trips have there been by members of Parliament, their spouses and their aides to Hungary, Nigeria, the Netherlands, Argentina, or Zimbabwe to hammer out the particulars of S–2?

• (1100)

I was invited to go to Hungary as a parliamentarian. I speak Hungarian. It would have been a wonderful opportunity to visit the country where I was born, but I turned it down. I turned it down because there was nothing to be gained there. There is more to be gained here. If they want to do a deal with us they can come here.

By doing that I hope I have sent the message that we will co–operate with other countries but we have problems to solve at home without trying to solve other people's problems for them. They have a responsibility to work on that themselves, including Hungarians.

Bill S–2 is largely a housekeeping bill. The federal government should consider housekeeping measures in our income tax system. It should stop dusting around the edges. I encourage

government members to take their gloves off and start throwing things out, such as unnecessary programs.

The Liberals should start by throwing out the Income Tax Act with its over 2,500 pages. They should develop a new proportional simple tax based on equity and understanding. It should be geared to family size, the amount of income and the family's ability to pay taxes on that income.

It is our high taxation level that is responsible for people fleeing to countries like those mentioned in Bill S–2. That is why the government is forced to draw up these conventions.

We have a system of overseas tax credits. People who work outside Canada for extended periods it is believed ought not to pay full taxes since they do not consume their full share of government services. That virtually eliminates tax on 80 per cent of their total income if they have been out of the country for six months.

On that basis an engineer making $70,000 would barely pay $7,000 whereas that engineer working at home would pay $23,000. When I questioned a certified accountant in my riding of Calgary Centre he told me about this and that it is a huge incentive. It makes it worthwhile for people to leave their families and work in Russia or Hungary for half the year to make this extra income.

The nature of this bill is technical and serves to provide a better understanding between Canada and foreign countries. Let me leave the government with some constructive questions that arise out of reviewing this bill, which I hope will lead to some improvements for Canada.

Bill S–2 is a good first step. But why are we only signing on with the countries mentioned in the bill and not some of the emerging markets we will be trading with in the future?

The reason for these conventions is that tax evasion exists in Canada due to our comparatively high level of taxation. Is the government willing to prevent this problem from occurring by bringing our tax level in line with other countries?

Is it realistic to expect these conventions to be workable when Canada's tax system is considerably more complicated than the countries we are signing conventions with?

Is our high taxation level responsible for people fleeing to these countries and is that why we need these conventions? My answer to that is yes.

In conclusion, it is Canada's high tax burden which must be addressed in order to attract investment in Canada and have a positive net cash flow of foreign investments to add to our gross national product.

The Acting Speaker (Mrs. Maheu): Is the House ready for the question?

Some hon. members: Question.

• (1105)

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

Some hon. members: Agreed.

Some hon. members: On division.

(Motion agreed to, bill read the second time and referred to a committee.)

* * *

CRIMINAL CODE

The House proceeded to the consideration of Bill C–8, an act to amend the Criminal Code and the Coastal Fisheries Protection Act (force) as reported (without amendment) from the committee.

The Acting Speaker (Mrs. Maheu): I have a ruling by Mr. Speaker on Bill C–8, an act to amend the Criminal Code and the Coastal Fisheries Protection Act (force).

SPEAKER'S RULING

The Acting Speaker (Mrs. Maheu): There is one motion in amendment on the notice paper for the report stage of Bill C–8, an act to amend the Criminal Code and the Coastal Fisheries Protection Act (force).

MOTION NO. 1 WILL BE DEBATED AND VOTED UPON.

[*Translation*]

Mrs. Pierrette Venne (Saint–Hubert) moved:

Motion No. 1

That Bill C–8 be amended in Clause 1 in the English version by replacing line 30, on page 2, with the following:

"grounds that the inmate or any other inmate of the".

She said: Madam Speaker, the amendment I am proposing this morning is very simple not only because it is short and self–explanatory, it is simple in every way. It proposes a simplification of the wording of the bill. In other words, I am suggesting we express what is clear in clear terms and that we state the two possibilities separately in both official languages. I am trying to give the legislative purpose of the bill a comparable, equivalent and similar form in the two official versions, French and English.

I am not questioning the content of the bill because I agree with it. I do not feel that these amendments to the Criminal Code will modify the state of the law. They simply give a structure to parameters the courts have already established around section 25 concerning the use of deadly force by policemen.

I am not convinced that all policemen will submit themselves to the five–step test imposed by the bill when faced with a life and death situation; on the other hand, I do not think this new legislation is changing anything much. Our consultations with

the judiciary and police forces have shown us that the spirit of the bill is accepted almost unanimously. It is not the content which is questionable but the form.

This bill gives us the opportunity to discuss a very serious legislative problem, a problem in the drafting of legislation. For a few years now, federal bills have taken on a very specific style in each of the two official languages and I am not talking about their literary aspect. I invite members to read at random parts of federal legislation.

Earlier this week, during the debate on Bill C–7, I commented on this obscure new drafting technique. I will certainly come back to it some other time. Let me just say for now that any piece of legislation, particularly in the case of criminal law, must be easy for ordinary people to understand.

What concerns me in the case of Bill C–8 for which I am proposing an amendment, as for all federal legislation, is the fact that the French and English versions generally do not match. My amendment is very simple and proposes to make both texts identical, not only similar or comparable but absolutely identical.

The statutes of Canada are enforced all over the country and both versions are equally official. They are enacted, printed, and published in both official languages. According to the Official Languages Act, both versions are "equally authoritative".

• (1110)

It must then be concluded that, where the English and French versions are diametrically opposed, two different laws must apply. Besides, the Official Languages Act itself illustrates that point perfectly as it includes its own contradictory clauses. Members of the House will understand what I mean merely by skimming through that act.

In Canada, we really have two official languages acts, just as we usually end up with two laws whenever we adopt a particular piece of legislation. No doubt, this situation is unique in the world, and we must make do with it, for better or for worse.

As I just said, even the Official Languages Act has two different official versions. Section 13 of the Act, which declares both versions equally authoritative, does not say it with the same meaning and effect in French and in English.

As one might expect, since the Official Languages Act has two official contradictory versions, so do all federal enactments.

For example, in the English version of Bill C–8, section 25(5) authorizing the use of deadly force against an inmate who is escaping reads as follows: "any of the inmates— poses a threat of death— to the peace officer or any other person—"

In the English version, the threat of death comes from all inmates and is directed against the peace officer concerned and any other person. In the French version, the peace officer can use deadly force against that inmate and any other inmate.

We understand that "all inmates" includes the inmate who is escaping. We also understand that, in spite of a different wording, the peace officer is justified in using deadly force whenever he is threatened by an inmate who is trying to escape.

But why must we say it differently in English and French? Why must we always complicate things and risk creating confusion? "Any of the inmates" does not mean "*ce détenu et tout autre détenu*". We must say clearly "*un détenu*" to translate "any of the inmates", or "this inmate and any other inmate" to really translate "*ce détenu ou tout autre détenu*". Let us stop complicating simple things.

That is the purpose of my amendment. As I said, it is simple and it is aimed at ensuring simplicity, and, if I may say so, at ensuring clarity and agreement between both official versions.

[*English*]

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Madam Speaker, the member for Saint Hubert is proposing to amend the English version of Bill C–8 to bring the wording closer to the French version.

Legislative drafting takes place parallel in English and French. Each official version conforms to and reflects the genius, spirit and rules of each language. Neither version is the literal translation of the other nor is it meant to be. Therefore, formal discrepancies are inevitable.

The language in clause 1 as in other clauses is meant to be in plain language to the extent possible. The language in the French and English versions is used to express the intent of the legislation with the utmost clarity and precision, respecting grammatical rules and seeking to avoid undue repetitions and the use of more words than are necessary.

• (1115)

The use of the words "any of the inmates" in line 30 is short and clear and easy to understand. To add the extra words in English, as proposed by the hon. member, just in order to achieve a literal English translation of the French, adds nothing of substance and serves only to detract from the current English plain language version and therefore cannot be supported.

The Acting Speaker (Mrs. Maheu): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mrs. Maheu): The question is on motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Maheu): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Maheu): In my opinion the nays have it. I declare the motion negatived.

(Motion No. 1 negatived.)

Hon. Ethel Blondin–Andrew (for the Minister of Justice) moved that the bill be concurred in.

(Motion agreed to.)

The Acting Speaker (Mrs. Maheu): When shall the bill be read the third time? By leave, now?

Mr. Gagliano: Madam Speaker, there has been agreement by the three parties that we proceed now with third reading.

The Acting Speaker (Mrs. Maheu): Is there unanimous consent?

Some hon. members: Agreed.

Ms. Blondin–Andrew (for the Minister of Justice) moved that the bill be read the third time and passed.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Madam Speaker, it is a great pleasure to speak on behalf of Bill C–8 at third reading. I hope this bill will receive support from all sides of the House.

Bill C–8 marks a significant advance forward from the anachronistic fleeing felon rule. In addition, it preserves the ability of the police to protect themselves and the public from serious harm or death. As well, this bill balances the ability of police officers to maintain the safety and security of the public while respecting the rights of Canadians.

Hon. members should know that Bill C–8 has the support of the Canadian Association of Chiefs of Police and the Canadian Police Association. The Canadian Association of Chiefs of Police believes that Bill C–8 responds to the need for change in a way that provides police officers with the necessary tools to do their jobs in dangerous situations, while at the same time places on police officers the responsibility when using deadly force against fleeing suspects to do so in the circumstances which would be permitted by the proposed new subsection 25(4) of the Criminal Code.

The Canadian Police Association expressed the view that the legislation is balanced and accords with commonly accepted police practice. It deals with the uncertainty caused by a decision of a court in Ontario that concluded that the present subsection is unconstitutional.

• (1120)

Both the Canadian Association of Chiefs of Police and the Canadian Police Association are comfortable with the wording in the proposed new subsection 25(4).

Bill C–8 also addresses the types of situations that arise when peace officers in federal penitentiaries use force to prevent potentially dangerous inmates from escaping custody.

With the proposed new subsection 25(5) of the Criminal Code, Bill C–8 strikes a sensible balance between individual rights and community needs and guarantees that peace officers in our penitentiaries will continue to enjoy the authority they need to carry out their responsibility for the protection of society.

Finally, the bill would also amend the Coastal Fisheries Protection Act to provide express statutory authority for a protection officer to use disabling force against a fleeing foreign fishing vessel in order to arrest the master of the vessel. This amendment will ensure that the Department of Fisheries and Oceans is able to maintain this deterrent to foreign vessels' fishing illegally inside Canada's fishing zones.

The amendment includes the authority to create regulations establishing the procedures governing the use of disabling force.

The government intends to develop these regulations so that they will be consistent with the Canadian Charter of Rights and Freedoms and with recognized and reasonable international practice in the use of disabling force at sea.

This will include a guaranteed use of force to ensure that only the minimum level of force necessary to carry out an arrest is used.

I hope that hon. members will provide this bill with their support.

[*Translation*]

Mr. Jean H. Leroux (Shefford): I would like to state the position of the Official Opposition on Bill C–8, an Act to amend the Criminal Code and the Coastal Fisheries Protection Act.

First of all, this bill would amend section 25(4) of the Criminal Code, which specifies the degree of force peace officers can use to apprehend a fleeing suspect or an inmate trying to escape from a penitentiary.

Second, Bill C–8 would amend the Coastal Fisheries Protection Act to provide express authority for an officer to use force to disable a foreign fishing vessel whose captain is trying to escape.

As members undoubtedly know, this far–reaching piece of legislation has been a very controversial issue in Canada for a number of years now.

I will start by addressing the first part of the bill. The use of force by police officers to arrest fleeing suspects involves a number of social issues.

Obviously, law enforcement is at stake. For the public's sake, criminal law must be enforced and offenders must be arrested and prosecuted.

I recognize that we need to provide police officers with the tools they need to do their work, to protect themselves and to protect the citizens. However, law enforcement goes beyond ordinary police work. According to a very basic principle, it is up to the legal system to try the accused and to sentence the guilty.

When police intervention causes death, as it does from time to time, that principle is encroached upon at the expense of society.

• (1125)

Sometimes, it also goes against the will of the people who are asking for an overall reduction in the force used by police officers.

When less violent and objectionable police techniques can be efficiently used, it is in the interest of society to do so. There is always the possibility that an innocent individual, mistaken for a fleeing suspect, can be killed or harmed.

The population must also think about its own security. Two possible scenarios come to mind. On the one hand, dangerous criminals trying to avoid being arrested can put people at risk.

In such a case, there may be good reasons to risk causing grievous bodily harm to the offender, given the likelihood that he would inflict a lot of pain on people if he escapes.

On the other hand, when you are dealing with an offender who is not a public threat, or at least not a very serious one, public security would be more at stake if police officers were to use force to arrest the suspect, either by firing in the air or aiming at a fleeing car, instead of using less violent measures, at the risk of losing their suspect.

In the last few years, we have had to face another public policy issue following allegations that police forces are mistreating visible minorities.

When people are under the impression that the police are treating visible minority suspects differently, it can often create tense situations.

It is in the best interest of our society to reduce the use of force so as to avoid provoking anger among minorities and touching off a crisis.

So, we agree with the bill, which clarifies the criteria set for the use of force by peace officers against fleeing suspects, thus confirming the practice applied in the last few years.

Nonetheless, the use of the terms "imminent or future" in section 25(4) leads to abuse.

We would have liked the government to clarify these terms, which appear rather ambiguous to us.

The second part of my speech concerns changes to the Coastal Fisheries Protection Act. Indeed, according to the Criminal Code, peace officers are allowed to use force in arresting an escapee.

We support this principle in the context of the Criminal Code, but we consider this approach not to be convenient for the fisheries.

We feel there is a huge disproportion between the various aspects of Bill C–8 and the scope of these measures.

The situation is tense in the fishing industry and the use of force to disable a foreign fishing vessel could result in an escalation of violence.

Moreover, the bill does not provide for the use of necessary force to disable a Canadian vessel, on grounds that other measures exist to track down offenders in Canada. This is an outright negation of the very purpose of this bill.

The use of force to disable a vessel is not the most efficient means to put an end to foreign overfishing. In the past, the use of warning shots has not permitted officers to board delinquent foreign vessels to inspect them.

• (1130)

Consequently, protection officers could be tempted to use more force, which could in turn lead to an escalation of violence.

Trying to show the international community how determined Canada is to put an end to illicit practices is a commendable objective. However, there are risks attached to it when the problem of unlawful fishing is not solved at the root.

Illegal fishing cannot be stopped without the help of foreign countries. Negotiations with the international community should continue since, as we all know, Canada cannot legislate in an international zone. Therefore, negotiations are the only recourse.

Madam Speaker, it is possible, through bilateral and multilateral agreements, to obtain the support of foreign governments in order to penalize shipowners who would chance to fish illegally in Canadian waters. Sanctions would have to be severe enough to deter offenders.

Although such cases are rare, we can put an end to this without jeopardizing the life of crew members. Disabling a vessel at sea is not as simple as it seems.

Even though we have all the necessary means to identify offenders, the government should rely on the cooperation of foreign governments instead. The amendment to the Coastal Fisheries Protection Act does not give the Canadian government the power to intervene in an international zone where agreements are not respected. The only way of settling the matter is to put in place, with other countries, a system of sanctions.

The addition of clause 8(1) could prompt the Department of Fisheries and Oceans to better equip its vessels so that they have enough striking power to intimidate foreign vessels. These investments are not a priority at this time considering the crying needs of the fishing industry.

Since I do not want to dwell on this, I will conclude by saying that the term "to disable" a vessel must be better defined and that the regulations must put some restrictions on the use of force in order to prevent abuse.

I hope the government will take these remarks into consideration. The use of force involves risks that cannot be taken lightly.

[*English*]

Mr. Paul E. Forseth (New Westminster—Burnaby): Madam Speaker, Reformers will support Bill C–8. We admit we had reservations as the bill seemed at first to be limiting the discretion of the police to do a difficult job. The bill was seen as circumscribing the law around the use of force for fleeing criminals. On hearing the various witnesses and delegations at the committee stage, we are satisfied that the bill responds in a reasonable manner to unfinished business of the charter argument and the ruling of the Lines case.

The bill also clarifies the use of deadly force against escaping prisoners from medium and maximum penitentiaries. Additionally it provides authority to disable foreign vessels fleeing from Canadian authorities.

The bill is a culmination of a process that started in 1979 in the Ouimet committee. In 1989 Ontario race relations and police task forces made observations on the topic. Over the years there has been concern from the Law Reform Commission and the subject was brought to a head by the Ontario Lines case in April 1993 wherein existing sections of the Criminal Code were declared unconstitutional.

The bill catches up to the court and to the manuals of practice and training of current police operations. We had concerns that there was not sufficient consultation at the front line level of peace officers. We still hold that to be true. The bill, although appearing inherently sound, still is a "top down, we know best" piece of work.

• (1135)

It is interesting to note that the civil libertarians and the prisoners rights representatives we heard at committee stage opposed the bill. They want peace officer powers much more strictly circumscribed, as is presented here. Most interestingly it seems that Bloc members were very worried about the fleeing foreign vessel section as they may envision themselves in the future as being categorized as foreign vessels fleeing from Canadian authorities as they challenge sovereignty in disputed waters. The separatist agenda was coming through.

The basic premise of the bill relating to peace officer use of force in the three areas of fleeing criminals, escaping inmates and runaway foreign vessels is proportionality. We hope the bill will bring the right balance. On the one hand peace officers must have the capacity to do their job with authority and on the other the rights of individuals must be protected.

In closing I want to make a strong point to wake up the government. Reformers will vote for the bill as a housekeeping measure. However we hope the justice minister will soon bring forward more than just promises to tighten up the criminal justice system, for in so many other areas all proportionality has evaporated.

The public demands action in view of what it sees as the bleeding heart justice agenda of the government.

The Acting Speaker (Mrs. Maheu): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mrs. Maheu): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

(Motion agreed to, bill read the third time and passed.)

[*Translation*]

SUSPENSION OF SITTING

Mr. Gagliano: Madam Speaker, there have been discussions, and I think that you will find that there is unanimous consent to suspend the sitting of the House until two o'clock.

The Acting Speaker (Mrs. Maheu): Is there unanimous consent?

Some hon. members: Agreed.

The Acting Speaker (Mrs. Maheu): The sitting is therefore suspended until two o'clock this afternoon.

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(The sitting of the House was suspended at 11.37 a.m.)

SITTING RESUMED

The House resumed at 2 p.m.

STATEMENTS BY MEMBERS

[*English*]

ABORTION

Ms. Roseanne Skoke (Central Nova): Mr. Speaker, life begins from the moment of conception and continues until natural death. It is demanded that this Parliament exercise its power, authority and jurisdiction to enact legislation to protect and safeguard the rights and the life of the child dans le ventre de sa mère, the child within the womb.

Be reminded that the preamble of the Canadian Constitution and entrenched charter of rights recognizes the supremacy of God. However, a nation such as ours that condones, facilitates and finances abortion is indeed a nation without a conscience, a pagan nation.

Enact legislation now to guarantee the right to life at all stages from the moment of conception until natural death.

* * *

[*Translation*]

FOREIGN AID

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies): Mr. Speaker, a few days ago, we learned about violent fires raging on Isabella Island in the Galapagos archipelago. Fire is threatening rare species of plants and flowers as well as the breeding sites of the giant tortoises. Ecuador does not have the equipment required to control these fires, which could ravage one of the most important parts of the world's natural heritage.

The government authorities in Ecuador are calling for help and hope that international aid will come quickly. In particular, they ask Canada to mobilize its Canadair water bombers, which all experts say is the only way to end the disaster.

We ask the government to accede to the appeal from the Ecuadoran government and to send water bombers immediately in order to save this wonderful fauna and flora from the ravages of fire.

* * *

[*English*]

WARFIELD POSTAL SERVICE

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, the residents of the village of Warfield have a great deal of pride in their community.

Warfield has a village council, a volunteer fire department, a community hall, a swimming pool, local schooling from kindergarten to grade seven and a variety of stores and services to look after the needs of local citizens. Warfield also has an annual parade in honour of family sports, this year held on June 11.

In short, the village of Warfield has everything necessary to justify its civic pride except one thing. The missing ingredient is an address. All mail sent to Warfield is addressed to the neighbouring town of Trail.

The postal codes for Warfield are unique. No change or new costs would be necessary except to have Canada Post recognize the rights of the citizens of Warfield to have their own name on their mail.

In conclusion, I would like to make it clear that people of Warfield are not looking for a post office or any change in service, only their own identity.

* * *

EVERGREEN FOUNDATION

Mr. Bill Graham (Rosedale): Mr. Speaker, this is Earth Week and on behalf of an organization that is very active in my riding of Rosedale I would like to introduce to the House an important environmental education initiative.

The schoolground naturalization program is a national program of the Evergreen Foundation designed to transform schoolgrounds into natural outdoor classrooms. Many schools across Canada are presently landscaped with asphalt and concrete playing fields and are surrounded by institutional fencing. They look more like parking lots or prisons than schools.

These areas provide little educational value, few community advantages and no environmental or health benefits. Schoolgrounds need to be changed. They must become learning grounds by adding natural areas.

We must better understand the importance of creating better learning environments for our children and work to change our schoolgrounds from bleak expanses of concrete to areas of environmental significance and educational value.

This program of the Evergreen Foundation is doing that. I urge other members to support this initiative in their areas.

* * *

HEALTH CARE

Mr. Roger Gallaway (Sarnia—Lambton): Mr. Speaker, there is in this country a small number of people suffering from environmental illness, or 20th century disease.

This is a malady thought to have causes from working in contaminated sites or in areas where water and air have been contaminated. At the same time, we know that doctors and scientists have a great deal of difficulty in defining exact causes.

The laboratory centre for disease control at Health and Welfare Canada in 1990 recommended that environmental sensitivities need to be considered on a case by case basis with acknowledgement of disability and compassion for the individual case.

Today, four years after this statement, individuals such as Susan Andersen of Calgary are forced to go to centres in Dallas, Texas to live and be treated in special medical centres.

Unfortunately these individuals are not given any financial help by our health care system notwithstanding the fact that there are no facilities for treatment in Canada.

I call on the Minister of Health, along with her provincial counterparts, to find a solution whereby all Canadians are subject to a health care system which is truly universal and to show the compassion suggested by the health department toward these individuals and their families which they deserve in a country which declares to have a universal health care system.

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[*Translation*]

VOLUNTEERS

Mrs. Eleni Bakopanos (Saint–Denis): Mr. Speaker, volunteerism is a well–established tradition in Canada. At this time when human and financial resources are limited, volunteers are even more essential in Canadian society.

• (1405)

On the occasion of National Volunteer Week, I would like to point out the invaluable contribution of organizations like the United Way of Montreal. Thanks to the United Way, many volunteer organizations can develop and continue to provide services to the neediest people in our society.

[*English*]

I wish to take this opportunity to applaud all the volunteers in my riding of Saint–Denis. Organizations like Les Femmes D'ici et D'Ailleurs, the Park Extension Youth Organization, Moisson Montréal, La Maison des Grands Parents de Villeray, to name but a few, have helped to foster a community of caring and co–operation in Saint–Denis.

I ask all my fellow members to support and assist the volunteers in their ridings and encourage them to continue their efforts in helping those most in need.

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OFFICIAL LANGUAGES

Mr. Jean H. Leroux (Shefford): Mr. Speaker, members of the Bloc Quebecois are increasingly concerned that MPs of the other parties are riding a wave of linguistic intolerance. Members from both the Reform and the Liberal parties have presented petitions calling for an end to official bilingualism.

I am shocked and dismayed at this continued use of double–talk by the Liberal Party of Canada. This attitude can only be described as hypocritical. They are saying one thing to their constituents and another when speaking in the House.

Members of the Bloc Quebecois do not support such intolerant and narrow–minded petitions.

Is the Bloc Quebecois the only remaining political party defending the use of both official languages in federal institutions? Is this the new Canada? Do the Liberals have any shame?

* * *

THE LATE FRANK A. GRIFFITHS

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, I rise today to give tribute to the late Frank A. Griffiths, born December 17, 1916, who left us April 7 at 77 years. He is survived by his wife Emily, two sons, two daughters and 15 grandchildren.

An accountant by training, he became a business leader in British Columbia. He built a broadcasting network of radio and TV stations, including from my riding CKNW, B.C.'s most listened to station. His Western International Communications Company included BCTV, 11 radio stations, 2 networks and satellite communications. He also purchased the Vancouver Canucks in 1974. He became vice–chairman of the NHL and was inducted into the Hockey Hall of Fame.

Mr. Griffiths worked for community charities and was awarded numerous citations. His companies also had their own charitable organizations: the CKNW Orphans Fund, BCTV Variety Club Telethon and the Canuck Foundation.

Mr. Griffiths was a builder, a British Columbian who led by example, leaving his community a better place for us all.

* * *

SKOPJE

Mr. Ted McWhinney (Vancouver Quadra): Mr. Speaker, the European union's legal action in the European Court of Justice against the Greek government, because of its non–acceptance of the breakaway Yugoslav republic of Skopje's appropriating the name and symbols of Greek Macedonia, ignores the fact that European union member countries may have contributed to state succession problems in the Balkans by premature recognition of Skopje in conflict with classical international law rules on recognition of new states.

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FUNDY—ROYAL

Mr. Paul Zed (Fundy—Royal): Mr. Speaker, I would like to take this opportunity to congratulate three university athletes from my riding on their recent accomplishments.

John Ryan of Sussex, New Brunswick was named male athlete of the year at the University College of Cape Breton. Dennis Lackie of Smith Creek was named most valuable player at St. Thomas University for its soccer team. David Haley of Sussex corner was named top rebounder for the St. Thomas University men's basketball team.

I would like to join with the families, friends and fans of these young athletes in saluting their success. Their dedication and team work make all three of them positive role models for the youth of Fundy—Royal. On behalf of the people of Fundy—Royal I wish them all the best in their future endeavours.

* * *

PERFORMING ARTS

Mr. John Finlay (Oxford): Mr. Speaker, I rise today to congratulate two acting troupes within my riding of Oxford. The Woodstock Little Theatre recently won the Western Ontario Drama League Festival in London. Another of the main competitors in this event was the Ingersoll Theatre of the Performing Arts.

Both groups gave very creditable performances and the Woodstock presentation will now move on to the provincial championships to be held this May in Cambridge, Ontario.

As an amateur actor myself, I know firsthand the amount of work that goes into these productions. There are always a large number of people behind the scenes who do a great amount of work with much less recognition than those who appear on stage. Together these little theatre people provide live theatre to enthusiastic audiences in many towns and cities across this land. They are to be applauded.

* * *

• (1410)

[*Translation*]

PUBLIC SERVICE ALLIANCE OF CANADA

Mr. René Laurin (Joliette): Mr. Speaker, yesterday, the Public Service Alliance of Canada almost unanimously approved the creation of a regional council for Quebec. We must applaud the vision and courage of this Canada–wide union which, unlike the traditional political parties, has recognized Quebec's distinctiveness.

The Bloc Quebecois also salutes the courage shown by the Alliance, which democratically decided to adjust now to the inevitable changes that the political structures of Canada and Quebec will undergo in the near future.

Yesterday's events confirm that grassroots unionism is a powerful instrument for changing and restructuring realities to bring them in line with people's aspirations.

* * *

[*English*]

IMMIGRATION

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, our refugee system is failing and the minister of immigration is doing nothing about it.

Our refugee determination system with its many levels and dangerous loopholes cannot distinguish genuine from illegitimate refugees. The UN estimates that 60 per cent of our refugees are bogus. Refugee claims are being heard in Canadian prisons. Thousands of real refugees are forced to languish in camps while economic migrants sneak in through the back door.

Through all this, lawyers win big. Canada spends more money on legal aid for immigrants than it gives to overseas refugee aid programs.

Despite the failure of our refugee system our minister of immigration travels abroad to teach European nations how to manage refugee policy. The minister refuses to sign a treaty with the U.S. that would stem the flow of bogus refugees.

I urge the minister to cancel his next European trip, quit trying to convince the U.S. to adopt our refugee policies and get to work in fixing our system.

* * *

NATIONAL VOLUNTEER WEEK

Mrs. Sue Barnes (London West): Mr. Speaker, in this National Volunteer Week I applaud the vital contribution of volunteers in our communities.

Volunteering benefits both parties. It provides self–fulfilment for the volunteer. The volunteer performs numerous tasks that otherwise could not be done. Participation by volunteers in our society strengthens the interrelated fabric of our communities.

Over 13 million Canadians are involved in volunteer work either on their own or through an organization. Canadians contribute over one billion hours in time to voluntary organizations, the equivalent of 617,000 full time positions. Translated into a 1990 dollar equivalent, the collective value of this volunteer time is $13.2 billion annually.

It is important to thank these selfless people who enrich and serve our country through their generous sharing of time and talents.

Bravo, fellow Canadians.

* * *

TRADE

Mr. Wayne Easter (Malpeque): Mr. Speaker, I was shocked and angered last night to hear United States Senator Kent Conrad suggest before a United States hearing that the United States should retarget its Minuteman missiles against Canada to deter us from our trade initiatives.

This attitude and threatening rhetoric by the Senator and some of his American colleagues is both out of line and unsubstantiated. The facts are that Canada has been proven four times to have been a fair trader, once by the U.S. General Accounting Office, once by the U.S. International Trade Commission, once by COSTA and most recently by an international audit.

Senator Conrad should look in the mirror and see where the real problem lies and that is with the use of the export enhancement program in which they subsidize prices in the international market, drain their supply short, and naturally when they are short stocked we are going to as fair traders move stock into that market.

Senator Conrad should be wise and refocus his policy.

* * *

THE ENVIRONMENT

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, tomorrow, April 22, is Earth Day and although polling experts say that eight out of ten Canadians are deeply concerned about ecological issues the present public policy agenda has been completely taken over by economic concerns, the debt and the deficit, social programs and unemployment.

Although these issues are important their significance pales next to the long term significance of a healthy and sustainable environment.

• (1415)

It is time we acknowledged it is not only the federal deficit that threatens future generations of Canadians. If we destroy the earth's ability to support our way of life there definitely will be fewer jobs and social programs. The economic issues that preoccupy public policy makers now will be completely irrelevant.

Therefore, on Earth Day I urge all Canadians who are concerned about the environment to continue to try to keep it at the top of the public agenda. It is only through constant attention that the environment will be placed high on the government's list of priorities.

DIRECT DEMOCRACY

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, the city of Rossland, British Columbia has regularized direct democracy through the use of citizens initiatives.

Rossland has adopted a constitution that gives taxpayers the right to challenge council's decisions. It has energized community participation, protected the public process from interest groups, saved taxpayers money and surprise, it has not resulted in irresponsible decisions.

One hundred and fifty years ago politicians wondered aloud if lay people could be trusted to vote. A century ago they questioned whether women could handle the power of suffrage.

Today some politicians ask the question: Can the average citizen be trusted to make decisions between elections? Well history reveals and the experience in Rossland confirms that the answer is a resounding yes.

Let us put aside our private political agendas and get on with the agenda of the people by giving citizens a way to challenge and even initiate federal legislation.

ORAL QUESTION PERIOD

[*Translation*]

SOCIAL PROGRAM REFORM

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, last night in Toronto, the Prime Minister told his audience what he thought of the unemployed and people on welfare. To him, these are unproductive people who, and I quote, "sit around at home drinking beer". That is how the leader of this government referred to people who feel rejected and insecure because they have lost their jobs and have very little hope of finding new jobs in spite of all their efforts. Coming from anyone else, such comments would be unacceptable, and they are even more so, coming from the Prime Minister.

I want to ask the Prime Minister, who has discredited those who are suffering the most in Canada and Quebec, to withdraw his insulting remarks and specifically apologize in this House today to those he so offended.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, if the Leader of the Opposition would read the whole speech, I also said that people on welfare and unemployment insurance have only one desire, and that is to have the dignity of work, and that they do not want to sit around doing nothing. Perhaps the term I used was unfortunate, but I did mention, and that was the theme of our election campaign, "the dignity of work". I said there were people who were at home doing nothing, and I could have said it differently. If this was offensive, I apologize. What I meant and what I said repeatedly during the election campaign

and what I say when I travel across the country today, is that people want all governments and all members of this House to work together to create jobs. They are sick and tired of partisan squabbling. Instead of concentrating on the real issues which are about giving everyone dignity and jobs, they talk about independence, separation and constitutional problems, at a time when people want jobs. These people want to work. If I offended anyone, I apologize. The hon. member should have read the whole speech. It is a reflection of our election platform—dignity and work.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, it was not a slip of the tongue, because the Prime Minister also said that he wanted to break the current attitude of the unemployed.

I think the Prime Minister would have gained in stature if he had simply apologized today. The case would have been closed, and we would have gone on to other matters.

How can he stand there and refuse to apologize and withdraw what he said, when in his election campaign, he promised the needy and the unemployed he would give them renewed hope and dignity? His reference to people sitting around drinking beer reflects prejudice and contempt.

• (1420)

Should we be surprised that this government is so insensitive and so intent on attacking social programs—the Prime Minister's strategy to break the attitude of the unemployed?

What kind of message is being sent to potential employers who may want to hire these unemployed workers, when they are told they are lazy and good for nothing?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, if the Leader of the Opposition had read the text or had been there, he would have known that I said Canada's workers are the best. I said that Canadians spend the most on training and giving people the advantage of a university education, and that we spend more than any other Western country on education in this country. I was very positive in what I said. I said I was an optimist who was confident in the skills of Canadian workers and in Canada's future.

However, these are difficult circumstances, because at a time when we want to take specific action to improve the situation in this country, we have an opposition that is intent on destroying a country that could provide long-term guarantees for all workers in Canada.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I may remind the Prime Minister that we were not the ones who said that the unemployed were people who sat around at home drinking beer, and that separation is not the issue here. What is the issue is respect for people, and beyond our social programs, we must still respect the dignity of people who are suffering.

Instead of trying to enlist newspaper editors in his crusade against the needy, the Prime Minister should have, I believe—and today, I want to ask: Does he agree that he should have offered them a real job recovery program to restore the hope and dignity of the unemployed and the needy?

[*English*]

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, that is exactly what we are trying to do. We are proposing changes in Canada which are absolutely needed at this time to find jobs and give the people the dignity of work.

The Leader of the Opposition is always talking about jurisdiction and the Constitution, not caring at all about the real problems of people getting jobs.

I repeat what I said in a speech that the best workers in the world are the Canadian workers. They do not want to stay home. They are not happy when they do not work. They are not happy not being productive. They want all of us to work to make sure they get jobs and have the dignity of work. They do not want us to talk about the Constitution or jurisdiction. They want us to create jobs and this government will do that.

Some hon. members: Hear, hear.

[*Translation*]

Mr. Michel Gauthier (Roberval): Mr. Speaker, how can the Prime Minister of Canada be surprised at the criticism directed at a system that only results in unemployment and misery? How can he be surprised at this?

For two weeks now, the federal government has been in total disarray over the issue of social program reform. As a result, war has been declared between the provinces and the federal government.

To top it off, we learned today that the Minister of Human Resources put on quite a show, even though he did not write the script. He said: "We did not have a document to table because, quite frankly, I still do not have one in hand. I have not presented any proposals to Cabinet or to my caucus. I am not ready to do so yet."

That is what the Minister of Human Resources said. Can the Prime Minister confirm whether the moratorium his Minister of Finance referred to yesterday and that was agreed to by his ministers and the Quebec Minister of Finance is due to the improvisation to which the Minister of Human Resources Development admittedly resorted?

Right Hon. Jean Chrétien (Prime Minister): I do not understand what the hon. member is saying. He is always saying that we must consult.

• (1425)

When the minister rises and, in all honesty, says to the people: "I cannot put any proposals on the table right now because I want to sit down with all my counterparts and explore different options in order to get the results that we all want", this is an approach that will benefit employment in the country and help people acquire the dignity that comes through employment. Now the member is getting all upset because the minister is holding consultations.

Would the member prefer it if the minister showed up with a clear, final plan and used the majority in this House to push it through in one week? We could do it, but that is not our style. Our style is to convince all provinces and all stakeholders that we must work together in the interest of creating jobs and giving workers some dignity.

I cannot understand why the member does not want us to hold consultations. We will have to make a note of that.

Mr. Michel Gauthier (Roberval): Mr. Speaker, are we to understand from the Prime Minister's wishy–washy answer that a moratorium has now been declared and negotiated, as his Minister of Finance indicated yesterday, between his ministers and the Quebec Minister of Finance? Has a moratorium been declared, yes or no, and is it due to the lack of preparedness on the part of his Minister of Human Resources Development who is doing a poor job?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the Minister of Human Resources Development had called a meeting for Monday. Several governments said they were not ready yet and would like a few more weeks. The government agreed to a moratorium—if you want to call it that—to give them time to prepare. The Minister of Finance has done the same thing. There have been more consultations between the Minister of Finance and his provincial counterparts in the last six months than ever before in Canada.

Since they have asked us for more time, we will give them more time, because we want everyone to work together to find a good solution. However, the system will have to change one day because if it does not, unemployment will continue to increase, people will grow discouraged and they will lose even more of their dignity.

All parliamentarians, whether federal or provincial, have a duty to work toward a common goal, that is creating jobs, enhancing productivity, increasing the country's wealth and building a better society than the one we have now.

[*English*]

BOSNIA

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, my question is for the Minister of Foreign Affairs.

The recent kidnapping of Canadian soldiers, the detention of other UN personnel and increased offensive action in and around Gorazde make it rather obvious that Serbian leaders have little appreciation or respect for the UN forces deployed in Bosnia or the will of the UN to take effective action.

The situation in Gorazde is at or even past the critical stage. Many people are dead, many more wounded and many are in imminent danger.

The Prime Minister has spoken with President Clinton and I understand cabinet met this morning. Has the government come to a decision as to whether to support the UN in its request for air strikes?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I agree with the description of the situation illustrated by the hon. member's question. Clearly the situation has evolved in a totally unacceptable way.

Efforts have been made to bring all the parties to the table to agree on a peace plan. Unfortunately, while the Croatians and the Muslims have agreed and have signed an agreement in Washington, the Bosnian Serbs have not been willing to co–operate and participate in peace operations.

Requests have been made by the Secretary–General of the United Nations to apply a solution similar to that applicable to Sarajevo and the other free areas in Bosnia.

Cabinet met this morning. It was decided that as we have done in the past on an undertaking by the Prime Minister, when there is an important decision of this nature to make, we will consult Parliament.

• (1430)

This is why the House leader has been instructed to consult with his counterparts to agree to an emergency debate tonight on this very question.

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, my supplemental is for the Minister of National Defence. However I want to acknowledge the co–operation of the Minister of Foreign Affairs in agreeing to our request for this debate this evening.

The minister will be aware that the Canadian forces commander in Bosnia has now refused to deploy his forces into Serb controlled territory out of concern for the safety of his troops.

If air strikes are initiated, what further action will the government take to protect Canadian forces from possible retaliation?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I would rather not deal with this hypothetical situation in today's very emotionally charged context.

I think we have to acknowledge the fact that Lieutenant–Colonel Moore has taken the right decision to minimize the danger to his people in and around Visoko. However any further steps and any further anticipation of difficult action will have to be measured by him as the hours and the days go by. I do not think that we should prejudge anything he may do.

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, if Canada agrees to NATO carrying out the air strikes, has the minister discussed with the United Nations the commitment of more UN troops, and is the government considering sending more Canadian troops to Bosnia?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, a request was made some time ago by the Secretary–General of the United Nations to have much larger contingents of troops in the area than the one that is currently there. Unfortunately so far very few countries have responded positively.

Although Canada at some point was wondering whether we were pursuing peacekeeping missions, we have agreed to commit the same level of troops, close to 2,000 soldiers, serving under the UN for another six months.

Clearly we believe that our own effort is taxing our troops substantially. Canada would like to see other countries respond more quickly to the UN secretary's request. Unfortunately this has not taken place.

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[*Translation*]

FOREIGN AFFAIRS

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, like my colleague from the Reform Party, I would like to put my question to the Minister of Foreign Affairs. We know that the final decision of the 16 NATO countries regarding air strikes is to be made tomorrow. I would like to know where negotiations stand, particularly with respect to Russia's position.

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, it is very difficult for me to state the position of the Russian authorities. We read, as the hon. member probably did, the dispatches saying that the Russian authorities are ambivalent about the proposals that were made. On the one hand, the Russian authorities deplore the Serbs' lack of co–operation and think that the Bosnian Serbs should have responded to the invitation and joined the Croats and the Moslems in signing a peace agreement. On the other hand, they expressed certain reservations about the use of air strikes.

At this time, I can only say that discussions are going on between the various authorities who want this conflict to end as quickly as possible, and I think that we will have to wait for these discussions to be completed before we know the exact position of every power involved in this conflict.

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, what I would have liked to know is when NATO members decide whether or not to step up the air strikes, will the Russian representatives be consulted first, unlike what was done before? Could the minister tell us whether contacts were made between NATO and Russian leaders?

• (1435)

Right Hon. Jean Chrétien (Prime Minister): When I had a chance to speak with President Clinton yesterday, I raised this point with him. I asked him what was happening with Russia. He told me he would communicate with the Russians as he had placed a call at about the same time, and I will speak with him again tonight. He assured me that Mr. Yeltsin would be contacted before NATO makes a decision tomorrow morning.

* * *

[*English*]

SOCIAL PROGRAMS

Miss Deborah Grey (Beaver River): Mr. Speaker, my question is for the Prime Minister.

The government is about to undertake a thorough review of all social programs including the unemployment insurance system. At a time when the Prime Minister ought to be demonstrating compassion and understanding to unfortunate Canadians, he insults them with insensitive remarks.

I am reminded of last fall when he chastised Kim Campbell for her arrogant intellectualism in using the same beer drinking analogy.

A successful overhaul of the social safety system will require skilful and understanding leadership. On the basis of his remarks last evening, could the Prime Minister explain why Canadians should have any confidence that he is able to meet this challenge?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, if the member would take the time to read my speech she would see what I said.

In my speech I said that Canadian workers are the best in the world and are the best prepared. I also said that Canadian people do not want to stay home doing nothing; they want to work.

Perhaps I used one word there that I should not have used. I could have said something else. Sometimes in a speech one uses a word that perhaps in context is misplaced, but I clearly said that they want to work. I know this, since I have served in Parliament for a long time. Canadian people desire to work. A lot of people say: "Don't do anything". On the contrary we

want to do something. Nobody likes to be on welfare. Nobody likes to be on employment insurance. They want jobs.

This is why we have created some programs and are trying to apply the resources of government to programs where the people who are unemployed will be productive. This is what we want to do. It is the program of the government.

Some people are arguing that we want to do it too fast. That is one of the problems, that we were too keen to solve the problem. Some of the provincial governments were afraid that we were moving too fast. Yesterday the premier of Ontario made a speech in which he said he wanted to work with us and find some solutions.

We will take the time that we need because we believe in the dignity of the people. Rather than refusing to do something, we are working on it. We hope the hon. member will support us in our endeavours.

Miss Deborah Grey (Beaver River): Mr. Speaker, there is no dignity in being unemployed in the country and being accused by the Prime Minister of sitting home drinking beer. My supplementary question is for the Prime Minister as well.

Several provinces have expressed hesitation about the government's intentions concerning total wide open social reform. Is the Prime Minister's recklessness with words going to help or hinder this extremely sensitive process?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, something that pleases me today is that this is the first time a question has been asked by a member of the Reform Party about the unemployed people of Canada.

When they get up in the House they are always telling us: "Cut, cut, cut. Don't help them. Let them starve". It is not our way. Our way is to earn their respect and we are working hard on it. I am very pleased to see the Reform Party is now waking up to the reality the unemployed people want the government to help them.

* * *

[*Translation*]

HEALTH

Mrs. Pauline Picard (Drummond): Mr. Speaker, my question is for the Minister of Health. As part of the action plan on smuggling announced in February, the government included a $3 million or so anti–smoking media campaign to inform and educate the public, particularly young people. Now, the word came out that after meeting with groups of young people, the minister has decided to terminate the ad campaign.

• (1440)

Can the minister confirm in this House what she has already recognized publicly, namely that this anti–smoking campaign was cancelled because, by her own admission, it had no impact whatsoever on young people?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I thank the hon. member for her question. I must first say that I have indeed inherited the ad campaign you may have seen recently. This campaign was launched by the previous government, and as I travelled across the country, I was confirmed in my personal opinion. When I first saw this ad campaign, I was not convinced that it suited the present situation, as it had been devised three or four years ago. Young people have confirmed that I was right all along.

I have asked my department to review all the ads—and that is what we are doing right now—to ensure that every dollar spent on publicity is spent as wisely as possible.

Mrs. Pauline Picard (Drummond): Mr. Speaker, does the minister not realize that this prevention campaign was the very last thread of credibility she had in the eyes of the anti–tobacco lobby following the reduction by her government of consumer taxes on tobacco and that now she has none left whatsoever?

[*English*]

Hon. Diane Marleau (Minister of Health): Mr. Speaker, let me advise members opposite that while I am reviewing all public relations and publicity I have many tools at my disposal.

I have said that we would look at new ads. Yes, we are going to continue doing some publicity, but it will have to be very tough, very targeted and very effective because we do not have a lot of dollars to spend foolishly. Any dollars that I spend I will spend very wisely.

As a result we are developing a new campaign which I am going to share with members of the anti–smoking lobby as well as provincial governments. We are working together on the campaign to make it as effective as possible.

* * *

CANADA PENSION PLAN

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, my question is for the Minister of Human Resources Development.

For the first time in its 28–year history the Canada pension plan has been forced to dip into its contingency fund. Many Canadians believe that unless it is reformed it is only a matter of time before the Canada pension plan runs out of money.

What plans does the government have to preserve the Canada pension plan for the long term?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, the hon. member is worrying unnecessarily. The plan is operating very much as expected. The CPP fund was established to meet the contingencies as outlined by the hon. member.

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, in spite of the hon. member's reassuring words, many analysts suggest the aging of our population means that the Canada pension plan cannot survive as currently structured. The situation is so bad that many Canadians do not expect to collect CPP when they retire and think of CPP premiums as a tax on youth.

The CPP has now turned a corner. Premiums are no longer keeping up with payouts. Does the government have specific proposals for CPP reform?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, perhaps I should present some facts to the hon. member.

In the long term the fund intended to operate as "a pay as you go" with contributions and benefits more or less in balance. It was intended to hold two years of benefits as a buffer against fluctuations in the economy. The fund now has about three years worth of benefits.

• (1445)

As legislated contribution rates increase and come into force, the plan's income and expenditures are projected to be more closely in balance. Reserves will grow from $41 billion to nearly $55 billion over the next 10 years.

I hope this answers the hon. member's question.

* * *

[*Translation*]

PURCHASE OF FLU VACCINE

Mrs. Monique Guay (Laurentides): Mr. Speaker, my question is for the Minister of Public Works. In response to the questions I asked him yesterday, the Minister of Public Works said that BioVac offered to sell its flu vaccine for $1.85 a dose compared to $1.69 for Connaught. By dividing the contract equally between Connaught and BioVac, the minister claims that the government will pay $1.77 a dose.

Does the Minister of Public Works admit that the figures he advanced yesterday are inaccurate since, in the tendering process, BioVac bid $1.70 a dose compared to $1.46 for Connaught, and that by dividing the contract in two, the government will pay not $1.77 a dose as the minister said yesterday, but $1.85 a dose? Could he admit that his figures are inaccurate?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I wish to confirm to the hon. member that the facts I have are quite different from the ones she has.

[*Translation*]

Mrs. Monique Guay (Laurentides): Mr. Speaker, does the minister admit that by awarding 100 per cent of the contract to BioVac, the only Canadian maker of flu vaccine, at $1.70 a dose, he would have saved Canadian taxpayers more than $600,000 and preserved high-tech jobs?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I appreciate the hon. member's concern with regard to the fiscal responsibility and capacity of the Government of Canada, but I find it passing strange that when it comes to human resources we are accused of not consulting with the provinces.

When two companies, BioVac and Connaught Laboratories get together, consult with provincial governments, territorial governments and the Government of Canada and agree to a blended price thereby providing jobs and economic opportunities in the provinces of Quebec and Ontario, somehow the hon. member finds that to be despicable.

The hon. member should know that BioVac was charging $1.85 a dose, Connaught, $1.69 a dose. The blended price is $1.77.

* * *

REFUGEES

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

According to recent news reports as many as 24,000 former refugee claimants whose claims were rejected after a hearing have not yet been removed from Canada. Since most of them are not allowed to work this will place an additional burden on the taxpayer.

Can the government advise the House how many people are in this category, when the removals will proceed, and can we be assured that these circumstances will not impair the integrity of Canada's refugee program?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, I want to thank my hon. friend and colleague for Scarborough—Rouge River.

I can say to the hon. member and to the House that the number is lower than the 24,000 being thrown around by the media. Approximately 10,000 of those individuals, would be claimants have been refused but because of previous policy directives have not been removed. For instance the individuals from the People's Republic of China as well as other countries fall into that category. As you know, Mr. Speaker, the government is

actively pursuing a strategy of how to clarify that status in fairness to them and to the system.

An anticipated one–third of those individuals are no longer in this country and therefore are not a financial drain. There are also individuals in detention and in our prisons and there are some cases where the processing of a particular case has fallen between the cracks as sometimes happens with governments.

I ask the member to recognize that the government has moved on allowing work permits for refugee claimants while they wait for their cases. We have had approximately a 70 per cent take–up of claimants asking for work permits. As the Prime Minister said moments ago, not only could we give them the dignity of work but also lessen the load on our social service programs.

* * *

• (1450)

WHEAT QUOTAS

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, my question is for the Minister for International Trade. Why is the minister even considering agreeing to quotas on durum wheat shipments to the United States?

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, we did not agree with the United States position in the recent trade talks which included a sub–cap on durum under the total cap on wheat that it had proposed. It is not our present intention to agree to such a sub–cap.

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, U.S. Senator Kent Conrad suggested that the American solution is to nuke Canada. Mickey Cantor says that he is ready for a dust–up with Canada. These are fighting words.

Wheat farmers want government to face this challenge head on. They demand assurance that the government will not cave in to the Americans and allow wheat quotas. Will the minister give farmers the assurance that he will not agree to quotas?

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, we have indicated to the United States our position. We do not agree that its present position on a cap on wheat exports to the United States is acceptable to Canada.

* * *

[*Translation*]

DRUGS

Mrs. Pierrette Venne (Saint–Hubert): Mr. Speaker, last Saturday, the daily *La Presse* said that according to the latest U.S. government report on international narcotic control, Canada is a haven for laundering money from drug trafficking.

My question is for the Solicitor General. With the information at his disposal, can the Solicitor General confirm the finding of the U.S. government report as mentioned in *La Presse*?

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I have asked officials to provide me with any information they have to confirm this American government report. They tell me that they have not yet found any empirical evidence to confirm it.

Furthermore Canada is a member of the financial action task force of the G–7 industrial countries. I am told that Canada does meet the minimum requirements of that task force that is designed to look into the matter of money laundering as it concerns the major G–7 industrial countries.

[*Translation*]

Mrs. Pierrette Venne (Saint–Hubert): Mr. Speaker, what does the Solicitor General intend to do to restore Canada's reputation in this area?

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, we have been putting in place over a period of years a number of measures to deal with money laundering and we will continue to intensify our efforts.

I think that if you go by the report of the financial action task force of the G–7 countries, Canada's reputation is a solid one, but certainly we want to work to maintain that reputation and increase our efforts when it comes to money laundering.

* * *

MÉTIS SOCIETY

Mr. John Duncan (North Island—Powell River): Mr. Speaker, my question is for the Minister of Justice.

What is the minister doing about the criminal activity with respect to the tampering of minutes of the Métis Society of Saskatchewan?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, as I mentioned in the House the other day, we expect by the end of the present month to receive a formal audit in final form with respect to the Métis society. I expect that we will by that time have information with respect to all such matters.

I do not intend to comment in advance of receiving the formal and final audit. As I said the other day, I deplore the fact that bits and pieces of information seem to be leaking into the media and

are being referred to and quoted which I think is terribly unfair. As far as the Department of Justice is concerned we are investigating to ensure that that has not happened as a result of anyone who is working under our authority.

I will be able to respond to the hon. member's questions when I have the audit and I will be pleased to do it at that time.

Mr. John Duncan (North Island—Powell River): I have a supplementary question, Mr. Speaker.

Is the minister stonewalling because of the involvement or association of Marc LeClair, chief administrative officer of the Métis National Council, adviser to the Métis Society of Saskatchewan, a participant in the drafting of the Liberal red book and a member of the extraordinary Liberal aboriginal caucus?

• (1455)

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I can assure the hon. member that we are working to a time deadline that was established long ago in accordance with administrative procedures. This is not a matter of stonewalling. I am simply not in the position to respond to questions about a report that has not yet been delivered to me in final form.

I can tell the hon. member that once I have the report and it is in final form I will be pleased to respond to any questions he has about it.

* * *

IRAQ

Mrs. Carolyn Parrish (Mississauga West): Mr. Speaker, I rose in the House yesterday to describe the ecological and humanitarian disasters being perpetrated against Shia Muslims.

My question is for the Minister of Foreign Affairs. Will our government consider requesting UN peace observers to visit the southern Iraq marshes to report on the following: Measures being taken to stop the free flow of water to the marshes and effectively destroying their ecostructure; a blockade around the marshes which restricts the movement of food, people and medical care; the systematic torture and murder of women, children and the elderly.

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I certainly share the view expressed by the hon. member about the terrible situation imposed on the people living in Iraq and the persistent violation of human rights by the authorities there.

The representative of Canada at the United Nations, particularly at the Human Rights Commission, has proposed resolutions to send monitors, particularly to that region of Iraq, to assist these people who are abused by the authorities. Unfortunately, in order to achieve a remedy we need the co–operation of the authorities who have systematically refused UN missions or UN observers being sent there.

We will pursue this matter and hope that through perseverance the Iraqi authorities will accept the UN monitors.

* * *

[*Translation*]

LABOUR RELATIONS

Mr. Bernard St–Laurent (Manicouagan): Mr. Speaker, 400 employees of Q.N.S. & L., in Sept–îles, have now been in lockout for two months. The federal legislation does not prevent the employer, a mining company, to hire scabs. Since nothing keeps the company from carrying on its operations, it refuses to negotiate with the employees, who want to negotiate and to go back to work.

Does the Prime Minister agree that the lack of federal anti–scab legislation is responsible for the deterioration of the negotiations between Q.N.S. & L. and the steelworkers union?

[*English*]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, I thank the hon. member for his question. I will take it under advisement and report to him as soon as possible.

[*Translation*]

Mr. Bernard St–Laurent (Manicouagan): Mr. Speaker, I would still like to ask a supplementary since I did not get a full answer. Will the government and the Prime Minister pledge to see what can be done to help these workers, given the fact that no anti–scab legislation exists?

[*English*]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, as I said earlier, I will take the question under advisement and report to the hon. member as soon as possible.

* * *

FEDERAL GRANTS

Mr. Darrel Stinson (Okanagan—Shuswap): Mr. Speaker, according to page 23 of the red book of the election campaign:

> An area where substantial savings can be realized is in grants to businesses. Over 700 federal and provincial programs currently deliver such grants, an overgrowth of bureaucracy that cannot possibly be justified.

My question is for the Minister of Industry or the parliamentary secretary. What is the Liberal government doing and what has it done to eliminate that overgrowth of bureaucracy?

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I thank the member for his question because it gives us an opportunity to basically review the position that the Minister of Finance put forward in the budget.

• (1500)

The hon. member should realize we have already begun the review within the Department of Industry and with the private sector. We will reduce and eliminate the paper burden. This is a very important exercise and the private sector has welcomed it. It is well under way. The committee will be reporting to the Minister of Finance by the end of June.

At the same time I remind the hon. member we are continuing to investigate ways in which we can access capital for small and medium sized businesses. The Prime Minister has said repeatedly that we believe the greatest hope for putting Canadians back to work rests with the 900,000 entrepreneurs in Canada who are trying very hard to get this country going again.

The hon. member mentioned tourism and that is another area we are working on.

Mr. Darrel Stinson (Okanagan—Shuswap): Mr. Speaker, unfortunately we are not talking about loans here.

Budgetary expenditures show the government is planning to spend $3.3 billion in grants to businesses in 1994–95 and a further $3.1 billion in 1995–96. The Canadian Federation of Independent Business has recommended there be no grants to businesses.

When the red book promised substantial savings can be realized in grants to businesses and when the CFIB itself does not want these grants, why is this government planning to spend billions of dollars this way in the next two years?

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, if the hon. member looks in the estimates book for the Department of Industry he will see there have been tremendous cutbacks in the department.

He will also notice from an analysis of the industry estimates we are very carefully targeting the taxpayers' money relating to industry. We are targeting it to the proven winners in our community that we think have the best chance of putting Canadians back to work in industries that are very important to keep us globally competitive.

* * *

TRADE

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister for International Trade. On January 1 the government signed the NAFTA promising an end to trade wars with the United States.

Barely four months since the signing of that agreement we have not just a scuffle but a full–fledged attack on our Canadian wheat farmers, Minutemen missiles and all. NAFTA seems to offer about as much protection as an umbrella would against an American missile. Do not look up.

NAFTA has failed the Canadian wheat farmer and the barley farmer. What specific assurances has the minister given to these farmers that their interests will be taken into consideration? What specifically can he tell us today?

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, I could give the hon. member a very long answer to that question.

Let me say very briefly that the wheat dispute with the United States is not under NAFTA. The Americans are pursuing what they believe to be their remedies under the GATT and not under NAFTA.

I would point out with regard to our stance in the Canada–U.S. discussions on wheat, we have taken positions that respect and guard the interests of Canadian grain farmers.

* * *

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Miss Deborah Grey (Beaver River): Mr. Speaker, during question period the Prime Minister said that Reformers have said to the unemployed, and I quote: "Do nothing. Let them starve". That is not true. I am asking the Prime Minister—

The Speaker: The hon. member and all of us from time to time have used the points of order for debate. I think we are probably getting into a little bit of debate.

Miss Grey: Mr. Speaker, you have often said in this House yourself about imputing motives. As far as I am concerned that is imputing motives.

• (1505)

The Speaker: Order. We have dealt with the point order. I believe it is a point of debate and I trust that most hon. members will agree.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval): Mr. Speaker, could the Government House leader please tell us what is on the agenda for the next few days?

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, first of all, after I present the statement of business for the

coming week, I intend to ask the unanimous consent of the House to enable a special debate to take place this evening on the situation in Bosnia.

In that connection, I want to thank the Reform Party House leader for making a suggestion about having such a debate and suggesting a theme to be taken into account in the motion on which the debate will be based. It was a force of coincidence his request came at a time when we were giving thought to the same matter. I want to thank the Reform Party House leader for his constructive point in this regard.

This afternoon we will consider report stage and third reading of Bill C–6 regarding oil and gas. On Friday, Bill C–4 respecting the NAFTA side deals will be considered at the report and third reading stages. On Monday, the House will have before it second reading of Bill C–16 regarding certain land claims.

The business on Tuesday shall be Bill C–22 respecting Pearson airport which is at the second reading stage. After completing this bill we will call second reading of Bill C–21 regarding railway lands and Bill C–12 to update the Canada Business Corporations Act. This business will likely take us into Wednesday.

There are two bills the Minister of the Environment will be introducing on Monday that the House may wish to deal with next week as well. Finally, Thursday, April 28 shall be an opposition day.

As I said just before my statement, there have been consultations and I believe there will be consent for the following motion:

> That, notwithstanding any standing order, at 6 p.m. this day, the House shall consider a motion by the Minister of Foreign Affairs as follows:
>
> > That this House, taking note of the tragic events which have taken place in and around Gorazde, and NATO's agreement in February to a UN request for the use of air support to protect a safe area around Sarajevo, consider the request contained in the UN Secretary–General's April 18 letter to the Secretary General of the North Atlantic Treaty Organization to extend arrangements similar to those in place to protect Sarajevo to the five other UN safe areas in Bosnia.
>
> That, during debate on the said motion, the first four members to speak shall speak for not more than 15 minutes and any subsequent members shall speak for not more than 10 minutes; and
>
> That, when no members rise to speak, but in any case not later than 10 p.m. the Speaker shall adjourn the House.

I would appreciate it, Mr. Speaker, if you would ask if there is consent for the motion I have read. If so, I would be prepared to put the motion and seek the unanimous consent of the House that this motion be adopted so that a debate on this matter of great interest and concern to members will begin at six o'clock this evening.

The Speaker: Is there consent for this motion to be put?

Some hon. members: Agreed.

The Speaker: Is there agreement that the motion be debated tonight at six o'clock under the terms prescribed in the motion?

Some hon. members: Agreed.

The Speaker: So ordered.

(Motion agreed to.)

GOVERNMENT ORDERS

• (1510)

[*English*]

CANADA OIL AND GAS OPERATIONS ACT

The House proceeded to the consideration of Bill C–6, an act to amend the Canada Oil and Gas Operations Act, the Canada Petroleum Resources Act and the National Energy Board Act and to make consequential amendments to other acts, as reported (without amendment) from the committee.

Hon. Anne McLellan (Minister of Natural Resources) moved that the bill be concurred in.

(Motion agreed to.)

The Acting Speaker (Mrs. Maheu): When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Ms. McLellan moved that the bill be read the third time and passed.

She said: Madam Speaker, hon. members, I am pleased to have the opportunity to speak before this House today during third reading of Bill C–6, an act to amend the Canada Oil and Gas Operations Act, the Canada Petroleum Resources Act, and the National Energy Board Act.

The main purpose of Bill C–6 is to give the National Energy Board the authority to regulate frontier oil and gas activity. It will not however affect offshore Newfoundland and Nova Scotia where petroleum management is shared under federal–provincial accords. Bill C–6 will ensure that the frontier regulatory process is more transparent as decisions will be taken by an experienced independent organization.

Essentially the National Energy Board's main responsibilities will be: protection of worker safety; maximizing resource conservation by ensuring good oil field practices; and protection of the environment.

I am very sensitive to concerns regarding protection of the fragile environment of the north and other frontier areas. Consistent with efforts to better integrate environmental considerations in policy decisions, a review of the proposed legislative changes was conducted co–operatively by Natural Resources Canada and the National Energy Board. It concluded there

would be no adverse environmental impacts as a result of the proposed amendments.

The government is also committed to real and meaningful consultations with all key stakeholders and views this as a critical feature of the legislative process. Wide–ranging consultations with interested parties have been held at all stages of the development of this proposed legislation. These included both provincial and territorial governments, native groups, industry, and environmental organizations.

Let me turn to some of the issues that were raised during second reading and committee consideration of Bill C–6.

Concern was expressed by some members of this House regarding the impact Bill C–6 may have on provincial jurisdiction over frontier resources.

[*Translation*]

This bill will have no impact on jurisdiction over offshore regions of Quebec and other frontier areas. It merely transfers to the National Energy Board regulatory powers which already belong to the federal government, and it does not affect any offshore frontier areas.

[*English*]

Further, there is nothing in the bill which would prejudice the outcome of any discussions with the territorial governments on the delegation of onshore responsibilities, or impact on discussions with other coastal provinces regarding future shared management arrangements.

• (1515)

Some members also felt that in the exceptional circumstances of a future appeal the National Energy Board would somehow not be expert or independent enough to give industry a fair hearing. NEB decisions are not currently subject to outside review except by the courts and then only on questions of law or jurisdiction.

The oil and gas committee appeal process is being abolished under this legislation because the integrity of the NEB process, and therefore its independence and effectiveness, depends heavily on maintaining this principle.

The proposed amendments reflect our view that in the few instances this appeal function may be exercised it will be competently and objectively performed by the NEB.

The National Energy Board already has diverse regulatory responsibilities. These include the licensing of the export of oil, gas and electricity; the issuance of certificates for international pipelines; and the setting of just and reasonable tolls. The National Energy Board is well placed to take on the authority to regulate frontier oil and gas as proposed in the amendments.

I am fully confident that for all its responsibilities the board will continue its mandate to regulate in the Canadian public interest fairly and effectively, taking into consideration the views of all interested parties.

[*Translation*]

In conclusion, what the government of Canada wants to do with this bill is to give clear and specific operating rules to the industry.

[*English*]

Without these amendments the NEB will not be able to operate effectively and industry will continue to be faced with a time consuming approval process.

The National Energy Board was given additional staff and responsibilities for frontier oil and gas in 1991. Bill C–6 would finally give the board the legal authority to do its job.

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies): Madam Speaker, the Bloc Quebecois will support Bill C–6. However, since this legislation will now give the National Energy Board the official power to hear appeals and to give advice to ministers, we truly hope that the National Energy Board will hear our own appeal today and make sure that it does indeed give advice to government ministers, because they badly need it.

In recent years, the federal government has agreed to provide financial support to major energy projects, or energy megaprojects, as they are called. Together, these agreements represent an initial commitment of over $3 billion. I must point out here, for the benefit of those who are listening to us, that one billion is a thousand millions. In the case of Hibernia, we are talking of 2,700 million dollars.

These projects require considerable public funds which the government, of course, gets from already overtaxed Canadians. As we know, the middle class is already on its knees because it is overtaxed. In fact, the Auditor General of Canada himself said that taxpayers have the right to expect public expenditures to be managed with caution.

Yet, what do we see? Again, the Auditor General had this to say: "We examined the energy megaprojects assisted and funded by the Department of Energy, Mines and Resources. Our observations on the Hibernia, Lloydminster Bi–Provincial Upgrader and Regina NewGrade Upgrader projects point to some fundamental weaknesses."

Let me mention five weaknesses noted by the Auditor General. First, the lack of a comprehensive set of clear and measurable objectives. Second, an inadequate co–ordination of benefit monitoring. Third, deficiencies in monitoring environmental

assessment recommendations and commitments. Fourth, continuing gaps in effectiveness measurement. That brings me to the fifth and final point, although we could have listed many others, but we will stop at five. The fifth point is limited and poor reporting to Parliament and the public in Part III of the Main Estimates.

• (1520)

The Auditor General adds:

> Another key problem we noted in the Hibernia and Bi–Provincial Upgrader agreements was the lack of a connection between performance and payment. Federal payments are based on project expenditures, and not on construction milestones or achievement of certain intended economic benefits that have been specifically identified with these projects. Even if the Department determined through its monitoring efforts that certain intended benefits were not being achieved, it would have no legal basis to stop payments to the projects.

Then, the Auditor General stresses that:

> Without a direct connection between performance and payment, the payment is in the nature of a grant.

We are talking about billions of dollars that were given to companies involved in the Hibernia project and which are in fact grants. In other words, the Auditor General is telling us that the thousands of millions of dollars, all taxpayers' money, which were invested in these projects, supposedly to create jobs and create all kinds of industrial benefits, are meaningless since the government has no legal basis to guarantee the intended benefits.

Of course, following this statement by the Auditor General, the department took the following commitment:

> The Department is devoting additional resources to the monitoring function, particularly with respect to industrial and employment benefits.

Jobs, jobs, jobs. This government was elected on the promise to create jobs. Therefore the least we should expect is that the taxpayers' hard–earned money which is invested in big projects helps create jobs at home. But such is not the case. In spite of all the promises made by the department I just mentioned, an Act to repeal the requirements concerning Canadian participation was enacted only a few months ago.

According to a document coming directly from the Minister of Natural Resources, this is what this bill does essentially:

> The highlights of this bill are the elimination of the minimum 50 per cent Canadian participation as a condition to grant a licence for oil and gas production in frontier areas; the elimination of the need to obtain the minister's approval to transfer, in whole or in part, ownership rights under a licence contract to produce oil and gas in frontier areas; and the repeal of the present regulation under which certain individuals may hold production licences and of related requirements regarding the place of residence.

In short, not only is the federal government unable to legally guarantee definite spin–offs for the billions of dollars of taxpayers' money it invests in such ventures, it deliberately lifts the minimum requirements imposed on companies to which it gives money so that they can create jobs in Canada.

We recognize that, in the last few months, some improvements have been made regarding the management of this project, but they have not been as far–reaching as we would have liked. An in–depth assessment of the project should have taken place before work began, not after.

Where is all this leading us? The government goes and takes billions of dollars from already overtaxed Canadians and Quebecers. It gives money to big companies over which, as the Auditor General said, it has hardly any control. It allows them to create jobs elsewhere. Jobs, jobs, jobs for Korea, not for us. In the meantime, we can be sure that, no matter what we do, our horrendous $500 billion debt will grow to $600 billion in three years, if everything goes well, because otherwise it could be a lot worse. The truth is, as things stand today, we are on the verge on bankruptcy.

We can also be sure that unemployment rates will remain exactly the same and that young people will have no jobs. The only solution this government could find was to cut unemployment benefits and old age pensions; such was its choice.

• (1525)

Of course, the unemployed, the people of modest means, those without voice or clout, would not accept this situation if they were not, first of all, made to feel guilty, to feel that they are the real problem in Canada.

The statements by the Prime Minister, last night on television and this morning in the newspapers, show that this policy is actively pursued.

I would like to quote today's *Le Droit* which carries a headline that reads: "Loafers cost $500 billion: their attitude must be broken", which I hasten to say were perhaps not the words used by the Prime Minister. He said, according to the article: "Canadians have to break that mentality, because the country is $500 billion in the hole. We cannot keep people sitting at home drinking beer".

I object to what the Prime Minister said today. I consider that a frightful statement. I remind the Prime Minister that the former Hyundai employees who lost their jobs are not beer–drinking loafers. They are out looking for work.

The fishers of Gaspé who can no longer go out and fish are not beer–drinking loafers, they are looking for work. The former employees of the CNR, the CPR or MIL Davie in Lauzon, that

cannot get government contracts to build ferries, are not sitting at home drinking beer and watching TV. They are looking for work.

Young people, among whom unemployment is sky high, who come out of school with two university degrees and go bankrupt even before they start their productive life are not beer drinkers and television addicts, they are looking for work.

I urge the prime minister to come and visit my riding of Anjou—Rivière–des–Prairies on Monday morning and meet the people who come to me, hoping I can find them some work. I do not know what he would tell them, but if he were to tell them that they are beer–drinking loafers, I am sure they would have something to say to him.

It is known that Quebec provides almost 25 per cent of federal tax revenues in Canada and that, in most Canadian job creating reinvestments, benefits that Quebec is getting are not equal to the revenues that it provides, whether it is in research and development, in federal acquisitions, in army spending or in funds for agriculture and megaprojects.

In the case of Hibernia, although Quebecers will pay approximately $800 million in federal taxes for that project, over and above the grants that will have to be given for each barrel of oil coming out of Hibernia if the international price is not high enough, the future of the MIL shipyards in Lauzon remains bleak and lay–offs are predicted for 1994.

Although Lauzon's shipyards are in fact the only one to have built drilling platforms in Canada, including 13 for Texas in the early 1980's, the federal government has stuffed the province of Newfoundland with contracts awarded without any bidding: the building of concrete bases, the building of the five super–modules. The other contracts were awarded to foreign firms, after the federal government had abolished the 25 per cent tariff on the importation of oil platforms that had been in place since 1983. And that is one of the fundamental reasons why things are going badly in this country, because billion of dollars are invested in the creation of jobs somewhere else, and the unemployed of this country, that have been created by the government, are being called beer drinkers and lazy bums who just watch television.

There was also the building of a large–capacity shipyard in Bull's Arm, which was paid for with a regional development fund of $300 million. They agreed to go ahead with the modernization of the Marystown shipyard and a vast manpower training program for Newfoundland.

Therefore, if the Bloc Quebecois approves the passage of Bill C–6 at third reading, it becomes the duty of all members of this House to make sure that megaprojects like Hibernia really generate the spin–off benefits promised both by this government and its predecessor, because taxpayers of Quebec and Canada are entitled to expect such benefits.

As for the outrageous statements of Canada's Prime Minister, he may be sure that Quebecers will remember them during the next provincial election and the referendum which will surely be held in the months to come.

• (1530)

[*English*]

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Madam Speaker, I will be the only speaker for the Reform Party on this matter and I shall be brief.

Bill C–6 is mostly housekeeping. As we stated earlier in the House, we will endorse its basic thrust which is to transfer regulatory authority over frontier oil and gas development from the political arena to an independent body, the National Energy Board. We believe that this action is also endorsed by most of the industry stakeholders.

This bill does have one glaring weakness which we were unable to remedy in committee. It gives the National Energy Board unlimited power to determine what is or is not a significant discovery or a commercial discovery and to make unilateral decisions affecting certain technical operations.

Aggrieved parties will be able to appeal a board decision only to the board itself so that a single quasi–judicial body becomes in effect judge, jury and executioner. Questions of law of course could be further appealed to the courts by any party willing to accept the cost and long delay of such actions. But questions of fact, technical decisions, could not be challenged.

Industry representatives have indicated to us that the National Energy Board as presently constituted functions well, has knowledgeable personnel and has a good track record.

Our concern is that we are looking at the board in a snapshot in time. We do not know what it will be like 10 or 15 years from now. Bill C–6 nevertheless gives it an extraordinary amount of power with no checks or balances.

Laws are like contracts. They should be written to deal with worst case scenarios, not under the assumption that all concerned parties will be forever noble, rational and fair.

In committee we attempted to rectify this problem with amendments to allow final appeals of board decisions to a second independent body, the oil and gas committee as defined in the Canada Oil and Gas Operations Act. Having failed to win this safeguard in committee, the Reform Party will not vexatiously continue to pursue a cause which is already lost.

Most of the bill and its intent are acceptable to us. We therefore support it, albeit somewhat grudgingly.

The Acting Speaker (Mrs. Maheu): Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: On division.

(Motion agreed to, bill read the third time and passed.)

[*Translation*]

SUSPENSION OF SITTING

Mr. Alfonso Gagliano (Saint–Léonard): Madam Speaker, I think you would find that there is unanimous consent to suspend the sitting of the House until 4.30 p.m. at which time we would proceed with Private Members' Business.

[*English*]

The Acting Speaker (Mrs. Maheu): Is there unanimous consent?

Some hon. members: Agreed.

The Acting Speaker (Mrs. Maheu): The House is suspended until 4.30 p.m.

(The sitting of the House was suspended at 3.34 p.m.)

[*Translation*]

SITTING RESUMED

The House resumed at 4:30 p.m.

The Speaker: The House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

UNEMPLOYMENT INSURANCE ACT

Mrs. Pierrette Venne (Saint–Hubert) moved that Bill C–218, An Act to amend the Unemployment Insurance Act (excepted employment), be read the second time and referred to committee.

She said: Mr. Speaker, I wish to thank all the hon. members who have expressed support for this bill. Unfortunately, they could not all be listed in the Order Paper because there are too many of them. As we know, pursuant to our Standing Orders, no more than 20 names may appear on the list of seconders published in the Order Paper. Allow me then to extend my thanks in this House to those members whose names are on the list as well as to all the others who, without being listed, support me nonetheless.

Bill C–218 is a bill to repeal paragraph 3(2)(c) of the Unemployment Insurance Act. It may sound technical but in fact, I am simply asking this House to repair a serious injustice done to nearly one million Canadians, of whom 650,000 are women.

• (1635)

We all remember the omnibus reform of the unemployment insurance system. We are now starting to appreciate the extent of its social effects, some of which are plainly discriminatory.

The former Unemployment Insurance Act clearly excluded from entitlement to benefits any person working for his or her spouse or a company controlled by his or her spouse. The legislation was clear and simple, and openly discriminatory. No one would ever want of such a system today. In those days, a woman working for her husband was automatically excluded from contributing to the plan and receiving benefits. It was clearly stated in the act and regulations.

This act was challenged before the courts and tested under the Charter of Rights and Freedoms. Predictably enough, the courts moved to restore the entitlement. Because the Act applied only to spouses, and not to all people operating at arm's length, former paragraphs 3(2)(c) and 4(3)(d) of the Act were ruled invalid and ill–founded by the Human Rights Tribunal of the Federal Court—Appeal Division, the Tax Court of Canada and the Supreme Court of Canada.

The present Act was enacted on October 23, 1990, and paragraph 3(2)(c) was amended to reflect the judicial decisions regarding its unconstitutionality. The Conservatives found a way to get round the problem in their legislation. From then on, women working for their husband were no longer the only ones excluded from benefits under the Act.

From now on, everyone not dealing at arm's length with their employer is excluded from benefits. In this way, legally, the law no longer seems discriminatory. Any employees not dealing at arm's length with their employer are no longer automatically entitled to benefits. Apparently, the employer's son, brother or junior partner, as well as the woman working for her husband, are now on an equal footing. They must all show a Revenue Canada official that they are "clean" because it is up to that official to determine if the employee is cheating or not.

The law is clear: if someone worked for an employer with whom he was not dealing at arm's length, he will have to prove that the job would have been given to an outsider under the same conditions.

Just read paragraph 3(2)(c) to convince yourself at first glance of the different way the Conservatives treated employees who were "guilty" of working for a relative or a spouse.

No other category of unemployed person has to prove to the satisfaction of the Minister of National Revenue that he is not trying to defraud unemployment insurance, but the law requires relatives and spouses to prove it.

At first, it may seem normal to pay particular attention to the cases of people whose job might give rise to obvious collusion by the employer.

In some quarters, people might think that fathers and sons, husbands and wives, brothers and sisters are potential cheaters. For many people, it is not a real job if the employer is a spouse or a relative. It is only a step from this view of the labour market to the conviction that people not dealing at arm's length are out to cheat the government, a step which the Conservatives gladly took by passing the new Unemployment Insurance Act.

Before, the law applied only to spouses. But no matter, since it was discriminatory, they had to go one better. By submerging the category of spouses in the whole category of those not dealing at arm's length with an employer, they thought that they had really solved the problem.

Since spouses were no longer the only ones excluded, the law was no longer discriminatory. It was not discriminatory because it automatically excluded from benefits anyone whom the Income Tax Act considered not to be dealing at arm's length, not just spouses.

The presumption of honesty in all these cases is now replaced with a presumption of fraud. It is now up to the employee to prove to the discretionary satisfaction of the income tax official that the labour contract has all the features of a job that the employer would have given to someone completely unrelated to him.

• (1640)

In reviewing the claim, the official can conduct every investigation he deems appropriate at the employer's place of business. He can, in particular, check financial records, approach clients and suppliers, look at bank statements, examine work flow in the plant or office, and interview third parties. In short, the official can pursue his investigation as far as he considers necessary to form an opinion. In fact, that is exactly the way things are done.

These thugs' only goal is to demean recipients. The smallest doubt can lead to exclusion. They do not try to determine eligibility but to prove that a fraud has been committed.

I stress that investigations are conducted by the Source Deductions Division of Revenue Canada, Taxation. After the investigation is completed, Revenue Canada gives its opinion to the unemployment insurance people who then decide whether to pay or withhold benefits.

Withholding benefits triggers off a series of administrative and judicial appeals. First, a review application is filed with the Appeals Division of Revenue Canada. If the decision is upheld, a final appeal can be made to the Tax Court of Canada. Then, if the unemployed person still has strength, resources and a good deal of optimism, he or she may go to the Federal Court of Appeal as a last resort. The minister or the taxpayer can still appeal to the Supreme Court against the Federal Court's decision.

Meanwhile, the unemployed person—usually a woman—lives off her hopes while trying to understand why she is being singled out by the system.

Why is the employer's spouse or relative being penalized? How do we justify such actions? Why do we assume that a certain class of employees are cheaters? Why are we more distrustful of relatives than of strangers? Is it easier to cheat between relatives than between residents of a small village where they all know each other so well that they feel like family?

It is unacceptable for legislators to use distrust to enforce the law. That is exactly the effect of the current paragraph 3(2)(c).

Under the act, spouses and relatives are considered as suspects. The government tells them they are not like other citizens because they worked for a spouse or a relative. It then asks them to prove their honesty.

What democratically minded Canadian citizen can accept such an attack on fundamental values? Mr. Speaker, it may be that employees and employers who are married or related to each other cheat the UI system, just as perfect strangers may and do commit fraud, perhaps with even greater ease than within a family. But the criminal provisions of the act are explicit and punitive enough to cover all fraudulent claims.

What is objectionable in this case is that it is up to the unemployed to prove as soon as they file the claim that they did not commit fraud. No other class of beneficiaries must bear such a burden of proof. Not only could this person be liable to prosecution, to criminal prosecution, for breaking the law, but it would be assumed that from the outset of the application process, the person intended to commit fraud.

I would be just as stunned, but perhaps less motivated to ask for the repeal of paragraph 3(2)(*c*), if it applied to a wide range of wage earners. But, in point of fact, the legislation targets a clearly identifiable group. In my view, the primary effect of the legislation, whether intended or whether the result of social circumstances, is the systematic exclusion of women who work for their spouse.

There are 650,000 women in this situation, Mr. Speaker. If they were to lose their job, these wage earners who work in a business managed by their spouses, who work "in partnership" with them, so to speak, would currently be excluded because of

their status from receiving unconditional unemployment insurance benefits.

• (1645)

Women who fall into this particular category of wage earner account for the vast majority of excepted employment cases provided for in paragraph 3(2)(*c*). Furthermore, when we look at the persons designated by the cumulative provisions of the Income Tax Act and the Unemployment Insurance Act, we see that the group that is excluded the most is women who work with their spouses. There is no point denying this fact. The current law denies women the right to equality in the area of unemployment insurance.

Some will say to me that if the law is so discriminatory, then the courts will tear it to shreds as soon as the opportunity arises. Let the courts do their jobs then, they will tell me. My answer to them would be that it is incumbent upon legislators to amend their laws. The courts intervene only as a last resort to correct any injustices that may flow from the legislation. And, until such time as a final court of appeal rules on a fundamental issue, how many cases will have been abandoned for lack of resources or hope? To leave it up to the courts to make the law is to abdicate our own political and social responsibilities.

I would also say to these people that even if the courts did not find the legislation to be discriminatory from a legal standpoint, we should still intervene to point out the unfair aspects of the law from a human and political standpoint. And finally, unfortunately, even though the legislation institutionalizes this injustice, I do not think that the Canadian courts, using modern–day criteria, would find it discriminatory. Technically speaking, it is not discriminatory. However, given our social and demographic reality, the ramifications of the legislation would indeed be discriminatory. It is the main reason why we must act now and act fast. The courts will not do it.

In its 1990 reform, the now defunct Conservative government had managed to get around the gains made before the courts by women who work in partnership with their spouse. Indeed, several decisions had sent very clear messages to law–makers. The old act was invalid because it discriminated against spouses engaged in a working relationship. As a result of these decisions, women working for their spouse were entitled, albeit for a very short period of time, to premiums and benefits. But that was before the Tories' social conscience got the upper hand.

The break was short–lived. Through its 1990 amendments, the Mulroney government caught up with these women and sent them back to square one. It was done under the cover of an extremely confusing piece of legislation in which the amendment went nearly unnoticed. By putting spouses in a seemingly larger group, those in a non–arm's length situation, the new legislation is probably true to the Charter of Rights and Freedoms. I believe that, as in a recent case the Supreme Court ruled on, the courts would be very reluctant to find paragraph 3(2)(c) invalid. I am referring to the Symes case on which the Supreme Court rendered its decision in December 1993.

It involved a lawyer who wanted to claim her child care expenses as operating expenses. We know that under the Income Tax Act, the maximum allowed for child care expenses is $1,000. She wanted to claim the whole amount of her child care expenses, just as it can be done for entertainment expenses. After all, if golfing expenses are deductible, why should people not be allowed to claim child care expenses incurred as a result of their work?

Madam Justice L'Heureux–Dubé of the Supreme Court found that the legislation had to be analyzed according to its concrete results in today's context. Finding that it had been proved that child care expenses were nearly always borne by women, she concluded that in today's social context, the Income Tax Act must be interpreted and enforced in the light of the Charter. She ruled in favour of the lawyer because, in her case, the law would have discriminatory effects.

I share this opinion based on a progressive and context–sensitive approach to the legislation.

• (1650)

I agree with Justice L'Heureux–Dubé, who said that when issues are examined in context, it becomes clear that certain so–called objective truths may apply only to the circumstances of a particular group in society, while the process may be entirely inadequate in the case of other groups.

Unfortunately, that was not the majority opinion in the Symes case. The courts are not likely to introduce contextual analysis of the law very soon. They will continue to abide strictly by the letter of the law, as they did in this case.

The Supreme Court therefore refused to examine the constitutional aspects of the appeal, after concluding briefly that the Income Tax Act contained its own system of reference. For tax purposes, the law treats all taxpayers the same.

In fact, any individual may deduct child care expenses, although in most cases today, these expenses are paid by women. I am convinced that the courts would react similarly when asked to rule on paragraph 3(2)(*c*) of the Unemployment Insurance Act.

I think it is useless to wait for a final decision from the Supreme Court and that we should act immediately to provide for fair treatment of women employed by their spouses and, in fact, for all Canadians employed by a family member.

Women who work in partnership with their spouses, and who often contribute to our GDP while giving up a substantial share of their remuneration, should be treated with the respect they deserve as active members of the labour force.

Thank you, Mr. Speaker, and I do not need the additional minute.

[*English*]

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, I wish to speak against this bill.

As I understand the bill presented by the hon. member the changes proposed to the Unemployment Insurance Act would revoke the arm's length provision that is used by unemployment insurance adjudicators to determine if spouses employed by their spouses are in fact in a true employer–employee relationship and therefore insurable and eligible to collect UI benefits should they be laid off. This is the intent of this bill.

Therefore, the net effect of the bill would be to allow all spouses employed by their spouses to become eligible to collect UI benefits without giving the government any means of determining if it is an employer–employee relationship and whether that relationship is in fact legitimate.

Unemployment insurance officials predict that this change would result in at least 2,000 illegitimate claims for unemployment insurance each year. Considering that the average benefit paid to each claimant in 1992 was $6,613, we are talking about a minimum annual increase in UI payouts of about $13 million.

If we used the figures from the hon. member's own office the payout could exceed $26 million a year. If we consider the increase in UI claims from spouses when everyone finds out that the government has no means to investigate and control the possible abuse in the system, the number of claims will increase and the number of dollars paid out to illegitimate claimants will also increase.

That is the main point I am trying to make. If we approve this the number of claimants will dramatically increase because spouses will be able to put their own husband or wife on UI and we find this totally unacceptable. Not only will the costs be $13 million or $26 million, they will go way beyond that.

We oppose this bill because it opens up the Unemployment Insurance Act to more abuse and the wasting of more taxpayers' dollars when we should be tightening up the loopholes and saving employer and employee UI premiums for legitimate UI claims.

It would be helpful for everyone to have a bit of a history lesson on how this issue has developed.

• (1655)

Prior to August 1988 all those employed by their spouses were not insurable under the UI act. In August 1988 the Federal Court of Appeal confirmed a decision by the Canadian Human Rights Tribunal that this section of the UI act was discriminatory on the grounds of family status.

In order to provide a test to ensure the validity of the employer–employee relationship the government included in Bill C–21 an arm's length relationship clause. Pursuant to section 3(2)(c) the employment of a person that is not at arm's length is not insurable employment unless the terms and conditions of employment are substantially similar to a non–arm's length employment contract. We feel that is sufficient. The possibility is there that if the claimant wishes to insure his or her spouse, they have the availability to do so.

Unemployment insurance relies on Revenue Canada to make the determination of the arm's length relationships between employers and their employee spouses. Between 80 per cent and 90 per cent of Revenue Canada's decisions rule that an arm's length relationship does exist.

This favours the husband, wife, or spouse relationship and the spouse is therefore insurable in most cases. It would seem to be a very reasonable approach to handling these cases. Senior officials at the unemployment insurance office agree with this.

It is clear to all of us if this bill is approved it would result in the federal government having no control over UI claims filed by spouses. That control would virtually disappear. It would open up a loophole so wide that thousands of people could walk through it.

The likelihood is that when the general public realized the last element of benefit control had been removed from the UI act in regard to spousal employment, the number of illegitimate UI claims would increase. That is the point I am trying to make. Probably they would increase dramatically.

The potential for abuse is a greater concern for Canadian taxpayers than any other consideration. We are constantly receiving complaints about the raid on the public purse by UI abusers and fraud artists.

We believe the unemployment insurance program should be returned to a true insurance program based on sound financial principles. This private member's bill does nothing to move in this direction.

A broader concern we would like to raise is whether there can ever be a true arm's length working relationship between husbands and wives.

An employer who employs their spouse already has an added tax benefit because the income of the business is split by two wage earners living in the same household. Should an employer

also be allowed to lay off their spouse whenever they want and then have that spouse collect unemployment insurance? We think not. I think it is obvious as to why that would not work.

We believe we should be looking for ways of tightening up the system rather than opening it up for more abuse.

The hon. member makes the point that this is discriminatory against women. I would like to remind the House that a spouse can be either a man or a woman.

Canadians want the UI system to be fair. The current system of having Revenue Canada determine if employers and their employee spouses are legitimate employer–employee relationships is fair. This section of the UI act is more than fair and for this reason we oppose it.

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, I appreciate the opportunity to speak on this bill introduced by my hon. colleague.

The proposal invites us to consider a topic most important to this House and indeed to the whole country: the financial integrity of the unemployment insurance program.

Every member of this House knows the vital importance of small business. Every member personally knows of families in their ridings who work long hours to be independent, to achieve family goals, to contribute to their community. Every one of us is very much aware how difficult, demanding and rewarding a family business can be.

• (1700)

The unemployment insurance program has been extremely important to thousands of family businesses across this country. In thousands of offices, stores and plants when the business has run into a temporary slow period, revenue cannot support the employment of a family member and the person has been laid off, unemployment insurance has been there.

The family employee who has contributed along with the other employees of the company to the unemployment insurance account and qualifies for a claim has received temporary income from the unemployment insurance program. Many family business members have been able to receive help for training, help in searching for a job with another firm, help in seeking work elsewhere.

Along with millions of other Canadians, people who have been employed in a family firm have obtained their rightful benefits. Thousands of Canadians have also worked for small business corporations with which they have had close relationships. These men and women have also benefited from the unemployment insurance program.

Throughout Canada these two groups have received regularly their rightful benefits which they have earned as legitimate employees of legitimate enterprises. They confirm that they are genuine participants in our unemployment insurance program and they obtain the temporary income while they seek new employment.

For hundreds of thousands of these Canadians the present Unemployment Insurance Act has been there in their time of need. That is the intent of the act.

My hon. friend who has introduced Bill C–218 is rightly concerned about the unemployment needs of family small businesses. Every member in this House I am sure shares her concern.

Every one of us knows family enterprises in our ridings which have experienced difficulties in recent years. A father, mother, sister, brother has faced unemployment when business has turned down. Regrettably there are too many families who have served the community for 10, 25 and even 50 years and suddenly are no longer in business.

The record shows that these families have been well served by the unemployment insurance program. For example, in the fiscal year 1992–93 family businesses filed tens of thousands of claims for unemployment insurance benefits. Of those, 15,000 cases were reviewed and 75 per cent were confirmed as qualifying for benefits.

This position of the vast majority of claims by employees of family businesses has been most satisfactory, from the viewpoint of the employer and employee who finance the program, and from the viewpoint of the administrators who have the fiduciary responsibility to collect and to disperse the funds.

All members of the House who are familiar with the purpose of the unemployment insurance fund understand that a balanced and fair approach must be maintained. They know that funds are to be dispersed to respond to lack of income because of temporary and involuntary unemployment and to expedite return to employment by claimants. This is the mandate of Human Resources Development Canada.

These are funds collected from employers and employees to alleviate temporary lack of employment by those who have contributed. Any other treatment of these premiums collected for specific purposes does not come within the scope of the Unemployment Insurance Act.

• (1705)

The government has a responsibility to manage these funds with prudence and fairness, ensuring that to the greatest possible extent for those who have contributed, the misfortune of unemployment is alleviated. To act otherwise is to risk the integrity of the entire unemployment insurance program, to go beyond the bounds of responsibility, competence and the financial stability of the fund.

This is not to say the Unemployment Insurance Act does not require examination, review and revision by the House. As the Minister of Human Resources Development has clearly pointed out, all our social programs do indeed require reform. This view has the support of Canadians. They require a comprehensive, forward looking, perhaps sweeping reform to ensure they all meet the needs of Canadians as they enter the 21st century.

Therefore, I feel it would be premature to look into the application of unemployment insurance to the isolated situations where the employer and the employee are not dealing with each other at arm's length.

We all share the concern of the member who has introduced this bill. Each one of us has in our own riding family businesses that have been in difficulty. We know employees of family businesses who have needed and obtained the benefits for which they have paid.

I suggest that this bill for all its intent of responding to the difficulties of family businesses is not quite what this House would consider an appropriate contribution to our legislation at this time.

I suggest that this question would be better considered as part of our general review and reform of our social programs which is now under way. I can assure the hon. member it will be.

[*Translation*]

Mrs. Monique Guay (Laurentides): Mr. Speaker, once again today I appreciate the opportunity of commenting, this time on unemployment insurance in support of Bill C–218, introduced by the hon. member for Saint–Hubert.

The purpose of this bill is to exclude from the definition of excepted employment, employment where the employer and employee are not dealing with each other at arm's length. That this bill was tabled shows that we on this side of the House are very much aware of what is happening in our ridings.

Every day, unemployment insurance claimants knock on the doors of our riding offices and ask for our help because they feel they are not being treated fairly by federal unemployment insurance authorities. In fact, these people are fed up with the way they are being treated.

They often feel powerless before the legislation and the almighty bureaucracy. The problems with unemployment insurance are many and complex. Unreasonable delays, erroneous decisions and unwarranted investigations often haunt the lives of claimants and make a mockery of their rights.

I am sure members opposite also see many people in their offices with problems concerning unemployment insurance. If they really want to stand up for the interests of these people, they certainly should support this bill.

Since this government came to power, however, the Liberals have chosen to forget the people at the bottom of the ladder. The break with the grass roots has been very quick and very obvious. The government's decisions and actions are a clear indication of this development.

We should realize that the purpose of the unemployment insurance system is to provide support, during a specific period, for claimants who are out of work. The objective is quite clear but unfortunately, the legislation, the way it is administered and the whole bureaucracy around it often obscure the actual purpose of this program. It is the applicants who suffer the consequences.

• (1710)

Of course, the main problem of all these people is the lack of work. If our economy produced enough long–term jobs, all these problems with unemployment insurance would be less or go away, but such is not the case. In my riding, Laurentides, the unemployment rate is 18 per cent. If we add to this large percentage all those who are no longer looking because they are discouraged by the non–existent job market and all those who must rely on welfare, we come up with a frightful jobless rate of 30 per cent. I am very worried about this.

All these people are also very worried. The unemployed face great tension and uncertainty. Imagine that you are the head of a household with children and suddenly you lose your job. You now receive only 57 per cent of your former income, soon a mere 55 per cent, as the callous Liberals decided, to support your family. It is a great worry and concern for people who unwillingly become unemployed.

Unfortunately, some say that one gets used to unemployment and others will even say that for some it is a way of life. Far be it from me to make such tendentious allegations. No one in our society wants to collect unemployment insurance. No one gets up some fine morning and says, "Well, this morning I want to lose my job and become a paid unemployed person." No one sincerely or voluntarily desires such a situation. On the contrary, people do want to work. They want lasting, well–paid jobs. I do not think that receiving a reduced cheque every week, looking for work day after day and finding none is paradise for the unemployed people in my riding.

The people opposite do not understand what is going on out there and they stupidly bury their heads in the sand, unable to deliver the goods they promised so much during the election campaign. Their promises are turning into crumbs. Crumbs from the infrastructure program that will only create or maintain some 45,000 jobs to meet the needs of 1.5 million unemployed. A real joke, a real farce from the clowns opposite who increasingly arouse laughter and scepticism from everyone.

In my riding, this miraculous Liberal program will solve nothing. It is a drop in the bucket, providing only insecure short–term jobs. That is what we get from the conjurers opposite.

What are you waiting for to come up with a real employment policy? What are you waiting for to create and establish new, intelligent, promising programs? What are you waiting for to give technical and financial aid and support to companies and to individuals who want to create new businesses? What are you waiting for to invest massively in research and development? Nothing, you are waiting, you are in neutral and, I even believe, in reverse in many respects.

But what is even more disappointing and heartbreaking from the Liberals is that not only have they forgotten about jobs, they are cutting unemployment insurance. They are taking from people whom they offer nothing, whom they are not giving a chance. The conjurers opposite reason backwards.

This whole everyday reality of the unemployed creates definite problems for them. One of these problems is related to the Unemployment Insurance Act and Bill C–218 would eliminate it by recognizing a 1989 Supreme Court decision that excluding spouses from unemployment insurance is discriminatory. Unfortunately, the insensitive Conservative government in 1990 made life more difficult for spouses. I can tell you that in my riding, where many people hire their spouses to meet the needs of the tourist season, we have hundreds of these problem cases due to paragraph 3(2)(c) of the Act. These spouses, mostly women, go through a real nightmare when they apply for benefits. To collect benefits, employees related by blood, marriage or adoption must convince the officer that their job is justified and that they are not cheating.

• (1715)

So this employee carries the burden of proof, with all the inquiries that this provision implies. These inquiries have become almost systematic and impose unacceptable delays for people who often badly need these unemployment benefits.

Furthermore, since the burden of proof is theirs, we generally consider these people abusers of the system. Such an attitude is unacceptable in a democracy, a free world where everyone is presumed innocent until proven otherwise. Once again the main victims of that provision are women. We women can take a lot. Approximately 650,000 women would be in that category.

I therefore ask the members from the other side to approve this bill, I ask the women of this House to bring these facts to the attention of their male colleagues in order that we may redress this injustice done against women by repealing this provision of the legislation.

We must trust in ourselves, trust in others if we want them to trust us and the system.

[*English*]

Mr. Charlie Penson (Peace River): Mr. Speaker, I appreciate the opportunity to rise on such an important occasion to speak about unemployment insurance.

I recently spent two weeks in my riding. People are concerned about the high cost of unemployment insurance to Canada, not only to employees and employers but to the taxpayer. They are concerned about abuse of the system. I have seen some of that abuse firsthand.

Abuse of the UI system results in higher costs for employees, employers and our entire tax system. It results in higher costs of goods and services. Removing the safeguard that is in place regarding spouses paying each other has the potential for a tremendous abuse problem in the future. I see it rising very greatly if we remove this safeguard.

I recognize that if spouses are not allowed to collect benefits on an arm's length transaction they should not be expected to pay premiums either. We do have a problem here that needs to be addressed but let us address it directly and not try to do an end run on the problem. There are other people who have to pay premiums. Although I am a farmer I worked off the farm for some time. I had to pay premiums and never could collect. That needs to be addressed.

If spouses are not allowed to collect because they do not qualify under the arm's length test, let us introduce a bill to deal directly with the problem. This discriminatory practice should not be continued.

The government has promised to bring in a review of the entire unemployment insurance program. It is a welcome review, one for which the people of Canada have been waiting for a long time. Let us listen to what Canadians have to say in these hearings on this issue as well as others. I believe they are going to be telling us that they want to stop abuse of the system.

We have young people in Canada who have never seen either parent bring home a pay cheque or hold a real job other than one through unemployment insurance. I say that is a tragedy. A program that was started with very good intentions, to provide help for people in time of temporary crisis, has become a way of life for a lot of people. We see it continuing from generation to generation.

This practice has to be stopped not just for the taxpayers but for those very young people who are going to fall into that same cycle. It is not conducive to good self–worth and the sooner we end that practice, the better. I am concerned that by removing the safeguard that has been put in place to stop abuse in the case of spouses employing each other will just add to that further abuse. Therefore, I cannot support this bill. I encourage members in this House to vote it down. A new bill should be

introduced to deal with the problem where spouses have to pay premiums when they are not allowed to collect.

• (1720)

I believe there is good intent here but it is misdirected. I certainly do not want to encourage any more abuse of our unemployment insurance system than we have now. Let us have a good thorough airing of this problem and the hearings that are going to be conducted throughout the country through the unemployment insurance review. I suggest we wait for that to happen.

Mr. John Finlay (Oxford): Mr. Speaker, the bill before us today addresses a concern of every person who knows, understands and values the family business today.

The Unemployment Insurance Act stipulates that workers who are related to their employer are covered by unemployment insurance if they qualify as do other workers. They work under the same sort of employment contract as other workers who are not related to the employer. Their employment is insured and they pay premiums.

This means that if they become unemployed they will also be able to claim any benefits for which they are qualified. Factors such as rate of pay, conditions of employment, length, type and importance of their work will determine whether or not their employment is insurable. Clearly the basic question of providing equal coverage to family businesses has been dealt with in the existing legislation and the guidelines for administration of unemployment insurance provisions are set out.

In the last four years how have family businesses fared in participating in the benefits provided to alleviate involuntary temporary unemployment?

I am confident that a brief survey of the situation in the typical riding will reveal this scenario. Family businesses which have paid into the unemployment insurance account found they needed the benefits. They filed their claims for the husband, daughter, mother or son who had to be laid off. They demonstrated the legitimacy of the claims and they received the benefits to which they were entitled. The benefits for which they may qualify include a broad range of services designed to help them end their temporary involuntary unemployment.

Special benefits particularly relevant to a family business include the following: 15 weeks of maternity benefits in the period surrounding the birth of a child; 10 weeks of parental benefits available to natural or adoptive parents, either mother or father, or shared between them as they deem appropriate; and a flexible combination of regular, sickness, maternity, and parental benefits. More than one type of special benefit can be claimed within the same benefit period up to 30 weeks. In addition claimants may receive special benefits in combination with regular benefits.

We can well imagine the situation where a mother and father are operating a business together. One of them becomes ill. This immediately threatens the entire future of that business. Under unemployment insurance provisions today the person who is ill may claim benefits which can help maintain the income of that person and help to keep the family business alive.

Tens of thousands of legitimate businesses with legitimate claims for benefits for which the employer and the employee have paid are receiving those benefits. The responsible competent management of the unemployment insurance fund has produced billions of dollars in benefits. These benefits have helped to ensure the financial survival of countless numbers of families who are operating their own businesses.

Then there is the case of a family business experiencing a slowdown and which must let go perhaps a daughter or son who is an employee. For many of those persons unemployment insurance has provided benefits while starting a new business to meet a new need in the marketplace.

This is just one example of how flexible and versatile the Unemployment Insurance Act can be to provide real solutions to real problems.

• (1725)

I suggest that each of us inquire among families we know that have benefited from the present act and learn their opinion. I believe that people who know the breadth and depth of the Unemployment Insurance Act will tell us that this act does serve well legitimate family business with a legitimate claim.

The anomalies which can eventually appear in any act are best dealt with in a comprehensive way in the context of all the social programs which the federal government provides.

I believe that in spite of the intentions of the hon. member who introduced this bill this proposal is not in the best interest of family businesses, of any people who participate in our unemployment insurance program or of all Canadians.

During the Easter recess I had the opportunity of holding three meetings in my riding in connection with the social security review. I had good attendance at these meetings and I had people from across the county and people who were involved in providing support services to our citizens. I can say that the recommendations I received were wide ranging and will add to the national debate that is occurring on this matter in Canada now.

I believe all of us as members of Parliament should consult our ridings to pass on their concerns to the minister. I and my staff have prepared a report of my meetings to pass on to the hon. Minister of Human Resources Development for his consideration in this process. After I have given the report to the minister I would be happy to share it with any interested members who

would like to conduct such meetings on this very important review.

I believe the bill before us should also be considered within the social policy review. It is best for us to consult the people of Canada on this crucial issue, for it is their money we are working with.

There was discussion on unemployment insurance and how it might be improved. The general feeling is since it is an insurance plan perhaps those who are most likely to become uninsured should pay a higher premium than those who are employed in a more secure occupation, a sort of pay as much as you are likely to need plan.

There is also a great deal of concern, as the hon. member across the House pointed out, for abuses within the system. There are people who spend most of their time collecting unemployment benefits and not contributing to the plan. I do not suggest that family businesses are necessarily one of those.

Another thing that I have learned in my brief five months as an MP is that to a lot of our constituents we can fix anything. We are supposed to know everything and we are supposed to be able to fix anything that goes wrong. As you would know from your experience, Mr. Speaker, they do not always distinguish between federal plans, provincial plans, municipal plans or even private plans.

I have had many requests about problems with internal revenue, about problems with UI, about problems with the Canada pension plan and about problems with any number of other plans and services and benefits that I knew nothing about. I can honestly say the problem purported to be so serious and to which this amendment relates is one that is entirely new to me. No one has complained in this regard yet and I am sure there are lots of family businesses in the riding of Oxford as there are in other places.

I congratulate the member for bringing this bill forward, but I would ask her to bring it forward in the social policy review and be looked at along with other recommendations of concerned Canadians.

The Speaker: The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

SUSPENSION OF SITTING

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I think you might find unanimous consent to suspend the sitting until 6 p.m. so that we can proceed pursuant to the arrangement arrived at earlier this day.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

The Speaker: We will suspend until six o'clock when we will resume debate.

(The sitting of the House was suspended at 5.30 p.m.)

SITTING RESUMED

The House resumed at 6.03 p.m.

The Acting Speaker (Mrs. Maheu): It being 6 p.m., pursuant to order made earlier this day the House will now proceed to a special debate.

SPECIAL DEBATE

[*Translation*]

FOREIGN AFFAIRS

SITUATION IN BOSNIA

Hon. André Ouellet (Minister of Foreign Affairs) moved:

"That this House, taking note of the tragic events which have taken place in and around Gorazde, and NATO's agreement in February to a UN request for the use of air support to protect a safe area around Sarajevo, consider the request contained in the UN Secretary General's April 18 letter to the Secretary General of the North Atlantic Treaty Organization to extend arrangements similar to those in place to protect Sarajevo to the five other UN safe areas in Bosnia";

He said: Madam Speaker, the government promised at the beginning of its mandate to consult Parliament and Canadians on major foreign policy issues. As I said during the debate on the review of our foreign policy, Canadians care about their country's foreign policy. That is easy to understand when we look at all our peacekeepers overseas.

Bosnia–Hercegovina is probably the most dangerous theatre in which our troops currently operate.

The February slaughter in the Sarajevo marketplace prompted the international community to act with more strength and determination than before. Once again, the international community must take a firm and definite position on Bosnia after the totally unacceptable events that are taking place in Gorazde.

Our goal, I repeat, is still to achieve a lasting peace in Bosnia. All our efforts in Bosnia have always been aimed at promoting the negotiating process. We must never cause the conflict to escalate. Only a diplomatic solution can bring lasting peace to Bosnia. All the parties involved in the conflict, especially the Bosnian Serbs, must realize that there can be no military solutions. We must find a way to get the peace process moving again, because the continuation of hostilities in Bosnia threatens the stability of the entire region.

I must say that, despite all the efforts made by the UN, NATO and the European Union, as well as the specific initiatives of the Americans and the Russians, the situation is deteriorating rapidly.

After the Serbs attacked the city of Gorazde and violated the various ceasefires negotiated in the last few days, the UN Secretary General formally called on NATO to take all necessary measures to protect the five safe areas in Bosnia, Tuzla, Zepa, Gorazde, Bihac, Srebrenica and Sarajevo, by launching air strikes mostly against Serb forces, unfortunately.

The NATO Council discussed the issue yesterday and asked its military authorities to prepare various scenarios in response to the request of the UN Secretary General. Tomorrow the council will reach its decision on the UN Secretary General's request.

We will have to take position at this meeting of the NATO Council. Before making that decision, we feel it is important to hear what parliamentarians have to say about this request from the Secretary General.

We are giving an opportunity to government and opposition members to make suggestions. My colleague the Minister of Defence and myself will be listening to the speeches and, at 10 p.m. tonight, there will be a special Cabinet meeting so that our instructions can be given to those who will be representing us at NATO tomorrow.

I must say however that, in February, Canada did express reservations about using air power to protect Sarajevo. But in the end, we came to the conclusion that it was the only way to deal with a situation which was becoming critical. Canada's concerns were taken into consideration in making a decision at NATO in February. We also indicated very clearly that, in the event of a drastic change in the nature of UN operations in Bosnia, whereby our troops would no longer be involved in strictly peacekeeping activities, we might reconsider our military presence in Bosnia.

• (1810)

I would like to point out that our representative to the NATO Council reiterated yesterday Canada's reservations about using air strikes. Air power alone cannot resolve the situation in Bosnia. We must make our decisions on the basis of our strategic objectives, which remain above all peace and negotiations.

However, in view of the daily flood of horrifying images from Bosnia, we must not overlook the fact that significant progress was nonetheless achieved, as evidenced for instance by the support of a Muslim Croat federation. NATO and the UN had advocated, in February, stepping up operations to protect Sarajevo and relieve the city from the hellish conditions under which it has been living for far too long. We did manage to quiet guns and mortars without resorting to NATO air strikes.

Unfortunately, the war mentality got the better in other regions of Bosnia. So, Gorazde was declared UN safe area. We have the duty to protect the populations which have taken refuge over there. However, last week's events in Gorazde show that for the international community to step up operations entails risks. We must be fully aware of that.

If we take a firmer approach, as requested by the Secretary General of NATO and proposed to NATO, we must do it with our eyes wide open and accept the consequences of our decision.

[*English*]

We are also aware and must be aware that the conflict has evolved. The progress made in Bosnia is compromised by a totally uncontrollable Bosnian Serb army. We must recognize the very positive role that the Russians have played in seeking a negotiated solution to this bloody conflict. We must therefore attach more weight to the observations of the Russians in recent days about the intransigence of the Bosnian Serbs as a primary contribution to the current impasse.

In this context it will be wise to take into consideration the Russian position in any eventual action taken by NATO. This is certainly something that we will be speaking about with our friends and allies in NATO tomorrow. If we want to end this conflict, certainly we have to tell the Bosnian Serbs unequivocally that what they are doing is unacceptable and cannot be tolerated.

As we said in regard to Sarajevo, if they do not respect the ceasefire, if they do not respect the safe areas, they will risk the consequence of air strikes. As we also said in Sarajevo, we were ready to do it. Fortunately common sense prevailed and it was not necessary to use air strikes.

We are going to be ready if need be to follow the same logic, the same strategy, in regard to the other areas where there are populations that are hostage to belligerents who resist the request of everyone to come to the table to sign a peace agreement.

We obviously have to realize that the original mandate of the Canadian troops sent there to serve as peacekeepers and to help in the delivery of humanitarian aid is singularly compromised at the moment.

• (1815)

The mandate in Bosnia of peacekeeping missions does not work and cannot work unless all parties agree to a peaceful solution to the conflicts. The only ones resisting so far are the Bosnian Serbs and we are determined to make sure that they understand they cannot perpetrate a war that all the other parties want to stop.

Therefore, I believe that we have to make tough decisions in the name of peace and security. We will have to consult with our allies and design the appropriate recourse necessary to assist those who have the responsibility to implement peace in this area of the world.

Canada has served brilliantly in the past on many UN peacekeeping missions. It has been a proud participant in NATO and has been ready to serve whenever asked in any type of capacity. If we can no longer serve under the UN on peacekeeping

missions we might be asked to serve, and we will have to give a response in this regard, under NATO to carry on very vigorous actions to clearly establish good sense in the minds of the Bosnian Serbs.

Hopefully air strikes will not be necessary but we have to say tonight that if necessary there will be air strikes.

[*Translation*]

Hon. Lucien Bouchard (Leader of the Opposition): Madam Speaker, first I would like to say that the government is to be commended for agreeing that this was an appropriate time to have a debate that will give all parliamentarians who wish to do so an opportunity to speak and, above all, to express the views of the opposition for the benefit of the government.

After listening to the speech by the Minister of Foreign Affairs, which I felt was a very responsible and very balanced presentation, I think we can reasonably expect that the House will unanimously approve this very serious decision the government must make. I believe it is very important to be able to proceed on the basis of a consensus of all political affiliations in this House.

It is clear that the peacekeeping mission, as it has been defined thus far, has failed. First, because there is no peace. There is a war and even a regular slaughter of civilians. On television we see children killed and dismembered by shells. We see women dying, women who have been raped. We see a country that is a bloody battlefield, where 200,000 people have been killed in the past two years.

Today, 28 people were killed in Gorazde. They did not die in battle but in the hospital, because the Serbs opted for the unthinkable strategy of attacking hospitals. Yesterday, a rocket launcher fired on the hospital, people in the emergency ward were killed and operating rooms were destroyed. Today, there was another attack on the hospital. It was not an accident but a deliberate decision to attack the hospitals. It is impossible to go out and help the wounded because they fire at the medical teams.

There is no peace, and there is no will to make peace. There has been a lot of talk about negotiations. However, so far all negotiations have been marred by the bad faith of the Serbs. The violation of the cease–fire around Gorazde is a case in point. The cease–fires that were agreed on have been systematically violated. They were never even enforced. They were violated before the ink was dry.

Speaking of violations, I am told that in the past three months, the Serbs violated at least 57 agreements on Gorazde and Sarajevo.

• (1820)

Furthermore, the peace talks are going nowhere. In fact, they are yielding no positive results because the Serbs refuse to join the Croats and the Muslims of Bosnia in their will for peace. We know that Croats and Muslims have signed an agreement but the Serbs refused to be part of it. In fact, we should be talking about Serb duplicity. They see the negotiations as an opportunity to lull the West while intensifying their efforts. Their strategy is obvious. The Serbs pretend they are negotiating but in reality they are using that time to occupy more land and get into a strategic position for the events to come.

This acknowledgement of failure leads us to believe that, given the current situation, the presence of the peacekeepers in Bosnia could even be prolonging the conflict. Instructions are not clear. The military do not know what to do. They cannot defend themselves. They could very well become helpless hostages if the Serbs get a notion to act along those lines. We absolutely must make a decision.

We talk about our soldiers' safety in case of air attacks, but we must also talk about their safety as things stand right now. Our troops are in danger. The safety of Canadian soldiers is being threatened at this very moment. These soldiers cannot defend themselves; they must watch helplessly as hostilities take place with extreme speed and intensity.

To conclude on the diplomatic aspect of the question, I think most of all that the credibility of western democracies and of the United Nations is at stake here. What is left of Canada's credibility as a peacekeeping country, as a country that is consistent in its policies and able to act in a coherent fashion? What will be left of the credibility of the British, the French, the Americans and the United Nations if we do nothing? It is because they knew how to play on our wish for peace and our pacifism that the Serbs have succeeded in occupying most of Bosnia and that they might be right now taking actions that look an awful lot like ethnic cleansing.

In other words, the situation has reached a critical level. We must redefine Canada's mission. We must do so either by redirecting our peacekeepers' mission in that country or by withdrawing our troops altogether. But is that possible? The fact is that we have no choice, since the alternative is not an option, in practice or in principle.

If we were to withdraw, what would it mean? It would mean, first of all, the end of humanitarian aid. Let us not forget that together with peacekeeping, even if we have failed at that, we are engaged in other operations such as protecting food convoys and supplying a minimum of water and sanitation, as well as drugs to save a few lives, where possible. In that respect, a lot has been achieved. It must go on.

Second, the credibility of peacekeeping missions and the UN would be definitely jeopardized if we were to withdraw today. What would the world think of a total abdication by the UN and by NATO countries, if we were to withdraw now? Moreover, we would be abandoning the Bosnians. Try to imagine what would happen to them if we were to withdraw. All the more so as we have disarmed them. It is not well known that the embargo we declared against Bosnians has been so effective that they have no arms and are finding it increasingly difficult to counter Serb attacks. And finally, we would open the country to possible territorial expansion.

We are dealing with a powder keg, with the Balkans, where several of the great wars started. We can already see the emergence of a threat from Iran. The Muslims' religious solidarity could come into play, as recent statements from Iran lead us to believe. To leave would allow the conflict to degenerate.

Therefore, we must redefine the UN's mission. I think that we will all agree to answer the Secretary General's call and endorse President Clinton's proposal to apply the approach followed in Sarajevo to the six safe areas remaining in Bosnia. That means the use of air strikes, this time offensive ones preceded by an ultimatum. Let us not mince words. We are talking about a real ultimatum. The Serbs must know that if they do not comply with the specific request to free the six safe areas and surrender all their heavy armament, they will in effect decide to become the targets of air strikes.

• (1825)

These air strikes, if unfortunately it came to this, must have a significant effect. The time for half–measures has passed. Strikes must target strategic positions. This would at least ensure the safety of our troops, in the event retaliatory strikes were subsequently launched against them. Heavy Serb weaponry must be destroyed if the Serbs do not respond to the ultimatums.

Of course, we must protect ourselves. We must have the support of the Russians. I do not know if this will be possible, as the wire reports do not give us a clear picture of the situation in Russia. We do know that the United Nations Security Council will be meeting this evening in New York and that the Russians will be in attendance. They have the power to veto the Council's decisions. We have to get beyond the Security Council and hope that Russia will allow itself to be convinced by Western diplomacy to set aside its sympathy for the Serbs, considering how harshly it has been treated by the Serbs. Russian honour is at stake because the Russians vouched for the fact that the Serbs would respect the treaties and ceasefires, when in fact the Serbs violated them anyway. One must hope that the Russians will join the ranks of those who want peace to be restored to that area of the world.

Furthermore, we are deeply concerned about the safety of our troops. We realize that this situation is extremely difficult for them. Our soldiers have already been taken hostage. Fortunately, they were freed. This time, we must ensure that the military backup is in place so that our soldiers cannot be taken hostage as easily as before.

There is also the matter of additional troops that could be required. A number of military experts, including General MacKenzie, have indicated that ground support is needed to ensure the effectiveness of air strikes. Should additional troops be needed, and I do not know if they will as this will be for the military to decide, I do not think that Canada ought to be asked to supply them.

Canada's effort has already been substantial. Its troops account for 8 per cent of the forces in place, whereas it accounts for only 3 per cent of NATO's budget. Some countries still have not sent any troops yet to this area of the world. Some have not sent the numbers they should have. I think we should urge our allies and friends in NATO to match Canada's effort. I have no doubt that we would then have enough troops on the ground to sustain the attacks.

[*English*]

In conclusion, the Bloc will support the implementation of the plan proposed by the American president and strongly advises the government to answer favourably to the call of the Secretary General of the United Nations.

This is a case where we have to be united. This is a case where we have to fulfil a duty of international solidarity because humanitarianism calls for it and it is the kind of responsibility we have to show when the rights and democracy of people are directly threatened.

I can assure the government that we will support any initiative which will be taken in the direction of my comments.

Mr. Jack Frazer (Saanich—Gulf Islands): Madam Speaker, I want to again acknowledge and thank the government for agreeing to this debate this evening. Also, I want to register our great satisfaction that the cabinet will not meet to decide on this issue until after this debate has been concluded. This is a situation which Canadians should be involved in and it is a situation which should not result from partisan politics.

The situation in Bosnia has become very serious and a decision soon to be taken will have great impact on the Canadian forces committed to the United Nations efforts in Bosnia. It will also have tremendous impact on Bosnian citizens who are in grave danger.

Once again I would remind all that none of the antagonists in Bosnia can claim clean hands in this terrible confrontation. All have been involved in actions for which they could only expect world condemnation. However, it would seem that at this time it is the Bosnian Serbs who are responsible for the escalation and the continuation of the war in Bosnia.

Madam Speaker, you may remember that in my previous submission on Bosnia during the debates here on January 25, I suggested that Canada should take a lead role, and I quote: "by hosting a conference here in Ottawa in early February before that Geneva meeting to include all countries with forces in the former Yugoslavia. At this conference Canada should urge that the UN issue a clear and unequivocal ultimatum to the bellige–

rents: either accept moves to achieve an enforceable, peaceful solution or accept the withdrawal of UN forces".

• (1830)

That advice was overlooked or ignored. Now some three months later we find ourselves in an even more critical situation. We have had Canadian forces held hostage, detained and interfered with along with other UN personnel. We have had intense bombardment of a UN declared safe zone at Gorazde resulting in many casualties killed and wounded.

It has become obvious that at least one of the protagonists in Bosnia has little appreciation for our purpose in being there or respect for the will of the United Nations to effect a peaceful resolution of the conflict.

At the end of March Canada agreed to extend the commitment of Canadian forces in Bosnia for a further six months, taking us through to the end of September. But when that commitment was made there appeared to be light at the end of the tunnel and very good prospects of a peaceful resolution of the conflict.

That has now changed and in light of that Canada should reassess the situation and reconsider our options. A withdrawal of Canadian forces is one option. Canadians are not ones to cut and run when the going gets tough and we have proven that to everyone's satisfaction. But in Bosnia right now we are relegated to being mere observers of atrocities, bloodshed and cruelty. If the Bosnian Serbs cannot somehow be convinced that they have to change their ways, is there any point in Canadians remaining involved, particularly when there seems to be every prospect that some will be placed in great danger and perhaps killed or wounded?

Even President Yeltsin has agreed that the Serbs have violated their agreement. President Clinton said in a news conference that consultations are still going on and that while he cannot commit President Yeltsin to a course until he sees the U.S. proposal in writing, he can say that in general President Yeltsin agreed that the present understanding for air power was ineffective and that the Serbs plainly violated their agreement and overreached in Gorazde. But he feels, as everyone does, that over the long run NATO air power alone will not settle this conflict. It will have to be settled by negotiations.

Without in any way suggesting that my council is as informed as either president, I agree with these assessments. Air power alone will not resolve the war in Bosnia. But the judicious use and firm application of air power may convince the Bosnian Serbs that their best interests lie in coming to the conference table to negotiate in good faith.

As a result I would advocate that Canada should agree to the UN request for NATO air strikes on the condition that such strikes are called for by the commanders on the ground. It is important that when the air strikes are put in that they are put in with the knowledge and consent of the people who will be directly affected by any retaliation that may take place.

Obviously air strikes are a weapon that can be used to great effect. The present proposal is for these air strikes to be applied directly in support of the enclaves or the one enclave at Gorazde. However, they could also be applied to the logistics chain, to the supply despots, to the ammunition dumps, to the roads and rail bridges that are providing the transport link for the Serbs to be resupplied. That I do not think is what we are considering at this moment, but it is another aspect that air power could bring to the situation if it is necessary.

I think we should also consider the UN embargo on the provision of weapons to the Bosnian Muslims. When Vice–President Ganic was here two days ago in conversation he said that he thought that the UN was to a large extent responsible for the situation in Bosnia as a result of that embargo. He felt very strongly and spoke very eloquently that because of the disparity in the weapons capability between the Bosnian Serbs and the Bosnian Muslims that there was no way a reconciliation could be reached. He advocated very strongly that we drop this embargo and allow the Muslims to be armed adequately.

• (1835)

In response to my question would this involve an increase in hostilities, he admitted that at the outset this could very well be the case but he was convinced that for a long term resolution of the conflict in Bosnia this was the only option that would give a real hope of that happening.

In conclusion, I want to commend the government for their position. I want to say that the Reform Party will be supporting them again. I think this is a decision that should be not taken along political lines but in the interests of Canadians. I think it would be unwelcome in the broad Canadian public right now for Canadians to withdraw their forces. I think we should stay there and attempt to see that a peaceful resolution is reached.

However, I do think that it should be made plain that if we are there only to observe atrocities and further bloodshed that we will have to reconsider that option when the time comes.

[*Translation*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, in September 1992, the UN Security Council broadened the mandate and increased the size of UNPROFOR to provide protection to humanitarian assistance convoys in Bosnia–Hercegovina, under the supervision of the United Nations High Commission for Refugees. Canada agreed to send about 1,200 more troops and, by November 5, 1992, the second battalion group had been

deployed. In December 1992, the UN Security Council established a deterrent presence in the former Yugoslavian Republic of Macedonia. A company of the Second Canadian Battalion carried out this operation from January until March of last year.

When these troops were relieved last autumn, the participation of Canadian forces in UNPROFOR was reviewed and increased to about 2,000 soldiers divided in two smaller battalion groups. Currently, almost 2,000 Canadians troops are supporting UNPROFOR efforts in Croatia and Bosnia–Hercegovina.

[*English*]

We have taken a number of steps in the last couple of years. I believe the ones I have just mentioned outlined Canada's commitment to peace and stability in the former republic of Bosnia–Hercegovina of the former republic of Yugoslavia. It has been a great challenge to thousands of Canadians, friends and families of those who have been affected and those who have served in this particular theatre.

We believe that the contributions that we have made in the past two years in the former republic of Yugoslavia, both in Croatia and Bosnia–Hercegovina, have been significant. The Canadian forces have made a difference. They have saved lives. They have helped foster what peace there is in that region and have contributed effectively to the humanitarian effort.

We are talking this evening about the massive deterioration of the situation in Bosnia. Bosnian Serb forces have been unrelenting in their attacks on Gorazde which is a designated United Nations safe area. On numerous occasions UNPROFOR officials have attempted to persuade Bosnian Serbs to halt their aggressive activities. So far these attempts have been unsuccessful and Bosnian Serbs remain. They have detained UN officials and impeded the delivery of humanitarian assistance.

In this environment it is becoming increasingly difficult for UNPROFOR to fulfil its objectives. The international community and in particular NATO countries, the European union and Russia were faced with a fundamental dilemma of how to encourage co–operation without either escalating or widening the conflict.

Taking into consideration all of the factors before him the UN Secretary–General Mr. Boutros Boutros–Ghali has concluded that stronger military action is required.

The House will recall that in February of this year NATO agreed to provide air support to protect the UN safe area of Sarajevo. Three days ago Mr. Boutros Boutros–Ghali wrote to Manfred Woerner, the Secretary General of NATO, requesting that the arrangement be made to protect the Sarajevo safe area and be extended to the five other UN safe areas in and around Gorazde, Srebrenica, Zepa, Tuzla and the Bihac pocket area.

• (1840)

Yesterday the NATO Council discussed this request and asked NATO military authorities to develop an operational plan. The operational plan that is being developed will cover such areas as command and control arrangements, selection of targets and the safety of UN personnel.

In any agreement that Canada would have to the UN Secretary–General's proposal we would have to be assured that the command and control of such air strikes meet Canadian expectations and normal NATO requirements for effectiveness and safety. My military officials have been in touch with those of other NATO countries to ensure that if such strikes were permitted our concerns will indeed be addressed.

The plan of the Secretary–General will define the size of the exclusion zones in and around each safe area and will specify how and under which condition air strikes will be used. Some members of the House will say that the government has in the past been opposed to air strikes and will wonder why we have not flatly opposed the UN Secretary–General's latest request.

I would just like to better explain our position. My colleague, the Minister of Foreign Affairs, has enlightened us this evening on his position.

We have supported the use of air strikes for the protection of UN troops. We said that we would consider other requests as long as they took into consideration a number of factors, these factors being that air strikes contributed to the overall peace process, would not clearly associate the UN with one side, would not make it impossible for UN forces to assist in the delivery of humanitarian aid and would not expose UN personnel to unacceptable risks.

There has been much discussion of the American plan posed by President Clinton yesterday. It was a much more comprehensive plan which goes beyond Mr. Boutros Boutros–Ghali's request and this plan not only includes the extension of air support projecting Sarajevo to other safe areas but also calls for tighter sanctions aimed at limiting the ability of Serbia and Bosnia to wage war and for a high level meeting between the United States, Europe, Russia and the United Nations.

Tomorrow morning, as my colleague, the secretary of state for foreign affairs has said, the NATO Council will meet to consider the operational plan that is being developed by military authorities and to discuss President Clinton's proposal.

Of course, any decision NATO takes will have an impact on UNPROFOR and more specifically we will have to look closely at whether all of these proposals will change the nature of the UNPROFOR mission. In addition, we will have to look at the operational plan to determine its military viability and its impact on the safety of UN personnel.

We have known from the start that deploying forces in the former Yugoslavia meant exposing our personnel to some risk. This concern has been with us since the beginning of the mission and the situation in Srebrenica as well as the incident last week involving 16 members of the Canadian forces when they were detained by Bosnian Serbs reminded us that the risks were very real.

I would like to pay particular tribute at this point to those 16 individuals and to the other United Nations observer, a Canadian, being detained.

Some hon. members: Hear, hear.

Mr. Collenette: A member of our force is in Gorazde today as it is being shelled to pieces. A Canadian is there and we pray for his return.

The decision tomorrow will not be taken lightly but as my colleague, the Minister of Foreign Affairs, has said, too often in the past nations have turned a blind eye to wanton aggression. Too often we have accepted unconscionable atrocities being committed. They are being committed in other places around the world and that should give us equal cause for condemnation.

When we see this kind of situation happening in Europe in 1994, in the heart of western civilization, if you will, when we see people who are ethnoculturally the same but who are essentially divided along religious lines doing unspeakable things to each other, when we see one faction wantonly thumbing its nose at the international community, the time has come to act.

We cannot stand by as we did not stand by—others did not stand by—earlier in this century because if we do, we will only encourage the aggressor more. We will allow more and more atrocities to occur, more and more rights to be abused.

• (1845)

More and more we will see the end of civility in a part of the world where civility has been very much the norm for the past 50 years, in a relatively peaceful situation, notwithstanding the enmities in the history of the past.

As we go forward this evening in cabinet and make a final decision, we will weigh the remarks of hon. members opposite and those on the government side of the House.

We certainly appreciate the valuable contributions made by the Leader of the Opposition and the hon. member from Saanich—Gulf Islands, the critic for the Reform Party. When we stand here tonight discussing this issue we stand here not as Liberals or as Reformers or as members of the Bloc Quebecois or other political parties. We stand here as Canadians.

Canadians are serving with resolve and determination. They have our total support. They will be pleased to know members of the House of Commons are thinking about them and are trying to ensure the world community brings about some course of action that will help them return safely home when this mandate is completed but equally important, brings lasting peace to the former republic of Yugoslavia.

[*Translation*]

Mr. Jean-Marc Jacob (Charlesbourg): Madam Speaker, this is the second time in this 35th Parliament that I rise to speak on the issue of Bosnia and peacekeeping missions. When the first debate took place, the parties in this House were unanimously in favour of letting Canadian troops participate in a peacekeeping mission which was nevertheless very different from previous exercises to which Canadians had taken part in.

Unfortunately, the situation has changed. Reform Party members, as well as the Minister of National Defence and the Minister of Foreign Affairs, have spoken at length on the evolution of the conflict and the diplomatic means used. We can now see what the situation is. You all sadly remember how the horrors of Sarajevo shocked the world. At that time, NATO had decided, following an ultimatum, to use air strikes in order to free the area surrounding Sarajevo.

Later, every diplomatic effort was made by western nations, and even by Russia which, through negotiation, managed to convince Bosnian Serbs to agree to a ceasefire and to agreements signed by Croatians and Bosnian Muslims. At that point, it looked like a solution was in sight, but Bosnian Serbs once again failed to live up to their word. In so doing, they ridiculed UN members and betrayed the trust of Russia, which had negotiated with them.

In my opinion, this is no longer a situation where nations try to arrive at a negotiated solution but, rather, an attack on the very existence of humanity, its values and its evolution. How can we tolerate any longer a situation which the whole world condemns? Clearly, diplomacy has failed somewhere when belligerents decide to bomb hospitals, as they did in Gorazde and in Sarajevo before. Nothing will bring back to life those who were killed in this conflict, and nothing justifies such barbaric acts.

My preamble gives you an idea of the position suggested by the Bloc Quebecois. Indeed, we believe that Canada must support the proposal put forward by the U.S. President, Mr. Clinton, and that support must be unequivocal. The idea is to define six safe areas, as NATO did, and to pattern this exercise on the Sarajevo experience. In other words, an ultimatum must be given, but it should have a very short deadline. If this

ultimatum is not observed, then we should resort to strategic and intensive air strikes.

• (1850)

Clearly, some people will say that there is an escalation and that this form of intervention is radically different from those formerly endorsed by Canada.

However, the massacre must cease. All the people in the field said and keep saying that inaction cannot be tolerated any longer considering the horror of the situation. UN troops are sick of helplessly watching the slaughter of often unarmed civilians.

They have performed brilliantly, despite the paucity of their resources and the often confusing directions they received. They saved thousands of lives and I can say, because I heard it from people who were there, that they are even willing to put their lives in danger to stop this bloody massacre.

I met with a few Bosnian Muslims now residing in Canada, who may have been in touch with the Minister of Foreign Affairs or the Minister of National Defence. They were describing the situation in Sarajevo, and now in Gorazde, as something that should be unacceptable to countries which consider themselves civilized, and they were shocked that Canada, where they live and wish to remain, could watch this without reacting more strongly.

All the parties involved, that is western countries, the European Community, Russia and the United States, should decide as one to intervene in the most forceful way. Since they have gone back on their word so many times, the Bosnian Serbs can no longer make other countries believe that they are willing to carry out diplomatic negotiations in good faith.

Obviously, this decision will not be taken lightly. However, under the circumstances, I think that it is the only humanitarian solution possible. We have also said that the safety of Canadian and other peacekeepers is of primary importance to us, but given the slaughter that is taking place, this action can only be beneficial and worthwhile.

There is no question that procrastination, coupled with a lack of clear decisions and strategies, has prolonged this barbaric conflict and at times further endangered the lives of peacekeepers. You cannot put a price on a human life, as all of our brave soldiers have so clearly shown us. They want to put an end to this conflict, even if it means risking their lives. They realize that their profession and training places them in situations which can at times be dangerous. However, they are trained for combat and they are prepared to face the consequences.

In my view, the safety of our peacekeepers must be our top priority. This issue is of even greater concern to me since the majority of our peacekeeping troops hail from my riding. I have met with several of them who have returned from Bosnia and, without necessarily speaking on their behalf, I would like to pass along this message from our courageous soldiers: Let us act in a clear-sighted and circumspect manner, but let us act now to end the slaughter.

In conclusion, I believe there is no other solution but to designate these enclaves as safe areas. If the Bosnian Serbs violate these designations, a firm, unwavering ultimatum should be issued to them, so that we can finally put an end to this shameful episode in the history of humanity. When we reach the point where hospitals are being bombed and civilians and children are being murdered, I think we must make some decisions which may at times seem difficult.

Having become involved in this unfortunate conflict in the former Yugoslavia, the UN can no longer act as a mere observer. It must make some decisions which ultimately may give rise to debate. Peacekeepers have already saved many lives, but I believe that if we support this course of action, they will ultimately be able to save even more human beings.

[*English*]

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Madam Speaker, this is a very serious debate this evening.

I have listened to five speakers, all of whom have spoken without regard for their affiliation to any party. As a Canadian I am very proud to stand tonight and say they have all spoken as Canadians in the best interests of this country. I am very honoured to join that nature of the debate this evening on such a serious subject.

• (1855)

I want to approach this debate from a slightly different perspective. I want to look at what is in our national interest. After all, this is what we are talking about as Canadians.

What is in our national interest in the debate this evening is peace and security in the world and a total abhorrence of the genocide we see in front of us. But for every national aim and every national wish, there has to be a risk.

What is at risk? It is not our reputation as peacekeepers that is at risk. We demonstrated in the Arab-Israeli war in 1967 that we can peacekeep, but we can also leave when people really want to fight. We have created the precedent for doing both in the same operation.

However we do have a risk. It is the close to 2,000 Canadians who are involved in this operation. It has to be very clear to Canadians that in this goal and national aim of peace and security and the abhorrence of genocide, our peacekeepers are at risk.

Having said that I want to look at this operation as one which I suppose could be described as typically escalatory. The question I ask in an operation that takes that trend is: Where does it stop?

We started with a handful of officers and non–commissioned members in September 1991 to support the European Community monitoring mission to cease fire on the borders and to provide humanitarian assistance.

In February 1992 we sent a 1,200 member battalion group. In June 1992 we dispatched part of that battalion group to open the Sarajevo airport. Canadians will remember that; it was a very tense time in this operation. In September 1992 we sent another 1,200 troops.

Well, the history of the 57 ceasefires and the use that the Bosnian Serbs have made of these sham ceasefires add to the escalation we see in front of us. In every escalation there is a quagmire. That is where we are now. We are at a quagmire.

What options are open to us? There are three basic options. In one way or another they have been described here this evening.

The first option is to declare we have lost the battle, that there is no further use for us to remain in the present position doing the present things we are doing. We would get out. The consequence is that it would give a certain signal to the Bosnian Serbs. It would put at risk thousands of civilian lives, most of them Muslims. It would put at risk other Muslim populations in the eastern part of Bosnia that we would be concerned about.

It would also give a signal to other aggressors that may want to do the same thing. The history of genocide and our view as Canadians on this kind of atrocity is very clear. Our actions have always been the same.

The second option is to stay the course of what is happening. I am not sure what good that would do us. We are providing humanitarian aid and suggesting air strikes. Unless something changes from what is happening now, I believe any chance of a peace will be totally bogged down. The government which is Muslim Bosnian, as I see it, will perhaps get the wrong signal and expect that sooner or later we may want to come down on its side. I do not have to tell anybody in the House that our troops were not sent there for that reason. Neither are they equipped to do so.

• (1900)

It would also give the wrong signal to the Serbs that we are going to stay there. They will continue to have their little games of ceasefires, and every time there is a ceasefire they will strengthen their position. This has been the history. Why would we expect anything different?

The third option relates to the option that is now being proposed by this motion and the option that seems to be getting total support in the House this evening, that is to have our troops that are vulnerable put in a safe area and to consider more seriously the use of air strikes.

In considering that option we have to remember that the Secretary–General of the United Nations under UN resolutions 824 and 836 authorized NATO to execute air strikes last Sunday. It has been four days since we have looked at that.

What message are we sending to the Serbs? What are they saying? To balance that, again history will show that air strikes without follow–on action with ground troops sometimes have the effect of strengthening the resolve of those people who are being struck with the air power.

The history of air power in the mountainous country in which we are involved in this operation has not been terribly successful. There are some difficulties with air strikes. They have been successful, but there are difficulties and we have to consider them.

There is another area that has not been discussed in any detail this evening. I want to bring it to the attention of the House. I request that the Minister of Foreign Affairs take into consideration that we have a three–organization naval blockade in the Adriatic Sea: the Western European Union Task Force, the Standing Naval Force Atlantic of which a Canadian commodore just relinquished command on April 14, and the Standing Naval Forces Mediterranean, all under the command of COMNAVSOUTH. We need to look at that to see how it relates to the action that will stem from the discussions that will take place tomorrow.

It is with a certain amount of hesitation, I would have to admit, that I would be in favour of air strikes. It would be on the condition that there would be a summit involving the Russians, all NATO forces and all United Nations forces. Whatever we do in our negotiations tomorrow I know I do not have to remind the House in my presentation this evening that the peacekeepers we have there now are at risk. Any further involvement we may undertake as a result of the action that will be contemplated in the next few days will have to be seen as escalatory. We have to bear that in consideration.

Mr. Allan Kerpan (Moose Jaw—Lake Centre): Madam Speaker, I rise in the House tonight to speak on this very important issue. Certainly most of us in the House tonight would be doing more pleasant duties; I had no idea when I was elected some six short months ago that we would be here tonight as members of Parliament in the House making such a serious decision on such a serious issue.

Back in January I made my maiden speech on the topic of our role in Bosnia for two reasons. The first one was my personal history which goes back to that part of the world. My heritage is from that area and certainly I have concern for what is going on there.

• (1905)

Second, the important thing that we have not talked about very much in these debates is the history of the area. The history of this area will tell us that for the past 500 years we have had these types of flare–ups. We have had wars. We have had people murdering or massacring each other. There have been no good guys and there have been no bad guys in this particular area. It has been a fact of life that this has been a very volatile area of the world.

I had hoped when I gave that maiden speech back in January that there would not be a need for the type of debate that we hold tonight. Unfortunately that has not been the fact.

My concern tonight really is twofold. First and foremost I am very concerned for the safety of our Canadian people there. We as Canadians have a priority and we must protect. We must not allow some of the things that have gone on in that area to happen to our Canadian troops. Safety has to be a top priority.

Second, my concern is for the innocent victims, the innocent people. We have seen thousands of people who have been victims of this war.

I do not believe that we can ask the United Nations to keep peace in a part of the world where there simply is no peace to keep. I am not a supporter of violence. In fact I hate violence and I hate what it does to innocent people. We have drawn lines in the sand in this part of the world for some two years now. We keep backing up and keep drawing new lines in the sand. I believe we are at a point where we can no longer draw lines in the sand.

Threats and ultimatums simply have not worked. I believe that we must take a firmer stand, but I say this with mixed emotions. As I mentioned before I have relatives in this part of the world and I am obviously very concerned for their safety.

I do not believe we have any other option at this point in time. As a world community I believe that we have the obligation to protect innocent people wherever they are. Thousands of lives have been lost already and tens of thousands more are in immediate direct jeopardy.

About 20 minutes ago I received a letter from one of my constituents that I would like to quote at this time. She states: "As a wife of a peacekeeper who served in Croatia, I know what it is like to worry that my husband may not make it back to me. My husband served as a peacekeeper proudly for both his country and the United Nations. Every patrol he went out on he never knew if it would be his last one. I believe that the Serbians must be forced by whatever means to respect the safe zones established by the United Nations. However, for the sake of our soldiers let us be very clear in what we are doing. This is no longer peacekeeping. The soldiers who now operate under the United Nations umbrella must be given a new, clear enforceable mandate or alternatively, they should be pulled out altogether and NATO should step in.

Dennis just told me a few minutes ago that he would be glad and have no problems throwing his combats on and going back. As his wife, and mother of his child, all I ask is that if you send him or his colleagues over, make his mandate clear and give him the resources and backing to make it back again".

As I mentioned before it is with mixed emotions that I stand in the House tonight. I support the idea of air strikes, not because I want to see punishment inflicted on anyone but because I want to see this horrific war stopped and stopped now.

I believe that the only option we have and the one we must choose is to pull back all Canadians to safe areas and then proceed with any and all efforts required to stop this bloodshed. Then and only then can we talk about peacekeeping and then and only then can our peacekeepers do the job for which we have become known throughout the world.

Mr. Nelson Riis (Kamloops): Madam Speaker, I first want to thank the Minister of Foreign Affairs, the Minister of National Defence and the government for providing all members of Parliament with this opportunity of sharing our views to assist the government in making this difficult decision later tonight. I also want to thank the government for holding off on its cabinet decision until after it has heard input from members of Parliament.

• (1910)

On behalf of the New Democratic Party, we support this initiative. Our effort is to make the support unanimous on this very critical issue.

I wish to pay tribute to the extraordinary and outstanding effort of our peacekeeping troops who have been serving in the area. Their contribution to the safety and security of innocent people has been nothing short of extraordinary. All of our hearts, our thoughts, our prayers go out to not only them but of course to their families back home as well.

It is fair to say that none of the parties involved are totally free of criticism, some by a long shot. The time has come in terms of the Serbian issue that we simply cannot allow a war to perpetuate that literally all now want stopped. This is now calling upon extraordinary measures to stop the brutality, the savagery, the horror, the unbelievable level of suffering particularly for the innocent civilians in the region.

There have been tens of thousands killed in this conflict. Tens of thousands have fled the area as refugees. Thousands of women have been systematically raped as an instrument of war. We hear of ethnic cleansing, the concentration camps, the massacres, the destruction of holy buildings.

It has come to a point where we as Canadians can no longer stand passively by and say that this can continue. We have to stand up and be counted. With the United Nations now calling for support for air strikes, it is only right and proper we lend our support as a country to this initiative.

We must take whatever measures are necessary to ensure the safety of our troops in these areas. If the mandate changes and ground support is required to back up the air strikes in order to bring peace and a negotiated settlement eventually, then obviously the mandate for our troops has to be changed. It will be up to us to give them the equipment and support to allow them to do the job that must be done.

What turned the situation for us in the last few days was when we witnessed the television reports of the bombardment and shelling of homes, hospitals and churches which symbolized the ultimate in the savagery which has occurred in this region. For us now to stand passively by and allow this to continue is something none of us are prepared to tolerate any longer.

I applaud the government for its initiative. I appreciate that the government has solicited our views prior to cabinet making this very difficult decision. Let us only hope and pray we do not have to revisit this again in a few weeks when the situation may have even escalated beyond these unimaginable levels.

I am now going to allow my colleague from Regina to complete this time sequence.

Mr. Simon de Jong (Regina—Qu'Appelle): Madam Speaker, I thank my colleague for the opportunity of participating in this debate. I also thank the government, the Official Opposition and the Reform Party for allowing us to participate in this most important debate.

Earlier today I spoke to a constituent, a mother whose son had just returned from serving in the former Yugoslavia. Her major point to me as her son related his experience to her was that we are no longer capable of playing a peacekeeper role. When the major parties are not in acceptance of our position and do not abide by ceasefires then we cannot play the role of the peacekeeper.

Our forces are not equipped to play the role of the peacemaker. Yet what has been requested of NATO is to change the UN role from one of peacekeeping to one of peacemaking. It seems the Serb forces have forced the United Nations and the world community into that position.

What has been going on has been a farce. We have now reached the point where a serious decision will have to be made. I appreciate that the cabinet will be meeting after this debate and I am certain that the cabinet will take into very serious consideration all the implications that are involved.

• (1915)

Some suggest that this might be the opening to a new Vietnam type war. I have been in Bosnia as I have been in Croatia and I followed the events very closely over the years. I know the terrain in Bosnia is not conducive to the type of warfare that we think of. Certainly it is not like the deserts in the war in the Middle East. We remember as well the few handfuls of partisans who were able to hold down many German divisions during the second world war.

We cannot allow the rape and the killing to continue. I have been to the front and I have seen hospitals that have been attacked by scatter bombs. I have seen attacks on churches, I have seen attacks on civilians and the total disregard for innocent people, the total immorality.

As someone suggested to me, it is the devil's banquet that is going on there. We cannot tolerate it. We cannot just sit in front of our television sets and do nothing. I think air strikes have to be used.

Now the question is what happens to our Canadian forces? They are not equipped. They are out there almost as hostages. I believe what has to be done immediately is before the air strikes, the UN troops who are out there and ill–equipped to protect themselves have to be removed and moved into secure areas.

The other suggestion I would make is that under article 51 of the United Nations the state has the right to protect itself. We have a state here. We have the federation between the Croatians and the Muslim Bosnians. We have as well a co–confederation between this new state of Bosnia and Croatia. Why not lift the arms embargo and allow the Muslims and the Croatians to protect their own homes and their own cities? Surely that would make a lot of sense.

The blood of Canadian boys need not necessarily be spilled on the fields in Bosnia. Allow the Bosnian Muslims and Croats to protect their homes, to protect their villages. Use them as the ground troops, the ground forces necessary to protect the safe havens. Back them up with air power. That combination will create a level playing field.

I believe the Serbs will negotiate in good faith if there is a level playing field. They inherited the third largest or the fourth largest and most powerful army in Europe at the end of the cold war, the army of Yugoslavia. They inherited all that fire power. They are using that fire power against the Muslims and the Croats. It is not a level playing field.

The embargo on arms has helped the Serbs and has put the Croats and the Muslims at a disadvantage. Take away that disadvantage, allow a level playing field, allow the Muslim and the Croatian armies to protect their cities. Back them up with air power. In that way I believe we can be effective and we can see

an end to this conflict because it will force the Serb forces to negotiate in good faith.

I believe there are some possibilities that should be explored which might prevent a full scale blood bath. In fact it is already there. We cannot prevent it, it is already occurring. However, perhaps we can bring it to a more speedy end if we lift the embargo and back up Muslim and Croat forces with air power. I believe some good will come out of that.

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue): Madam Speaker, I rise today to speak on a very serious issue, the Canadian position on Bosnia.

Our policy has been consistent. In our foreign policy handbook issued in May of 1993 we warned: "The Yugoslav question will take years to resolve. Canada must be prepared to commit resources and time to help rebuild new states and societies in this region".

• (1920)

Before we can help rebuild we must first help to resolve this terrible tragic situation in Bosnia.

The issue before us tonight is the use of air support to protect safe areas in the former republic of Yugoslavia, a very delicate question and an issue that is fundamentally different for Canada than it is for that of the United States; as already mentioned, different since we are the ones with peacekeeping troops on the ground. If the United States administration had followed through on the Vance–Owen plan and committed U.S. ground troops as part of the UN force we may not be facing the question we are facing tonight.

On May 2, 1993 the U.S. pledged 25,000 troops. To this day the U.S. has no troops in the former republic of Yugoslavia.

Our troops have undertaken tremendously difficult UN assignments. In June 1992 they were deployed to Sarajevo to reopen and secure the airport so that the airlift of relief supplies could begin. In January and February of 1993 more Canadian troops were deployed temporarily to the former Yugoslav republic of Macedonia to monitor developments in the border areas with Serbia. In April 1993 more Canadian troops were sent to Srebrenica in eastern Bosnia to ensure the presence of UN protection force in the besieged city.

We must insist that if they go forward with air strikes the same country that is so eager to do so will also bring ground troops to help. We must ensure that our strategy is sound to protect our Canadian peacekeepers in a very volatile situation.

It will be very difficult to suggest the removal of our troops with the knowledge of the brutality being suffered and the great need for humanitarian assistance.

We went to the former Yugoslavia to promote a peaceful settlement to the conflict in the former Yugoslavia and to provide relief to its victims, innocent victims we know have endured unbelievable brutality and senseless death. We know that women have been raped, innocent children killed and both men and women senselessly tortured. In this day and age it is not tolerable to have this situation continuing.

We then face the question of how to resolve it. What is the next step? We must formulate a strategic plan, a plan that goes beyond one day, a plan that goes into the future, a plan that includes a settlement that can bring lasting peace to the region. The settlement must include the NATO forces, the Russians, the Serbs, the Bosnians, the Muslims and all other involved parties so we can end the history of hate that began over 1,000 years ago.

[*Translation*]

Mr. André Caron (Jonquière): Madam Speaker, the people of Quebec and Canada have agreed to send troops to the former Yugoslavia to keep the peace. Our troops are part of a 23,000 member UN force which has been making commendable efforts for months to restore peace to that European country. With dignity, courage and efficiency, our soldiers have carried out their mandate, a narrow and demanding mandate that they have managed to carry out effectively.

Our troops have saved lives. They have provided medical treatment. They have helped people escape the combat zone.

• (1925)

After many months of hard work, an agreement was finally reached just recently, under which Bosnian Serbs accepted that six safe areas be defined. Sarajevo and Gorazde were among these areas.

We are forced to recognize that the Bosnian Serbs did not live up to their word, as this has been the case all too often over the past few months, and hostilities resumed. The city of Gorazde is currently under Bosnian Serb fire, its unarmed and defenceless population subjected to mortar shelling day in and day out. Blind fire is killing civilians, women and children. Just today, 28 people were killed in the shelling of a hospital.

We are facing a difficult situation. Will we look on helplessly, as brutal force, ill intent and duplicity triumph? Will we keep on worrying about what happens to our troops in the field? On the other hand, should we not help those who are proposing concerted, effective actions to force Bosnian Serbs to abide by the agreements concluded, to stop shelling and remove their guns from around guaranteed safe areas? I think we should. I think that the nations involved in the operations must send a clear message, an ultimatum, to the people who are shelling defenceless people, shelling civilians and children, shelling hospitals.

The ultimatum must be clear and have a short deadline. It seems that is the only language which the soldiers operating under the colours of the Bosnian Serbs understand.

We must issue this ultimatum and if they do not comply, we must, as suggested, strike effectively and rapidly so that the weapons shooting civilians and defenceless people are destroyed and that the troops in the field are no longer subject to the bad faith of the Bosnian Serbs, who as we have seen believe that they do not have to keep their word.

We must issue this ultimatum and use the necessary force if the Bosnian Serbs do not comply, because it is a humanitarian duty. We are witnessing barbaric acts. We are witnessing frightful things. For a long time, we had not seen people in Europe being subjected to mortar fire, random shooting and bombing.

Canadians do not accept violence in their own country. Increasingly, they call for action, and I believe that they have the same attitude to situations of violence abroad directed against defenceless people.

Therefore it is a humanitarian duty to intervene. It also takes the lessons of history into account.

• (1930)

If the League of Nations, a few years prior to 1939, had taken the necessary steps to stop Hitlerian madness in Germany, many millions of people might not have died in World War II.

History teaches us that if we do not do anything to stop massacres, injustice and unspeakable violence against civilians, against defenceless populations—if we witness all these horrible scenes without reacting—we will pay dearly for our inaction several years later. That is also what the news teaches us.

Staggering events are now occurring in Rwanda, Africa. We see people being slaughtered and ask ourselves whether we could have done something in the first hours of the crisis. I think the answer is yes. So I think we should intervene. We have a duty to intervene in the face of growing violence, of the return to Europe of barbarities it had not seen in 50 years.

It is with regret but also with a sense of duty that I think Canada should agree to implement the program proposed by the UN to NATO and, if the ultimatum is rejected by the Bosnian Serbs, to launch the air strikes required to make them live up to their word. In all honesty, I think it is our duty to show solidarity with our fellow human beings.

[*English*]

Ms. Roseanne Skoke (Central Nova): Madam Speaker, I rise in this House proud to be a Canadian, a Canadian with family residing in Croatia.

In resolving the issue before the House, the decision that we must make as a government is to determine what is in the best interests of our country Canada. When so doing we must consider what is in the interest of peace and security of the world.

On January 26 on debate in this honourable House I stated it is my position that Canada should withdraw its peacekeeping military forces from both Croatia and Bosnia. Bring the soldiers home. At that time my conclusion to withdraw the Canadian troops from the former Yugoslavia was predicated on the fact that there is no need for peacekeeping since there is no peace to keep.

However, due to the constantly changing circumstances on the ground it becomes extremely difficult and possibly meaningless to hold a fixed position among aspects of the wars in former Yugoslavia.

Today the original Canadian mandate to serve as peacekeepers and to deliver aid continues to be seriously compromised. The resistance of Bosnian Serbs to make peace has dictated the need for an urgent and a new direction for the role of Canada in defence and foreign affairs.

There is still no peace to keep and the war continues. As a nation of conscience we cannot tolerate the slaughter of innocent victims of genocide. We cannot trust the Serbs to negotiate peace. We cannot compromise our credibility as a nation.

This is the most difficult foreign policy question of our time. Since the end of World War II Canada has proudly stood as a leader in world affairs, stepping forward whenever international peace and security were threatened. However, the cold war has passed and the world we face today is much more complex.

The anticipated peace has given way to a resurgence and deep rooted and often brutal ethnic conflict. The situation in the former Yugoslavia is the most striking example of this problem.

• (1935)

The position the Canadian government will take on this very important issue will undoubtedly have profound implications on, first, the safety of Canada's armed forces; second, the practice of future peacekeeping; third, the evolution of the United Nations and its future mandate; fourth, the role of NATO; and, fifth and most important, the future of democracy in the western world and peace and security in our world.

It is my position that Canada has no alternative but to support NATO's demand for air strikes. It is in the best interest of Canadians. It is in the best interest of the people of the former Yugoslavia. However in the negotiations with NATO I ask our government to consider carefully the role of Russia.

NATO must take into consideration the position of Russia and consider carefully the consequences of Russia's position and the impact it will have on the resolution of the conflict. Russia at this time is the key to peace in this conflict. I trust that every effort will be made to ensure that Russia supports NATO's position regarding air strikes.

I wish to take this opportunity to commend the Minister of Foreign Affairs and Minister of National Defence for their immediate attention to this urgent matter. I pray the decisions made by our government will bring lasting peace to former Yugoslavia.

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Madam Speaker, one of the greatest tragedies of our time has been the destruction of the dream of world peace by surging ethnic and national conflicts.

Naive as the vision may have been, when the iron curtain collapsed people around the world believed that in a history plagued with war and atrocities mankind would finally be on the path to a peaceful coexistence. Of course that has not proven to be the case.

Eighty years ago the world was plunged into World War I by events which took place in the same unfortunate lands that we are discussing tonight. The firestorm that resulted produced one of the saddest chapters in human history. We must ensure that we do not become entangled in that same web.

The difference today is that this civil war is being played out in real time for millions of television viewers. Almost every day grisly images of mangled children and slaughtered civilians are brought to our screens and in the newspapers. I picked up a copy of the *Globe and Mail* in which the mayor of Gorazde was reported as saying that Gorazde looked like a slaughterhouse. There were reports of scores of injured and dead lying as they fell amid the debris. An amateur radio operator yesterday was heard saying: "Wounded people are lying everywhere. The situation is desperate". Stories of atrocities abound and the term ethnic cleansing, despised by all civilized people since the days of Hitler, has re–entered our vocabulary.

The root cause of this age old conflict is ethnic intolerance and greed. This conflict reaches back into time across the Austro–Hungarian Empire, the Turkish Empire and beyond. These are old quarrels being reignited; new battles over old grievances and old hatreds. The fighting has been bitter and indiscriminate.

Two years ago the United Nations dispatched a peacekeeping force into this savage war zone when the Red Cross and other humanitarian agencies were prevented from bringing relief to civilians. For the first time UN forces were deployed during a conflict to ease the plight of innocents. This too was accompanied with television images and the terrible price being paid by the non–combatants: children maimed, orphans abandoned by their care givers, women brutally and systematically raped, marketplaces shelled, and old people lying in twisted heaps. Civilized people could not stand by and let this misery and indiscriminate slaughter continue.

Another article in the paper quoted the Bosnian prime minister in an interview saying: "NATO must take immediate and decisive action to prevent a mass slaughter in Gorazde".

• (1940)

UN peacekeepers have done their best to bring food and medical supplies to these people, to provide some of the very basic things that human beings need to survive. They have done their jobs valiantly and in the face of great adversity. They have been blockaded and besieged. They have been threatened with deadly force, captured and held hostage, terrorized, shot at and shelled. They have performed with exceptional dedication, bringing hope to the victims of this war.

At every turn attempts to find a peaceful settlement have been thwarted by the Serbs. The lies, the deceit and the irresponsible actions of these people are an affront to civilized humanity. Truces have been declared, only to be broken within hours if not minutes. Ceasefires have been agreed to, only to be kept until the military manoeuvres were completed and then violated.

For peacekeeping to function there must be a wish for peace. For peace to be possible there must be some recognition by the combatants that war is a last resort, that the inhuman acts occasioned by war are repugnant, and that all other means must be exhausted before the final option of war is exercised. That does not exist in Bosnia.

We have at least one combatant in the struggle, Serbia, which sees that war as a means to achieve its national objectives. While no one has clean hands in this conflict, perhaps finally the other two protagonists, the Croats and the Muslims, have come to realize that continued arms struggle only brings disaster to their own people and that in the end nothing is really gained. The Serbs on the other hand are prosecuting a war of aggression that aims to subjugate and eliminate the other ethnic groups.

It is understandable in the face of all the horrible facts of this conflict and its capacity to seemingly go on forever that civilized nations are considering more drastic measures to put an end to it and that urgent calls are heard to bring more military force to bear.

The arrogant manner in which the Serbian leadership has conducted themselves, almost as if they hold themselves beyond accountability for their actions, and the utter disdain they obviously have for the United Nations demonstrate clearly their rather primeval attitude, like a bully with a chip on his shoulder. Serbian leaders have dared the UN to take action to stop them.

No matter what our feelings, we must exercise wisdom and restraint. We must consider very carefully where we cross the line between humanitarian relief for the innocent civilians and becoming combatants ourselves. We must not justify the bully's actions by adopting his methods.

The use of air strikes around Sarajevo succeeded because it demonstrated the resolve of the UN to protect safe havens it had created. It was great for the people of that city, but it took the UN down a path of intervention in a civil war that could be dangerous. This was demonstrated when a British Harrier was shot down over Gorazde. The spiral of action and reaction can be very dangerous.

The request before NATO now is to expand the use of air strikes to cover other safe havens. This draws the UN and NATO even further into the web. When did we cross the line, becoming participants in this conflict rather than neutrals? We must ask ourselves whether we are inviting reprisals against our peacekeepers on the ground. At the very least there must be co–ordination between the Canadian forces and NATO to ensure that our troops, Canadian troops, are as safe as possible from reprisals.

Will these actions improve the ability of our troops to deliver aid or impair them? What will our response be if Canadian peacekeepers are attacked and suffer casualties? Is this the right action to take?

• (1945)

Already the Canadian military is facing difficulties in sustaining operations at existing levels. If we agree to these air strikes we will be by extension committing ourselves to expanded troop commitments if the call goes out for them.

Indeed many questions are before the House. Can we, on the other hand, ignore the suffering brought on by the Serbian aggressors against the enclaves and the safe havens? The shelling of the hospitals, the careless endangering of innocent civilians is unacceptable.

The Serbs have shown a blatant disregard for international protest and concerns. They have repeatedly rebuffed the attempts of peace envoys, international delegations and truce negotiators to try to resolve this conflict. Almost at every step United Nations protection forces are hampered in their efforts to provide aid.

Even Russia, which has shown great reluctance to join the international chorus of protest, has angrily condemned recent actions by the Serbs.

I support the actions that we would take in support of these air strikes and I would ask every Canadian tonight at home as they are going to bed thinking of how safe we are in our country to spend a few moments and think about our Canadian peacekeepers who are doing a tremendous job for the entire world and say a few words for them.

Mr. George Proud (Hillsborough): Madam Speaker, I want to congratulate the government, the Minister of Foreign Affairs, the minister of defence and veterans affairs for bringing this resolution forward tonight to be debated and to say to Canadians that we again in this House are seeing democracy working.

We also see the laying aside of partisan politics as we debate the very important issue that hopefully will resolve some terrible situations that abound in the world. I want to congratulate our colleagues who have spoken earlier on this matter.

Originally today I was going to go to my riding. The finance committee is meeting there tomorrow morning. I was going to appear before that but when I saw that this situation was coming here tonight, the resolution and the emergency debate, I felt that having served some time involved with matters of defence with a lot of great people on all sides of this House, I should be here to take part in this very important issue that we are dealing with.

We watch with horror the situation that has developed in Bosnia over the past number of years and this is now truly a global village because every night the true extent of what is happening around the world is brought into our homes. It shows us just how thin the veneer of civilization is. The basic humanity in civilization which we all take for granted has been stripped away and we are left with the barbarous acts perpetrated on people by their fellow human beings.

Unfortunately the horror of these events in what was once known as the cockpit of Europe, an area of conflict through the centuries, shows that we must always be vigilant to ensure that we remain at the level that we think we have attained. Reality dictates that our society must always remain on guard to see that the things we hold as basic rights of humanity and citizenship remain in tact.

When communism died we felt that a better world would take its place. I and others were told the other day by the vice–president of Bosnia that when that happened there was a vacuum left, that perhaps something else could have happened. Perhaps democracy and those who know democracy could have been in these places to fill that vacuum by teaching people the ways of democracy. That did not happen. Ancient hatreds and ethnic conflicts have come to the forefront and have led us to these situations.

• (1950)

Canada has for many years enjoyed an enviable reputation as a peacekeeper. Of course we all are concerned for the safety of our troops wherever they may be. What we always have to remember also is that Canada, which has gained this reputation as a peacekeeper, has the capabilities and has been involved in other types of military actions. We stood second to no one in this in two world wars and in the Korean war. We never backed away from anything. We are not a military country. That is not what

we were built on. When we were asked to go, no one ever reneged on that.

Canadians do not go around bragging very much about their military prowess. Any time Canadians were asked to be part of a conflict that was in the interests of the world, we were there. Now we are saying should we in other nations change our role from peacekeeping to that other mode. This would entail a new set of priorities and actions.

We surely cannot tolerate scenes any more like those we saw a few days ago when Canadians were held hostage, which has been mentioned here tonight. We have a saying on the east coast and it is time to use that saying. We either have to fish or cut bait. We have come to that situation in the country we are talking about here tonight. As unpalatable as it may be, if we are going to be involved we may have to become involved in a differ manner, one which may see young men and women from Canada involved in these military operations which I speak about. That may be the choice facing this House.

The request for more air strikes according to military experts should be supported by more people on the ground. According to people who have long military careers this is the way these things are most effective.

Are members of the United Nations, members of NATO prepared to do this? The topic has been debated here this evening on what happened after the bombings, after the air strikes at Sarajevo. We did not really go into it because they were successful. It is hoped that if this has to take place, if we have to go to the line, to the limit, cooler heads will prevail and those people involved once again will know that the United Nations and NATO mean business and we are not going to see these atrocities go any further.

I say to all members of the House right here tonight that we stand on the threshold at a pivotal time in our history, the history of the world. What the United Nations and we the representatives of the people here in Canada decide over the next few days, indeed probably over the next few hours, will set a tone for world affairs for years and decades to come.

I fully agree with the proposal put forward by the ministers and from what I hear in the House tonight everyone else does also. I believe we have to show these people, as someone said earlier, who are thumbing their noses at the rest of the world that the allied countries in the United Nations and in NATO mean business, that we are there to stop these atrocities.

If air strikes have to be used, then we must be prepared to go along with that. I am sure that tomorrow morning at the NATO meetings a lot of negotiating, a lot of thought will go into the final decision.

• (1955)

Madam Speaker and members of the House, I speak to those involved in the negotiations and those on the ground, in the air and on the sea in that country. I hope that by our decision here tonight we will help to bring this terrible conflict to an end.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): I rise this evening as member for Kamouraska—Rivière-du-Loup, which is represented in Bosnia by militiamen of the Fusiliers du Saint-Laurent, and I also speak on behalf of one of the 15 Canadians who were held as hostages last week.

These developments influence our action somewhat because this conflict is not a black and white issue. It is a grey area and the decision to be made is complex and difficult. However, we must take our responsibilities and do what is necessary.

I would like to quote a comment I made in my speech on the same issue, on January 25, 1994. I said: "It is important for our operations to contribute directly to resolving the crisis and above all to avoid perpetuating the current imbroglio."

In fact, one wonders whether the intervention in Sarajevo was strong enough. We targeted only one of the safe areas and since then the problem has spread to another of those areas, and this could go on and on.

We realize that a more comprehensive solution is necessary. Also, we must not lose sight of the objective of the intervention, which is to ensure peace in Bosnia.

Names such as Bihac, Gorazde, Sarajevo, Srebrenica, Tuzla, and Zepa are not part of our daily vocabulary. Yet, these names have become synonymous with dying children, and adults running in the streets to stay alive. All these images trigger a common reaction.

It is important to adopt a position which will lead to a complete and permanent solution. To that end, certain essential elements must be taken into account. The first one is the need of a consensus among nations. I think that if we act without first enlisting Russia's support regarding a possible intervention, we will repeat the mistake made in World War One, something which would be very costly.

So it is very important to make representations within the Security Council and at the UN and ensure that the Russians will be at the table and will take part in the process. I think they have realized that the behaviour of the Bosnian Serbs is unacceptable. I think they see a certain betrayal of their commitments as a result of this situation, and we can only hope that they will join in the consensus that seems to be developing here.

It seems that another important point is that we should send a clear message to the Bosnian Serbs because so far, commitments and promises have meant absolutely nothing to them, since there was not always a concerted effort to enforce these agreements.

We have seen a kind of behaviour that in some cases does not even observe the normal rules of war. When we see pictures of people shooting at hospitals, and when we see shells going through hospital walls, I think we have reached the point that something has to be done to deal with the situation once and for all.

In the circumstances, I was referring to a consensus in public opinion, a clear message to the Bosnians—but I think it is also important to have diplomatic initiatives by the major powers to have a clear indication of where we are going and of the main participants in this process. The point is that if we merely resort to air strikes without providing for the next phase, we will only move the problem somewhere else, and we must avoid escalating the conflict.

• (2000)

These are all very important considerations. I think we must act responsibly on this conflict, but I am also concerned about the security of our troops. I think it is important to minimize the risk to the safety of our troops, although as the Minister of Foreign Affairs said on April 14, and I quote: "It is inherent in their responsibilities and their duty as soldiers to risk their lives". We agree with this statement, that to take risks in a war situation is part and parcel of a soldier's job, role and commitment; on the other hand, we must do our utmost to avoid casualties.

In my view, if we are to put the odds on our side, we must take part in strategic planning, avoid a situation where Canadian and Quebec soldiers would become the pawns of unacceptable decisions, the victims of errors that could have been avoided. To this aim, the choice of strategic targets must contain certain minimum guarantees so that we do not pick targets which should not be attacked and would not help solve the crisis, in any case.

When dealing with a problem such as this one, we know that it is dangerous to intervene, and that some soldiers' lives will be on the line. On the other hand, I think that there is a lesson to be learned from last week's hostage–taking, which ended well, but could have gone terribly wrong. Admittedly, this incident was to some extent the result of the UN's procrastination. If we let things drag on, we will face other similar situations, other times when our soldiers' lives will really be threatened. It would be unexcusable if it were to happen by pure negligence, for the simple reason that we did not act responsibly.

I think that it is important that the consensus reached by the Parliament be taken into consideration by the Cabinet and that, with the same caution we feel in this House, it makes sure that any action taken will be decisive and will protect the lives of our troops as much as possible.

Finally, I would like to thank the Canadian peacekeepers, especially those from my riding who volunteered for these peacekeeping missions all over the world. I think that we can never thank them enough. They are aware of the inherent dangers of their job, but I believe that they have the right to expect sound policy direction that gives due regard to the importance of human lives, and to the importance of solving this crisis, which is the result of many years of ethnic hatred. It is important to find a political solution which will put an end, once and for all, to this devastating conflict.

[*English*]

Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, as we stand in the House tonight we have a lot to be thankful for. We have freedom of speech, a free country. We have food in Canada. We have running water. We have toilets. We have hospitals with good medical people. Tonight we are going to talk about people who have very few if any of those things.

I want to compliment the Minister of Foreign Affairs, the Minister of National Defence and the government for bringing this business before the House tonight. I also want to compliment the other parties for agreeing with it and for participating the way they have. Foreign affairs of this nature should not be partisan. We as Canadians should be pulling together on issues like this where great humanitarian values are involved.

• (2005)

The situation in the former Yugoslavia is something we never thought we would see in the 20th century, certainly not in the middle of Europe. But it is there and we have to face up to it.

We are dealing with a Serbian group who cannot keep agreements. They are people who hold Canadian peacekeepers hostage. That is something this country cannot stand for under any conditions. The world cannot stand by and allow this to continue.

Over the years foreign affairs have been very much a contest among parties in this House but this one certainly should not. We have to ask ourselves: What price do we pay for freedom? What price do we pay to promote decency in the world? What price do we pay for respect? The answer of course is that no amount of money will buy them. They have to be earned and Canadians have been earning these qualities over the years.

We must look at history from where we stand tonight. Henry Ford once said that history is a lot of bunk. That is one of the most horrible contributions that could possibly be given to the record of the human race.

Tonight we must take into consideration why during the thirties the League of Nations failed. It failed because nobody would support it. Nobody would stand up for the causes of freedom and for the rights of people in other countries. There was no unity within the world to promote those qualities.

World War II did not just happen; we drifted into it because we did not do anything. We know what happened in World War I. It was a Serb who shot a prince and from there we went into international conflict in very short order.

Today there are over 60 hotspots in the world. More than 20 of them are active conflicts today. This is a time to learn from history, not to call it a lot of bunk, not to fall into the same old rut we have fallen into before as a society.

Canadians have participated all around the world. The Canadian forces have made their mark and made their name and they have taken the qualities of Canadian nationhood with them. We thank them for that.

Tonight the Muslims, the Croatians and the Serbs are in turmoil. Let us ask why. They are in turmoil because of that old–fashioned, centuries old term hatred. We talk about all the diseases. No other disease creates so many problems for humanity as hatred. No aggressor can be allowed to get away with what is going on in Bosnia tonight, or tomorrow, or yesterday.

Human rights and the decency of mankind is important to Canada and to every free civilized nation. We cannot stand by and allow slaughter to go on. We cannot stand by and allow rape to occur in that country.

Peacekeeping versus peacemaking. If we are going to ask our Canadian forces to go abroad into these difficult situations, then I say with all sincerity it is up to this Parliament of Canada to provide them with the right equipment to do so and the good training which they have had over the years.

• (2010)

Let us get out there and support them in real terms and not just with rhetoric from time to time. Our military community in Canada has led the way on many great days for this nation over the years of Canadian history and it will continue to do so in the future. We in this Parliament and Canadians from every part of this nation must give them our utmost support.

As we stand here tonight we can look upon this as a test case. Do we allow the UN to become weakened? Do we allow the western world to become divided? Do we not stand up and be counted? Do we drift and send a message out there to the despots and dictators of this world that there is not enough cohesiveness in today's world among the nations of the free world to put a stop to some of these atrocities?

If we allow that message to go out there we will not have more than 20 hot spots around this world, we will have many, many more because they will feel they will get away with it.

We have to stand up and be counted as a nation and Europe itself must stand up and be counted as a group of nations. I think it is a fair criticism tonight that many Europeans did not come forward soon enough and that Canada has played a role in every UN operation since day one. We need not be ashamed of our record in any way whatsoever. We must be proud of it, but if we are going there we want every nation pulling their weight.

Yes, NATO in this case is a UN support and it should not be looked upon by any nations as anything else but a support to the UN today. Yes, Russia should come on board with the rest of the free world on this one because this too can affect it. You cannot close your eyes and hope that it is going to go away. We cannot send our troops lightly armed into a peacekeeping operation that virtually becomes the middle of a war zone.

We have to make certain to take every measure for their safety. NATO will do its part.

Hatred is older than the hills but it is creating and will continue to create problems for mankind. It is the way we handle these that counts. We have to handle the bullies and the cowards of this world in the only way that they understand.

Canada is respected around the world. We cannot lose that respect because many have paid a big price to earn it. They have paid a big price to pave the way for nationhood in this country and it is that price that I guess we are going to have to continue to pay. Let us never fail to support those soldiers out there in the field and those who are in training. This Parliament must resolve to support them. Our Canadian soldiers will do their jobs but we as the Canadian representatives in the Parliament of Canada must do ours by supporting them in real terms.

Canada has been a nation that has played a major part in the founding of the United Nations. Canada has played a major role in the founding of NATO.

Madam Speaker, you are giving me my signal. I will give you my closing remarks. Today, these two institutions are serving mankind well. Let us remain as a team. Let us, as a responsible nation in the free world, pull the other countries together and work with them to bring peace to those troubled spots and to bring decency and respect and decent living again to those poor people in the former Yugoslavia.

Thank you, Madam Speaker, for your patience.

• (2015)

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Madam Speaker, I welcome the opportunity to participate in this debate tonight although I must say I do so with minimal enthusiasm. This is the end of a rather long personal road for me.

I have always opposed the intervention by Canada or Canada's allies in other people's wars but as of this time I have had to change my outlook. Enough is enough.

Time after time in my lifetime the western world has stood by compromised, temporized and allowed large numbers of people to be butchered. We have the situation now in Gorazde in which thousands of people are in imminent danger of death unless somebody moves in from outside and helps them.

At this stage there is only one way that can be done and that is with air strikes. There is no possibility on earth of getting ground troops from anywhere into that area in time to help those people.

I am not talking geopolitics here. I am talking humanitarian efforts because those people will die en masse. There is no question about it if the world does not do something. It has been said many times here tonight that air strikes alone cannot solve the problems in Bosnia. That is true but if they are executed immediately they can save the people of Gorazde and that is what counts.

There is no time for an ultimatum. There is no time for further discussions. The necessary mechanics are already in place. Warnings are not an option. Warnings have been given again and again and they are no longer taken seriously. Air strikes have to be not only immediate but unrelenting. Anything that moves, tanks, field artillery, has to be taken out. Bridges have to be taken down. Any kind of ammunition or field depot, anything that helps the Serbian war effort, should be fair game in the Gorazde area.

If that is done, if you punish them hard enough and fast enough they, being normal human beings in some ways, will have a self–protective instinct. They will move back. The problem with this scenario is that there is also no time to pull out our troops. If we are going to save Gorazde it has to be done now. Our people cannot be taken to safe haven before the air strikes are made.

Our field commanders on the ground must have the freedom to do whatever they deem necessary to get our people out of harm's way. If air strikes are executed we have to face as a country and as a Parliament the fact there probably will be Canadian casualties. It is inevitable and this is a responsibility that the government with the support of apparently almost everyone on the opposition side has to face up to.

We have all been briefed at great length on the inhospitable terrain in that country for movement of troops, for normal military manoeuvring. Even if we had large numbers of troops in there we would still need the air strikes.

A lot of people I have spoken to who are military people would agree that it does not necessarily follow that if we escalate the war we must have hundreds of thousands of foreign troops in Bosnia.

The Bosnian Muslims are there already. They have been effectively disarmed by the embargo that we have imposed supposedly against all of Yugoslavia. This has really had a serious effect only on the people of Bosnia. They are the victims of this. The Serbs one way or another have continued to get arms. I presume they are able to make them because they have a certain amount of industry intact. They have not had the war rolling back and forth across their part of the country for two years. They are getting them from elsewhere, they have to be.

• (2020)

Let us lift the embargo. I think this is what the Bosnia Muslims want. It would mean that we could help these people without committing large numbers of western troops. Give them a chance to die with dignity. They are dying anyway and they will continue to die by the tens, perhaps the hundreds of thousands if we do not give them the chance to help themselves.

I would urge, I would beg the government to take this to the UN, take off the embargo. Give these poor devils a chance.

I notice that on this I am in complete agreement with the hon. member for Regina—Qu'Appelle. I doubt if there is anyone in North America with whom I have larger degrees of political differences and I heartily concur with this. Let the Bosnian Muslims have a chance to defend themselves.

First and foremost save the people of Gorazde. Stop making idle threats. Stop giving ultimatums. Make the air strikes and make them before it is too late.

Mr. Paul Szabo (Mississauga South): Madam Speaker, tonight members of Parliament have been asked to comment on a very important and sensitive matter affecting the entire world.

The aggressions in Bosnia–Hercegovina continue to escalate and now the Secretary–General of the UN, Mr. Boutros Boutros–Ghali, has asked Canada and others to consider, and the operative word according to the minister is consider, the advisability of further air strikes.

I think all members are very grateful that the government has reserved this decision until it consulted with the House. Tomorrow decisions will be made.

Why are we doing this? An Ottawa *Citizen* headline reads: "Make Serbs Pay Price Says U.S.". We have read these headlines for months and months and the issues here are issues of credibility in terms of making our decision, credibility of the UN and whether it has taken appropriate action on a timely basis; credibility of NATO and our NATO allies and whether peacekeeping versus peacemaking has been properly addressed here.

Many members have said often in this House that we have no peace in Bosnia and therefore how can we be peacekeepers. Our Canadian troops are trained and equipped as peacekeepers, not peacemakers.

As the minister mentioned earlier in the House, on April 18 the UN Secretary–General wrote to Manfred Woerner, the Secretary General of NATO, requesting that the arrangement to protect Sarajevo, a safe area, be extended to five additional areas, being Gorazde, Srebrenica, Zepa, Tuzla and Bihac.

Gorazde, which is the area in which this aggression is now taking place, is very close to the Serbian border, only a matter of 15 or 20 kilometres. Where are the Canadian troops? I want to raise this because the previous speaker possibly raised some concerns beyond the level which they should be at this time.

• (2025)

Canadian troops are near the Croatian town of Gradacac. The Princess Patricia Calgary Light Infantry is there. We also have troops in the Bosnian town of Visoko, some 30 kilometres northwest of Sarajevo. Right now our Canadian troops are not in grave danger as a result of the present aggressions in and around Gorazde. We do however have one officer, Major Stogran, in the Gorazde area. His movements at this time are restricted.

Canadians have serious fears. Those fears have been growing over the weeks and months. We all remember when some of our Canadian peacekeepers were lined up in a mock firing squad fashion. We also know the Serbs took some of our brave Canadian peacekeepers hostage.

The Bosnian Serbs have not shown any signs of good faith at any point during this period of aggression, despite the international efforts to stop these atrocities against innocent people. The Serbs have in fact demonstrated solely a thirst to kill.

Before I came into the House this evening I asked for the latest reports and they indicate that the Serbs have taken Gorazde. Gorazde has fallen. There is house to house combat. I am sorry to say that tomorrow we will likely read more statistics about the carnage, atrocities and death of innocent people in that Bosnian city.

Our fears as Canadians are also prompted by the fact that we know what air strikes can do. There were air strikes in Sarajevo, but the difference there was that there were ground troops to support the air strikes. The situation in Gorazde is not as secure. There is not the same kind of protection of ground troops, of those people.

There have been many estimates of how many people have died in this conflict. Now I am told that the number is somewhere over 100,000 people who have lost their lives.

Tonight I asked defence officials how many people were in Gorazde, how many Muslims were there in this so–called safe area? We do not know how many people are there. All we know is people have been going to safe areas in droves and no one can possibly keep track. Estimates have been that in the range of 45,000 Muslims may be in Gorazde, but nobody knows.

What now? The UN, the Americans and most other partners in the UN coalition have basically said that we need the right to go forward with these strikes. How would they happen? They have the ability. There are over 100 fighter aircraft ready to take part in these strikes. They are in Italy. They are on aircraft carriers, et cetera.

I have taken the time to consult with as many of my colleagues as I could to find out what the sense was. There was unanimity among all members and all parties, a serious concern for the safety of our courageous troops in Bosnia.

I asked the minister's staff if I could have a copy of his speech. I want to repeat the minister's concern about Canadian troops because it is very important. Earlier today when he commenced his speech he said: "We have known from the start that deploying forces in the former Yugoslavia meant exposing our personnel to some risk. This concern has been with us since the beginning of the mission. The situation in Srebrenica, as well as the incident last week when 16 members of the Canadian forces were detained by Bosnian Serbs, reminded us that the risks were real". He also said: "As the UN and NATO contemplate more vigorous action the safety of our troops will continue to be a key consideration for the Canadian government".

It is critically important for Canadians to understand that the government, the Official Opposition and the Reform Party have all stated a sincere interest in protecting the interests of our Canadian troops.

• (2030)

It is time to stop the senseless slaughter and the atrocities. We do not need another Vietnam in our world. We need peace and stability. We need international co–operation. We need Canada to stand together with pride and with resolve with its UN partners. We need to support our allies and accept the resolution of the Secretary–General to consider air strikes against the Bosnian Serbs.

[*Translation*]

Mr. Gaston Péloquin (Brome—Missisquoi): Madam Speaker, I rise this evening to take part in the special debate on the situation in Bosnia not only as the member for Brome—Missisquoi, but also and most of all, as a human being. It is impossible not to be outraged when one sees atrocities like those that have been perpetrated in the former Yugoslavia during the last few months. We all agree that the situation cannot go on and that we must take steps to put an end to those horrors.

How then can we explain why Canada and the international community have let that conflict deteriorate to the point where Bosnia is now the scene of such savage and barbaric acts? The present situation did not appear overnight in Bosnia. It has evolved steadily since the beginning of the conflict while the international community merely observed from a distance.

In the beginning, we were puzzled by the situation in the former Yugoslavia, but there was no cause to send in troops yet. Later on, rumours of ethnic cleansing made the conflict much more disturbing. But there again, we preferred diplomatic disincentives and negotiations. Afterwards, the bombing of Sarajevo raised the confrontation to an unacceptable level of unwarranted violence but still the UN forces refrained from launching a massive intervention.

The international community's hesitation and procrastination are the reason why we have reached a situation which is totally unacceptable in a so–called civilized world. In fact, I find the recent actions of the Serbian forces particularly revolting. How can we let these people bomb residential areas and hospitals? How can we still claim to try to solve this conflict by sending in peacekeeping forces and advocating negotiations? After all, Serbs showed long ago what little respect they have for the agreements they sign. In fact, as the leader of the opposition said earlier, they failed to keep their word 57 times in less than a month. I cannot see how we would still want to negotiate with such hypocrites.

Peacekeeping troops in Bosnia are no longer safe. The UN Security Council must order air strikes on Serbian strongholds. It must also send ground troops to help our peacekeepers in their efforts to establish peace in that country. We can no longer be content with observing from a distance without reacting. Serbs have had every possible opportunity to prove their good faith, and each time they turned around to attack civilian populations even more viciously. The lives of hundreds of young children and old people have been needlessly sacrificed.

Canada's position must be very clear. We must let the whole world know that our country is prepared to take the necessary measures to put an end to that conflict. So far, peacekeeping forces may have managed to save lives, but their current mandate is too restrictive to allow them to continue to do so effectively. Indeed, the attitude displayed by Serbian forces compels us to consider large–scale operations. We can no longer give Serbs the benefit of the doubt, for too many human lives have already been sacrificed because of our excessive tolerance.

• (2035)

The destruction of Sarajevo was not enough to convince us of the need for a strong military intervention. Today, it is the city of Gorazde that is paying the price.

The American and Russian presidents have agreed to hold a summit on this issue in the next month. How many schools and hospitals will Serbian troops destroy during that period? Yesterday again, 28 people died after the hospital in Gorazde was bombed. We must therefore immediately put pressure on those countries, because it is urgent for the innocent victims of this conflict.

We just learned from a press report that one of the 10 speakers invited to address the opening of a Security Council session confirmed that the Bosnian Serb offensive in Gorazde is now going from house to house. That is horrible.

In closing, I would like to remind the government that, beyond our political differences, we as parliamentarians of a peaceful country must show a powerful solidarity in this House when the time comes to save human lives.

I am convinced that the people of Quebec and Canada will support us without reservation in our effort. It is no longer time for discussion; we must now act by hammering the Serbian positions and forcing them if necessary to honestly negotiate an agreement that will end this conflict which has already gone on too long.

Mr. Dan McTeague (Ontario): Madam Speaker, I rise with some sadness this evening after hearing the news as members of the caucus and of the House of Commons. Events have taken place in a part of the world where people for the first time know the inhuman deeds of the belligerents.

[*English*]

I must confess to the House that I was not one of those who spoke in the previous debate with respect to the question of our troops in Bosnia but I feel compelled for a variety of reasons to put forward the best I can, as eloquently as I can, in as very quick a time as I can, since many of the members in the House of Commons will know that very few of us had a chance really to prepare for lofty speeches. Madam Speaker, what you see is what you get. It is the heart feeling, the mind feeling and the reaction to what has taken place in a part of the world which none of us in contemporary times will forget.

At the age of 16 I had the privilege of visiting Yugoslavia with my godparents. I do not think it is important to suggest what their background or their ethnic background may have been. The reality is that those are villages and places that I once saw. I see the people in those places living in such insufferable conditions of inhumanity. This would not be the case if it were not for Serbian aggression.

It seems to me that the arguments that have been put forward suggest that we may not want to attack the Serbs because there is some historical reticence on our behalf, that the Balkans has always been a hot place on this planet, that every time there has been a war it has always been very difficult and thousands if not

millions of people have suffered. That historical excuse this evening is simply not acceptable.

It has been suggested that the Wehrmacht army of the second world war, the Nazis, as they invaded Yugoslavia or what was then considered Serbia was not able to completely rid itself of the opposition, that is the Serbian army. I must confess the Nazis were the aggressors and not the Serbs.

• (2040)

In April 1994 the Serbian army in Bosnia is indeed the aggressor. They are indeed the belligerents. There may be other options. I believe there is only one option at our disposal as a country. That is to provide some kind of sanity to the very difficult and senseless thing which is happening right now in Gorazde.

Several weeks ago I had the opportunity along with many members of the House of Commons of seeing the very moving film "Schindler's List". That movie depicted an atrocity which took place because good people stood by and did nothing, all those except Oscar Schindler. Perhaps there are several Oscar Schindlers in Canada this evening. Perhaps there are Oscar Schindlers around the world. Ultimately however the difficulty this issue presents us cannot be ignored and cannot be taken in isolation of what has happened historically.

In 1941 we knew full well what was happening in Warsaw. We saw the ghettoization of the Jewish people. We saw them confined to an area where they would not be harmed, but at least they were in a place where they would not affect anyone else. It is interesting how history has so many parallels.

We have an obligation not to posterity, not to history but to humanity in our time. Evil does prevail when good people stand by and do nothing.

We may be on the cusp of a very difficult if not explosive situation if we do not take into context that it is the Muslim people, particularly the Bosnian Muslim people who are the victims of this outrage.

We can talk about the UN not performing up to scratch. We can talk about the United Nations not having done its homework in terms of protecting these people, removing arms as so many colleagues have talked of and leaving these people defenceless in the promise they would be given a safe haven. That is fine and I accept those. That is there for the record, but we now have a chance to act.

We realize the Canadian troops may be in some difficulty. But let us think about the Muslim blood which has been shed in that part of the world. Those people have shown such patience in the face of such outrageous angst and hatred. They find themselves in the position of seeing more of the people who share their fate decimated.

We can make the parallels with Kuwait and say: "We shouldn't do in Sarajevo, we shouldn't do in Bosnia, we shouldn't do in Gorazde what we did in Iraq". There is no such thing as bad publicity in this case. We know the situation and the suffering is very real. We have an obligation to address that suffering and put aside the platitudes and the rhetoric.

I am a peaceful person but on this situation as a peaceful member of this government I am so moved as to ensure that dignity and respect for people's lives is well represented by this country, Canada. We have an obligation. It is my hope we live up to it.

[*Translation*]

We must not forget the lessons of history. We must act for some fundamental reasons and these are to save lives when possible. We have already invested time and weapons; we have supported the United Nations. More must be done to protect these people.

[*English*]

If I were standing here this evening with the many friends of the Muslim community they would say to me: "God be with you, inch'allah". I say to the ministers this evening, your decision is is going to be a difficult one. Whatever decision you make, I as a member of Parliament representing thousands of people, support you in the test you now have to confront.

• (2045)

Mr. Elwin Hermanson (Kindersley—Lloydminster): Madam Speaker, I want to concur with colleagues on both sides of the House that this is not an occasion one looks forward to. We know that events have transpired not only over the past few hours but, as we have been made aware tonight, over many weeks. In fact if we look back far enough, it has been over years and decades. We are dealing with an area of the world that has been the stage for much suffering, much violence and much international tension.

I want to thank members of the other two parties, the Liberal Party and the Bloc, for co–operating and allowing all members to speak in this debate before serious decisions are made in the upcoming hours. It brings credibility and strength to Parliament to know that representatives of the people can take part in a debate on a situation that affects all nations of the world. Several hundreds of Canadian peacekeepers are directly affected by the violence in the former Yugoslavia.

I also want to thank the Minister of National Defence and the Minister of Foreign Affairs whom I respect for being patient. They have been sitting here and listening to our concerns. I am pleased they have expressed to us that they will take these thoughts and expressions into consideration as they deliberate in cabinet and make decisions regarding air strikes that may be under way in the very near future.

I was wondering as I sat here what Canadians were thinking about tonight as they sense there are difficult decisions to be made by our government and by other members of the United Nations with regard to the former Yugoslavia. I am sure they have watched the television newscasts at night and have been angered, shocked and hurt as they saw the violence, the ruthlessness and the needless bloodshed of innocent people in the former Yugoslavia. They have seen the unfairness of one side in a dispute that seems to have no lack of arms and another side that seems to be unable to defend itself and no mercy being shown.

I am sure Canadians tonight are very concerned about Canadian troops currently serving in a peacekeeping role, what may seem like an impossible role in the former Yugoslavia. We certainly join with other members tonight in expressing concern for our Canadian peacekeepers in this troubled area. We also want to see wise decisions made that have their best interests at heart.

With regard to the NATO air strikes, we have to consider what options are available. We could probably consider three options. As Canadians we could say: "Let us go with NATO air strikes, withdraw our troops, get them out of the country and see what happens". This would likely mean a greater chance of preventing the injury or killing of Canadian peacekeepers. It may add to the cost in human lives and suffering in the Bosnian Muslim community.

We could say that we disagree with NATO air strikes on the whole. Then we would have the problem of seeing ongoing violence and the ongoing slaying of innocent people. We also would have to realize that we have not solved the problem of what we are going to do with our peacekeepers in the former Yugoslavia.

Another option would be to support NATO air strikes but perhaps initiate a circling of the wagons. In other words we could support air strikes but do all we could to protect our own peacekeepers serving in the dangerous area around Gorazde and in other areas where there is potential violence and danger to Canadians. We want to prevent, if we can, the chances of further kidnappings of Canadian peacekeepers in the area.

I sensed from other members in the House, and I share the opinion, that the third alternative is perhaps the best alternative. Yes, if it is the decision of our fellow United Nation members and if we have full input into the decision making process, we should support air strikes as a means to bring an end to foolish and senseless bloodshed.

● (2050)

Also, we need to take whatever steps we can to make sure that our own peacekeepers have the most available and complete means of protection possible to them. We have to facilitate their protection. We have to facilitate a plan and a program for peace in this war–torn area. I do not believe that we should abandon our Canadian peacekeepers at any price because the United Nations and NATO make the decision that we must initiate air strikes in this war zone.

It is important that we consult with our United Nations partners and our NATO partners to make sure that if we escalate the military action in this region, we do not bear an unfair brunt of the load. As members know, Canada has an excellent peacekeeping reputation. We have put many of our peacekeepers into several hot spots over the past few decades. We are proud of the reputation that Canadian peacekeepers have built for themselves and the tradition they have earned.

It is important that if we are going to continue to be involved in this war–torn area, other nations that may also support air strikes but that do not have the possibility of paying a human price for support of that action be prepared to get involved in the conflict and be prepared to be an instrument for peace and an end to the foolish and senseless slaying of human lives.

We have to be realistic and realize that there is a danger that some Canadian peacekeepers will be hurt or killed regardless of what steps we take. There is no guarantee whether we commit to air strikes or not that we will not see the potential danger for some of our troops in this area.

We also have to be concerned about the long term situation in that region and realize that we are seeing mass murder of innocent people who are unable to protect themselves. It is incumbent upon us as citizens of the world to be part of the solution and propose steps we can take to ensure that the defenceless Bosnians have some capacity to defend themselves and that we impose some pressure on the aggressing Serbs to convince them to come to their senses and cease to continue this needless slaughter.

With our international status and a good conscience, we must not totally abandon innocent Bosnian citizens. We could look back and probably see a lot of mistakes that all parties including Canada perhaps may have made. We can second guess ourselves but we have come to the point where second guessing is not going to provide solutions. We have come to a point of reality where we must make hard decisions.

While we possibly have not put forward guidelines and, as someone mentioned previously, drawn lines not just in the sand but lines written in stone, if we made more direct moves as a result of bad decisions made by the aggressors in that area, we would not have reached the point that we have reached tonight. It has happened and therefore we have to press on to try to improve the world situation.

Boutros Boutros–Ghali originally called for a controlled strike solely on artillery posts, tanks and mortar positions. We understand that President Clinton has indicated that the strike could incorporate elements of retaliation against Serb aggres-

sion and we understand that NATO officials perhaps have even suggested a stronger agenda.

If we are going to act we need to be decisive and we need to make these actions make a difference. The last thing we want to do is just scratch a festering wound and aggravate it rather than perhaps do some deeper cutting in the situation, make a difference, provide a clean cut that is possible to heal and bring peace to a very hurting part of the world.

These are the thoughts that are going through Canadians' minds tonight as they have been hearing the newscasts and contemplating what the situation is in this area and what our response should be. I believe they do want us to protect our troops. I believe they do want us to help the innocent Bosnians. I do believe they want to promote peace through proactive strikes with the least bloodshed possible.

• (2055)

While bombing may be our only remaining option, let us only agree to the NATO strikes if we can establish the resolve and dedication to a real and defined plan. We must also consider a contingency plan in case no heed is taken of our action and the violence continues.

When we step into the water we have to be prepared to get wet. We have to be prepared to ford through some fairly deep waters if we are going to accomplish the goal we intend to achieve.

Again I thank government members for this opportunity to speak. I thank them for their respect for Parliament in allowing Parliament to have a part in the decision making process. I wish them wisdom and Godspeed in the difficult decisions that lie before them.

Ms. Shaughnessy Cohen (Windsor—St. Clair): Madam Speaker, I thank you for the opportunity to speak this evening on this important debate. I thank the last speaker, my friend opposite, for his comments as well. It is significant that our leadership has allowed us this opportunity.

Only this afternoon I participated in a panel discussion with three other members of Parliament. The discussion was on reforms to Parliament and the nature of Parliament itself. There is much criticism of the quality of debate and the usefulness of this kind of debate. I came back here to find that members of Parliament from all parties were co–operating and participating in assisting the leadership of our government in making what is a difficult and in many ways terrible decision.

Like many Canadians I am not very knowledgeable in this area. My interests primarily are at home, as you often hear me say, right there in Windsor. Quite frankly this question, while it is not one I am particularly well versed on, is one I felt prompted to speak to tonight because of calls and reactions from my constituents and because of my strong personal reaction to some of these calls.

Like many Canadians I find the ethnic fighting in Bosnia and the massacre of innocents who cared nothing for power or politics or the stakes of the game to be abhorrent. Like many Canadians I want it to stop. We have an obligation to be part of the solution. I truly trust our leadership to take the right steps to accomplish this.

However I also worry about our troops there. Only two weeks ago Ryan Hendy, a grade 13 student at St. Anne's High School in Tecumseh, Ontario in my riding, an 18 year old lad who is a friend of mine and whose parents are friends of mine, came to me. He is a member of the Essex–Kent Scottish Reserves. He told me he had been asked to go to the former Yugoslavia. His youth and his patriotism moved me to think a little more about our troops there.

Canadians in Windsor—St. Clair and everywhere in this country have taken pride in their armed forces, pride in those young people stationed in Bosnia and elsewhere in the Balkans during this conflict. Canadians watched in fear as our young military men were held as hostages last week and breathed a sigh of relief when they were released.

These anxieties are not distant. All of us in this House know we have constituents who are somehow connected with people in Bosnia. Many of us have friends or even family who are connected there. We have constituents whose children are serving there with the Canadian forces. We have constituents who are members of the forces serving there. We have constituents of Bosnian, Serb, Croatian and Muslim descent who have relatives still living in that country.

Madam Speaker, one of your own constituents sent us a letter today. Marina Gavanski Zissis is her name. She is a Canadian of Serbian descent. She warns us of the danger of these air strikes. Her greatest concern is for the Canadians on the ground. I quote from her letter: "But much more important is the safety of the Canadians already in Bosnia".

To my mind Mrs. Zissis makes a great point. We cannot ever forget the safety of these people and the situation in which they might be placed by remaining on the ground during an air strike. The American forces will be undertaking this air strike. In my opinion, for what it is worth, they do not have a good record when it comes to casualties by friendly fire.

• (2100)

We must consider these figures: 15 to 20 per cent of U.S. casualties in the Vietnam war fell from friendly fire and 16 per cent of U.S. casualties in the recent gulf war fell from friendly fire. On April 14, 1994, two U.S. helicopters were shot down by American jets, killing 26 military and civilian personnel.

This time it will be our troops and innocent Bosnian civilians on the ground. It is not a textbook battleground. It is not a desert where we can see the good guys on one side and the bad guys on the other. The fighting is taking place in and around urban enclaves containing thousands of civilians and our Canadian troops.

I am not a military expert. I am not even very knowledgeable about these matters, but I am a very concerned citizen and member of the House. I know we must stand with our allies. I know if we and our allies walk away we leave thousands of innocent people to a slaughter.

I have faith in our leadership. I have faith in the Minister of Foreign Affairs, the Minister of National Defence and the Prime Minister. I am satisfied that they will guide us well and ably in this decision, but I remind them to remember that it is our people on the ground and to take care of them too.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Madam Speaker, I would like to begin by stressing how important it is for us to have this debate this evening. It is an opportunity for members of all parties to express their indignation about the intolerable situation that exists today in Bosnia, and it is also an opportunity for parliamentarians to show the minister and the government that we are all united in a cause that goes beyond partisan interests and our differences on other issues, because I believe that all parliamentarians here today share a desire to see all parts of the world at peace and to put an end to the slaughter in Bosnia.

There are certain facts we should remember. There have been many ceasefires in that region. Ceasefires that were never observed by the Bosnian Serbs who, today, continue to attack civilian targets. Ceasefires which in some ways have allowed the Bosnian Serbs to continue their offensive before the ink was dry on the documents they had signed, in a hypocritical fashion.

Today, we must do better than ceasefires where one party is acting in bad faith and the other has been disarmed. We must send a clear message. In this respect, the Sarajevo strategy which apparently will be proposed by President Clinton is the only strategy we feel is realistic as a means to put an end to this conflict. The strategy is to send a clear ultimatum to the Bosnian Serbs, with the shortest possible grace period, after which we, that is NATO and the UN must intervene and target the heavy artillery of the Serbs, an ultimatum, as we were saying, that would mean all cities and enclaves recognized as safe areas would have to be respected as such.

We would also have to demand guarantees for the peacekeepers. It is true that so far, Canada has intervened more frequently than other countries. I think we must remind other countries that although air strikes are necessary—in fact, we will support them—the fact remains that Canadian and Quebec soldiers are in position at the present time. If these air strikes are to be accompanied by additional ground troops, the other countries will have to participate, because Canada has already done more than its share in this respect.

It is also true that air strikes may put our soldiers at risk, which is a real possibility, although the present situation is not any better, since our soldiers are in danger at the present time. Last week's hostage taking is a case in point. Besides, we cannot remain silent and powerless in the face of this situation.

• (2105)

We have even more reason to be concerned about the tragic events in Bosnia given that this region of the world has historically been the site of war. Ethnic conflicts between different countries have today moved into another realm, namely that of religious wars. We must not lose sight of the rise of Islamic extremism, not only in Bosnia, of course, but also in the former Soviet republics of Tadzhikistan, Uzbekistan and Azerbaijan. The zone in question extends to China, stretching from Europe all the way to Asia and including the Middle East.

When I refer to the rise of extremism, I am not talking only about Islamic extremism. Right–wing extremists are also making their presence felt in France, Germany, Italy and Russia. I mention Russia because we all realize that Russia has a unique role to play in this conflict, since the Serbs and the Russians share Slavic roots and throughout history, alliances have been forged and in turn broken in this region. The situation is all the more serious given that right–wing fascist forces in Russia are now challenging President Yeltsin.

Nor should we forget that World War I began in this region, only to spread to the entire world. We should also remember the mistakes that were made by western democracies in the 1930s, mistakes which led to the rise of nazism and fascism. These democracies remained silent, at times motivated by pacifism, albeit blind pacifism. We made the mistake of letting Hitler invade parts of the world, triggering off a world war. We cannot afford to let the Serbs start a world war today.

While the cold war may be over, there are regional conflicts in some parts of the world that have the potential to start a worldwide conflict and this conflict in particular appears to be more serious and dangerous than any other around the world right now. That is why the UN and NATO must define their roles further. Of course, they must be discussion forums to instill a spirit of peace worldwide. But they could go further, especially when it is obvious that negotiations are going nowhere, that some of the parties are talking for the sake of talking and hypocritically failing to act on their promises and commitments.

It must also be noted that Russia has a major role to play in this conflict. Of course NATO can send out a unit, but this unit will be made stronger by the support of Russia, and vice versa. If Russia does not take a clear stand, get involved and play its role with the Bosnian Serbs, it is obvious that NATO's position and that of the UN will not be as strong as they could be.

We must—and it may sound paradoxical—impose peace. But we must also plan ahead and look toward the reconstruction effort that will be needed in that part of the world. For me, imposing peace means ensuring it of course, but more importantly, once that is done, democracy will have to be brought to that part of the world because these people have not known democracy, never have or at least not for a very long time. They used to live in dictatorial regimes, particularly in the U.S.S.R. and in Yugoslavia as well.

We must also be aware that peace can only be maintained through coherent economic development and, to that end, our international organizations will have to become more than mere discussion and diplomacy forums in the future, their role will have to expand beyond that of policing the world, to include making sure we do not have to maintain forces wherever military intervention is requested.

We have not reached that point yet, but any military intervention, even short–lived or immediate, cannot be carried out without thinking of its long term effects.

• (2110)

The fact remains that for the time being, no plan can be made for the future if a country such as Canada, as a western democracy, does not impose peace. Such is the situation, peace cannot be achieved without us imposing it.

[*English*]

Mr. John Bryden (Hamilton—Wentworth): Madam Speaker, I speak to this issue deeply troubled because I have listened to the debate this evening and the one thing that is very clear is there is no easy solution. Whatever way we go in this situation there will continue to be killing. There will continue to be strife in Yugoslavia and we will continue to be at risk with not only our soldiers but soldiers from other countries of the world.

I would like to look at a couple of points and express in my way how I feel about this dilemma. I am actually opposed to an air strike, certainly an air strike that is not tied to a strong show of ground forces. An air strike in Bosnia at this time might knock out some hardware but it will not knock out the Serbian troops gathered around the enclave.

I think the example of history tells us that the more an invading force is injured, the more likely it is to resort to atrocities when it finally does conquer. If the Bosnian Serbs suffer casualties from our air strikes there will be no doubt they will take their anger out on the Muslim civilians as soon as they occupy the city.

The other side of that equation is if we do not have an air strike what is the consequence of that? What we face then is sending a message to the Bosnian Serbs and any other peoples around the world who would like to resort, shall we say, to a military venture that we are helpless and they are able to do whatever they wish. We could expect to see this type of action spread around the world and certainly our chances of preserving the other five enclaves in the former Yugoslavia would be just about impossible.

Therefore, I do not envy the decision that is facing our ministers this night, nor the decision facing the other members of NATO as they wrestle with this very difficult decision.

Where do we go from here? Regardless of whether we have air strikes in Bosnia we are facing civil war. Again as an example of history, wherever you look in history, the absolute lesson is that you cannot intervene successfully in a civil war. The combatants in a civil war will fight it out.

I give the example of Afghanistan where the Soviet Union at the height of its power tried to intervene and it was a complete failure. It had to pull out. The classic example is Vietnam which really was a civil war all along. Again, one of the most powerful nations in the world failed to really effect any kind of outcome there.

There are many examples, Sri Lanka for one. What would we do in Sri Lanka? We cannot change the course of history in Sri Lanka. These are ethnic hatreds which we fought over. Rwanda is another one. What can we do there? What we are looking at here is a situation that is increasingly going to face the democracies of this world as the countries of the world resort to more and more tribalism and more and more ethnic fighting.

I would like to say something with respect to our 2,000 soldiers in the former Yugoslavia. I remind the government of Hong Kong and what happened there when we sent troops just before the Japanese declaration of war in 1941. Our Canadian troops fought bravely. When we look back on that incident we realize that they not only did not affect the outcome of the war, they did not affect the outcome of Japanese intentions. If anything, it cost more casualties. If there had not been a fight for Hong Kong there would have been fewer deaths in that area. We have to ask ourselves about that.

• (2115)

I strongly believe that the tradition of the Canadian troops is to be brave, to help the disadvantaged and to intervene but always as peacekeepers. I do not see us as a nation of combatants. I really do caution our government if it feels it is drawn into a situation where our troops may have to join with other NATO troops in a role that goes far beyond peacekeeping.

Finally, I would like to direct a comment toward the question of ethnic hatred. One thing that we should be very clear about is what is happening in Yugoslavia and we can take this to Afghanistan, Vietnam and many, many other countries is that we are not dealing with something that has anything to do with race, colour or visible minorities and we are not dealing with anything that necessarily has anything to do with religion. Muslims and Christians world-wide in many countries coexist most happily and indeed there is much in their religions that teaches them that they ought to cohabit.

What is happening in Yugoslavia is a return to the wrongs of the past. I think if you look at most ethnic fighting you will find it is because the people in the present are looking to the past and they are deriving the hatreds of the past. Instead of looking to the future or looking to the present and seeing what can unite them today, they look to the wrongs of long ago, sometimes even centuries ago.

What I would like to say in this debate is that I hope all of us worldwide, but most especially this country, take heed of that fact and remember not to look to the past for what went wrong and the wrongs we did to one another in the past, but to look to the future and what can unite us.

Mr. Derek Lee (Scarborough—Rouge River): Madam Speaker, I am struck tonight by the relative brevity and great relevance of the remarks to this issue and what appears to be a growing concern in this House on both sides as to where our government should take us over the next few hours in dealing with this very difficult issue of the request for the possible use of air strikes in and around Gorazde and other places in Bosnia.

The views expressed here tonight I am very sure will provide great strength to the members of the cabinet, our government, when they make their decision, a very difficult decision but one that they are charged with and one which will bind inevitably all of us as Canadians, those who pay taxes, those who wear military uniforms, those who have relatives abroad and Canadians in all walks of life.

What we see here tonight is a Parliament at work expressing the views of Canadians for the benefit of a government which shortly must act. As I understand it there are a number of other countries in this world which are waiting for Canada to make up its mind. We are on the verge of that now as we speak.

I think most of the issues that one would have wanted to deal with here tonight have been dealt with extremely well by my colleagues. There are only two that I will refer to. It is the often heard statement that we should not get involved in this kind of a war because we cannot win it. We would prefer to be involved in a peace. Let us not turn this into another Vietnam.

In this particular case I do not think the intention is to get involved in a war. No one intends to invade Bosnia. What we are dealing with is not even the whole country of Bosnia. What we are dealing with is five safe havens, five places where the world, through the United Nations, told Bosnians, principally Bosnian Muslims, that they had safe haven. At the time we were developing that thesis we also, maybe for good reason, imposed an arms embargo. We said they may not have the arms to protect themselves, we will stop arms from getting to them but we will also put some blue helmets on the ground and have some safe havens. In the end I think we had five safe havens.

• (2120)

We created them. We set up the arms embargo and now the people there numbering in the tens of thousands—in this particular case tonight as we speak it is Gorazde—of men, women and children without weapons to defend themselves. We are watching and some of us are saying we should not be there. I say we are there and we must stay there to finish our commitment.

We cannot walk away and leave those men, women and children to the guns that are advancing. References have been made in this House tonight to other incidents in history in which maybe we should have been there but we were not. Suffice it to say that we are there because, although we might rather not be, we wanted to be there and we have a job to do. I say we must finish and deliver on our commitment.

The second thing I want to say is that there are millions of people all over the world watching what is happening in Bosnia with a slightly different perspective than that of most Canadians. One cannot help but notice that the majority of the people in Gorazde and in the safe havens are Muslims, people of the Muslim faith. They have lots of brothers and sisters here in Canada and they are also looking at the world. They are looking to see if other countries of the world, those that have the money, the guns, the resources, the morality, the guts, the principles, are willing to stand by and protect the lives of those tens of thousands of people.

The fact that they are of the Muslim faith is very relevant to the whole world. There are millions of people all over the world who will be watching to see how we Canadians stand up for the principles, the morality which we have espoused since the beginning of this country.

I want to close and mention the bad words air strike. This is a mechanism, this is a method by which we are informed by the experts, by the people who know about these things, that we may be able to fulfil our commitment. It will not achieve it by itself. It may enable us to accomplish those very limited goals of protecting the safe havens.

We do not want to micro–manage what happens there on a minute by minute basis or even on a day by day basis. We are asked to say yes to the use of that instrument and I am prepared to say yes.

Mr. Rey D. Pagtakhan (Winnipeg North): Madam Speaker, as I rise to support the motion before us that air support to protect the five safe areas in Bosnia be endorsed by Canada, I recall a lesson I learned as a boy which strikes to the heart of my feelings about the issue before us.

My mother used to tell me and my brothers and sisters you do not achieve through war that which you can achieve through peace. She added there are also times when you must wage war to achieve that peace. That is a lesson that I have continued to pass on to my four sons.

• (2125)

Canada has never been an aggressive nation. We certainly would prefer to see the conflict in the former nation of Yugoslavia resolved by peaceful means, but the aggressors have continued their crimes against humanity.

Canada is a nation marked by unyielding compassion and a deeply ingrained commitment to human rights, to peace and to the promotion of freedom and democracy worldwide. I realize the House encompasses a remarkably broad range of ideologies and personal convictions, but tonight I am witnessing the unity of hearts and minds. The palpable unanimity of views we have seen emerging tonight speaks volumes about the need for Canada to endorse the use of air support in defined safe areas in Bosnia.

At this juncture I would like to commend and to pay tribute to the brave Canadian troops who are there to continue to serve the cause of peace. Throughout its history Canada has made the right decision at the most difficult times.

For the Croatians and Muslims in Gorazde and in the former Yugoslavia these are the most difficult of times. Indeed these are also the most difficult of times for all peace loving people in the world.

It is always agonizing to support a military manoeuvre which may fan the flames of a war we have sought to extinguish, but we cannot long endure the blatant disregard of human life, of human dignity, practised daily by the Bosnian Serbs.

At a time when barriers to freedom have been torn down, at a time when the Berlin wall has been levelled and the iron curtain folded, it pains us to see the savagery of war perpetrated by the Serbs in that part of the world.

The eyes of the world cannot be blind to the atrocities taking place in that area. Our unequivocal support tonight for the United Nation's request to extend air support in safe areas in Bosnia would send a clear signal to the aggressors.

Many of history's great minds have shared their thoughts with mankind on the subjects of war and peace. Two weeks ago I was at the United Nations in New York participating in a forum of human development. At a nearby book store a volume titled *Peace in 100 Languages* caught my eye and I bought one. The book reminds me that peace is a universal sentiment. It can be expressed in different languages, but the sentiment is nevertheless the same: human understanding.

I am reminded tonight of the words of the great U.S. President Franklin Delano Roosevelt who once said: "When peace has been broken anywhere, the peace of all countries is in danger".

I am reminded tonight of the words of Aristotle: "Peace is more difficult than war".

I am reminded tonight of the words of Albert Einstein: "Peace cannot be kept by force; it can only be achieved by understanding".

Lastly I am reminded tonight of Mahatma Gandhi who once said: "It is possible to live in peace".

It is our hope. We do not want to wage war to achieve peace, but there are difficult times when we have to wage war to achieve peace.

• (2130)

[*Translation*]

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment): Madam Speaker, I think all Canadians, and certainly all those participating in this debate, share a feeling of revulsion towards this horrible slaughter occurring almost in front of us, since we see the same scenario every night on TV: massacres, a total lack of respect for human life, inexplicable violence.

Looking at all this, we wonder what makes people resort to such cruelty. As a man, I noticed that it is mostly the doing of men. In fact, almost all the people waging war in Bosnia, Somalia and Rwanda are men. When we look back, we see that all wars have been fought by men.

[*English*]

In Bosnia not only are the Bosnians hostages to the violence, but so too are the Canadian soldiers, soldiers from other nations and indeed the whole world at large. All of us cannot be innocent of this conflict. No matter where we live, we cannot help but be impacted by the tremendous tragedy taking place.

Canadians should be proud that Canada in its time–honoured tradition has continued to do its part. In fact it has done much more than its share in Bosnia and the former Yugoslavia.

Tonight our thoughts must go to the Canadian soldiers on the ground in Bosnia, to their families here at home, including their children who must be living very anxious hours.

I think I translate the feelings of most Canadians. We have a great friendship and a tremendous regard and respect for our neighbours to the south, the Americans. At the same time I sense from many Canadians that they do not think the Americans have played their part in Bosnia. They think that somehow the Americans have played a cosy game, that resorting to air strikes mostly by American pressure and with American war planes will be part of the American agenda because it is partly a political agenda: Let us not send ground troops there, so let us carry out bombing raids.

I wonder if it is normal that the smaller of the two North American partners has had troops on the ground for many, many months whereas the far more powerful and important partner has managed to escape the responsibility of sending ground troops for so many months. Is it also normal that many countries have managed to cosily stand aside finding excuses not to take part in the United Nations peacekeeping effort?

The great majority of us, perhaps all of us simply dread an escalation of the war. We dread another bombing raid. We wonder about the possible failure of bombing raids. Would failure leave not only the Bosnians and their families but all our troops even more vulnerable than they are today?

• (2135)

It is with a sense of a tremendous tearing apart of our minds and hearts that we face this terrible decision. What do we do? I think certainly it is essential for us to make sure that no decision is taken without the Russians having their say and being involved. Even if I happen to be completely opposed to the idea of an air strike, seeing this I realize that decisions like this cannot be black and white.

I listened very carefully to our two leading ministers on this issue, the Minister of Foreign Affairs and the Minister of Defence, this afternoon in caucus and I was struck by their sense of caution, of wisdom, of realizing that there is no easy solution.

I know that tonight the Prime Minister and our two ministers must be thinking through this terrible dilemma that faces all of us. In their case they are the people who have the decision to make. Who am I to say that it should be one way or another without the proper facts at my command, without the responsibility to answer for whatever I say?

I trust our leadership. I think it has been wise. It has been cautious so far. It has been extremely human in its approach. Whatever the decision may be, and if it has to be bombing raids after much thought, sad as I would be, I would understand that it was made with a feeling that it may be the last resort to try and stop the Serbians.

If this is what our leaders decide, I hope at the same time they will add some caveats to the Canadian position asking others, especially the United States, to do their share; asking President Clinton for more than bombing raids and sending troops there. If we can send 2,000 troops surely he can send 3,000 or 4,000 or 5,000 or 10,000.

I hope that our leaders convince the rest of the nations that are not participating in the issue on Bosnia to do their fair share.

Finally, we must draw lessons from all of this. What of the United Nations strategy? What happens in the future? What are the lessons to be drawn from Somalia, from Rwanda and today from Bosnia and tomorrow maybe from many other places? Can we police the world? Can we keep the peace all over the world? What should be our strategy for the future?

[*Translation*]

Tonight I must say, as a man, that I feel very sad thinking that it is men like me who have carried out practically endless slaughters in many parts of the world, be it in Africa, in Northern Ireland or today in Yugoslavia.

I notice that the innocent victims of these acts of violence are invariably women and children. So tonight we should look mostly at the innocent people and pray that our leaders will make wise decisions, as they did in the past, to keep our troops safe and save the lives of innocent people.

[*English*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, this debate is a difficult one for many of us and I would like to briefly in the few minutes I have remind Canadians that the House has been asked to consider a request contained in the UN Secretary General's April 18 letter to the Secretary General of the North Atlantic Treaty Organization to extend arrangements similar to those in place to protect Sarajevo and five other UN safe areas in Bosnia.

• (2140)

NATO had previously agreed to provide air-ground support only for self defence of our forces, NATO forces and the United Nations protection force, in order to facilitate certain things such as rotation of UNPROFOR troops and to protect Sarajevo which as we know was designated as an exclusion zone as of last February.

An exclusion zone differs from a safe haven because in the latter case, safe haven, the Bosnian-Serb forces in an exclusion zone are required to withdraw their heavy weapons beyond 30 kilometres or to hand them over to UNPROFOR, UN forces.

I understand from what I hear and know of the situation today that President Clinton has apparently suggested that all the safe havens become exclusion zones, that sanctions be reinforced and that a summit meeting be called.

NATO is to meet tomorrow to consider what to do. If we agree with the proposal, it would demonstrate to the Bosnian Serbs and others who have questioned the UN's credibility that the international community is serious about backing its words with actions. It could possibly, as it did in Sarajevo, deter attacks on other safe havens.

If we do not agree, we could be accused of doing nothing to prevent ethnic cleansing, aggression. We could even be accused of genocide. If we do not agree, the action may be too little, too late and it would not prevent the Bosnian Serbs from continuing with their inhumane actions against other human beings.

If we did not agree, it would put our forces at risk. It would possibly create a situation that would be untenable for many people in the former Yugoslavia. I find it very difficult nevertheless to support air attacks because as we know in any type of initiative of that nature, it has two consequences.

First, any air attack that is not supported by good ground support in my view is not very effective. Second, it would change our role in the UN forces from a peacekeeping to a peacemaking role and I am not sure that Canadians today would endorse that kind of initiative.

[*Translation*]

Keep in mind some of the reasons for which we sent our troops to Bosnia under the United Nations flag. First, to support peacekeeping in that region of the world and, second, for humanitarian reasons. Everyone will recall the difficulties we had in bringing humanitarian support to Sarajevo. I do not need to remind Canadians of the difficulties UN forces had to overcome in this conflict.

We must remember that Canada has in the past expressed serious reservations about the use of air strikes. In our opinion, the problem cannot be solved by air strikes; we look instead to a negotiated solution. Let us not forget that the international community must consider the effect this decision will have on the peace process. In the end, a lasting peace can only be a negotiated peace, unless the international community is ready to impose peace by force.

At this time, UN forces in the field are neither equipped nor in a position to enforce peace. Whatever decision the international community will reach tomorrow must be credible in my eyes and in those of the Canadian and international communities. We should not make statements that cannot be backed up. Whatever the decision, air strikes do not, in my opinion, meet these two criteria for making peace unless we go all the way.

I do not think the Americans, who do not have any military troops in the field at this time, can tell us once again to go there while they stay home. So the Americans' contribution to the land forces is an important consideration. I think that Russia should be ready to participate and that it should have an important role to play in this conflict. If I understood Mr. Yeltsin correctly, he is ready to accept a summit meeting and that is very positive.

I for one think that Canada must support Mr. Clinton's and Mr. Yeltsin's proposal for a summit meeting where we will be certainly present. I am among those who approve a negotiated position. I can honestly say I am against violence and air strikes.

I don't think we would accomplish much with such measures. I agree with those who are totally convinced that negotiation is the way to go and that we must draw these people to the negotiating table because otherwise we are heading straight for a disaster; history will repeat itself. I say so with great sorrow and hesitation since I know my opinion is contrary to that of many colleagues in this House. Air strikes are not the solution to this problem; we will have to negotiate and not use force.

The Acting Speaker (Mrs. Maheu): As there are no more speakers, pursuant to the order adopted earlier this day, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 9.48 p.m.)

HOUSE OF COMMONS

Friday, April 22, 1994

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

CROWN LIABILITY AND PROCEEDINGS ACT

The House proceeded to the consideration of Bill C–4, an act to amend the Crown Liability and Proceedings Act, as reported (without amendment) from the committee.

Hon. Fernand Robichaud (for the Minister of Justice) moved that the bill be concurred in.

(Motion agreed to.)

Mr. Robichaud (for the Minister of Justice) moved that the bill be read the third time and passed.

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, it is my privilege to rise today to participate in the third reading debate on this bill, an act to amend the Crown Liability and Proceedings Act.

This legislation ensures that trade sanctions cannot be taken against Canada under the North American free trade agreement on environmental co–operation or the North American agreement on labour co–operation.

Bill C–4 is the only legislative measure necessary for Canada to fulfil our obligations under these agreements.

[*Translation*]

These agreements improve the NAFTA provisions on the environment and labour. They guarantee that our objective to increase trade is not achieved at the expense of our environment and our workers.

If adopted, this legislation would guarantee that trade sanctions cannot be taken against Canada in connection with environmental or labour matters covered by NAFTA.

[*English*]

Thanks to this bill, any potential fines made against Canada by a panel will be enforced by our own domestic courts.

If Canada, the United States or Mexico fail to enforce their environmental and labour laws, the agreements contain an effective dispute settlement mechanism. It allows for the establishment of a panel to investigate and make a determination.

If a panel determines a country has demonstrated a persistent pattern of failure to enforce its law, it may require the offending country to adopt an action plan to correct the problems. If the country fails to do so, the panel could also impose a fine or what the agreement terms a monetary enforcement assessment.

• (1005)

The legislation before us today will permit the Federal Court of Canada to enforce any panel determination which may be made against Canada if, and only if we persistently fail to effectively enforce our environmental and labour laws. Of course that is not something we expect to ever happen.

If a dispute settlement panel levies fines against the United States or Mexico for failure to correct their enforcement problems, those countries will face a suspension of NAFTA benefit or trade sanctions equivalent to the size of the unpaid penalty.

Canada views such trade sanctions would constitute barriers of the very kind that the NAFTA was designed to eliminate.

These agreements protect Canada's environmental and labour interests in relation to the North American free trade agreement. They effectively strengthen and expand important commitments made by Canada, the United States and Mexico.

[*Translation*]

We are committed to helping to promote environmentally sustainable growth and to promoting workers' rights throughout North America.

[*English*]

Through the North American agreement on environmental co–operation we have created a commission to effect close and ongoing co–operation. For example, on March 23 the Minister of the Environment participated in the inaugural meeting of the commission in Vancouver with her counterparts from the United States and Mexico.

The ministers at that time approved a process to establish the commission and the co–operative work program for the first year. They agreed that the commission's activities will be conducted in an open and transparent manner.

The environment ministers from Canada, the United States and Mexico will oversee the work of the commission to ensure it meets its goals; to promote sustainable development, to develop and enforce environmental regulations and to resolve disputes if laws are not upheld.

The commission will promote a work plan based on areas of priority. They include limits on specific pollutants, assessments of projects with transboundary implications and reciprocal court access. As well, the commission will work with the free trade commission to achieve the environmental goals of the NAFTA agreement.

Steady progress has been made on the establishment of the labour commission formed under the North American agreement on labour co–operation. Also on March 21 in Washington the Minister of Human Resources Development met with his American and Mexican counterparts to establish the co–operative work plan of the labour commission.

The ministers discussed how they intend to achieve the objectives of the labour agreement and reviewed a number of practical measures related to the establishment of the commission's organizational structure. At that time they reiterated their commitment to work together on a program of trilateral co–operative activities.

The labour commission will give effect to the promise in the preamble to the North American free trade agreement to "improve conditions and living standards" and as well "to protect, enhance and enforce basic workers' rights". The agreement, founded on close and ongoing co–operation among the three countries, ensures that laws governing health and safety, child labour and minimum wage standards are upheld.

They go well beyond co–operation. They commit each country to the domestic enforcement of domestic environmental and labour laws. This means that no country may use lax enforcement of its laws to gain an unfair arrangement or trade advantage.

I can report that negotiations to work out federal–provincial arrangements on implementing the environment and labour agreements in Canada are proceeding on a co–operative and constructive footing.

• (1010)

These agreements are designed to protect the environment and workers' rights, important issues for the provinces. Canada will submit to its NAFTA partners a list of provinces participating in the agreement when negotiations with the provinces have been completed.

It is my firm belief that the North American free trade agreement has been considerably strengthened and improved as a result of the precedent setting side agreement. The government is satisfied that the NAFTA will advance Canadian trade policy objectives.

As well the agreement will provide a valuable incentive for Canadian producers, exporters and investors to look beyond their traditional backyards to Mexico and the rest of Latin America as well as to the markets of Europe and Asia.

The agreement as strengthened and improved illustrates that international trade agreements can be multifaceted and more attuned to the realities of the 1990s.

It is in Canada's best interests to proceed with the passage of this bill. Not only will it protect Canada's international trade interest but also our environmental goals and the rights of our workers.

[*Translation*]

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, I welcome this opportunity to rise in the House today to speak to Bill C–4, an act to amend the Crown Liability and Proceedings Act. Notwithstanding its vague and somewhat misleading title, this is a relatively simple bill. It refers to the so–called side agreements to the North American free trade agreement.

On March 15, in the debate on the Canadian foreign policy review process, I commented as follows, and I quote:

> It is important to point out that this globalization is an inescapable phenomenon. It is a tendency which affects the economy of all countries, whether they are G–7 members or developing nations. To try to escape this reality would be like ignoring the emergence of new means of communication and production; in other words, it would be tantamount to ignoring the changes that have occurred in our economic environment.

I also stated the following:

> —trade liberalization and market globalization seem to be a trend, an irreversible phenomenon. The prosperity of nations will depend more and more on international trade. It is a fact that will be part of Canada's economic reality from now on.

It is therefore not surprising that developments took us so quickly from the initial signing of the free trade agreement between Canada and the United States to the signing of the North American free trade agreement.

I was in Washington yesterday with several Canadian colleagues to meet members of the U.S. steel caucus and to discuss the need for our governments to provide formal recognition of the fact that the North American steel market is already well on its way to being integrated.

We also had an opportunity to meet representatives of the Canadian and U.S. steel industry who shared with us their concerns and expectations.

Representatives of the American Iron and Steel Institute, which includes most Canadian, American and Mexican steel mills, gave us, for our information, a press release published on July 8, 1992, in which the North American Steel Council, which is a member of the American Iron and Steel Institute, explained its position on NAFTA.

One paragraph of this press release was about the concerns shared by all members of the American Iron and Steel Institute, and I would like to read this very briefly, if I may, Mr. Speaker.

[*English*]

"On the interplay between the NAFTA and the environment the NASC's Canadian, Mexican and U.S. members share common concerns. We support continued parallel talks by our governments on environmental standards and enforcement levels, as well as on other so–called social issues as worker health and safety standards".

[*Translation*]

Reflecting the concerns shared by a substantial part of the U.S. public, U.S. President Bill Clinton made a commitment to negotiate and conclude side agreements on these two items before NAFTA was passed by Congress. After hasty negotiations, the three partners on September 14, 1993, signed two parallel agreements to NAFTA: the North American agreement on environmental co–operation between the governments of Canada, the United States and Mexico, and the North American agreement on labor co–operation, between the same three governments.

• (1015)

These side agreements gave rise to two new international institutions, namely the commission for environmental co–operation and the commission for labor co–operation.

Incidentally, several days ago, the government announced that the NAFTA commission for environmental co–operation would be established in Montreal. The English–language media and some other interested parties immediately criticized the government's choice, although it was quite logical and justified.

Need we repeat that Quebec is the only Canadian province which has promised to endorse the parallel accords on labour and the environment—but only, I wish to point out—after serious negotiations between Quebec and Ottawa?

The reasons that Quebec wants so much to be at the leading edge of international trade practices could not be more obvious: Quebec exports almost 16 per cent of its $160 billion GDP and these exports account for 30 per cent of our jobs. Furthermore, 76 per cent of Quebec's exports go to the United States.

Establishing the commission in a place that is hostile to its purpose would certainly not make for efficient operation. In addition, the government's choice is justified because Montreal is an international city which is already home to some 30 international organizations, including ICAO and IATA. The various levels of government have made great efforts to attract international organizations to Montreal.

Finally, Montreal is a cosmopolitan city which has the infrastructure needed for such organizations. It has a large English–speaking community and Spanish is increasingly spoken there every day by a rapidly growing Hispanic community.

For all these reasons and many more, Quebec's business community and politicians were right to lobby hard to have the commission for environmental co–operation located in Montreal.

That said, I do not intend to say any more on the commission for environmental co–operation and the commission for labor co–operation than Bill C–4 itself does.

To see what this bill is all about, it is first of all necessary to put it in perspective. It then becomes apparent that it partially meets some very worthy overall objectives, since it ultimately seeks to protect the rights of our working people as well as our natural sites and our environment.

As I said earlier, Bill C–4 seeks to make effective in Canada the provisions contained in the parallel accords concluded by the three NAFTA signatory countries on labour and the environment. As a document prepared by the Department of Foreign Affairs and International Trade for members of the Standing Committee on Foreign Affairs and International Trade says, these parallel accords encourage cooperation between Canada, the United States and Mexico on the environment and labour; commit the parties to promote compliance with and enforcement of their environmental and labour laws and regulations; and advocate higher standards in these two areas.

For at least two centuries, workers in Quebec and Canada have fought for laws to protect themselves from abuse by employers and governments. These struggles were hard and at times bitter. Nevertheless, workers succeeded in having their rights entrenched in laws which, in a sense, are now an integral part of life in Quebec and Canada; however, such is not the case in all countries. For social or historic reasons, workers' rights have not advanced at the same rate and in the same way everywhere.

Need we add that this is also true of the environment, where the gains made are even more fragile? Indeed, although the progress made in labour relations is fairly well established, this is certainly not true of environmental protection, where too often and even recently we have seen governments bow to the laws of the market, to the detriment of the laws of nature.

• (1020)

At any rate, at the 1992 earth summit, there was certainly no great show of unfailing willingness on the part of NAFTA partners to work together to solve their environmental problems. Under no circumstances must trade agreements between countries, however substantial they may be, adversely affect either the vested rights of our workers or our environment.

I am convinced however that certain fly–by–night businesses have tried to use the elimination of trade barriers to explain to their workers and the authorities the relaxation of labour and biophysical environment protection standards.

That is why the NAFTA side deals provide for mechanisms ultimately intended, on the one hand, to prevent businesses from taking advantage of legal differences between countries and, on the other hand, to force governments to maintain and enforce existing legislation and, ideally, encourage the various countries to pass legislation that is yet more progressive and stringent. Any downgrading of working conditions and labour standards will not be tolerated by the Bloc Quebecois, nor by the people of Quebec and Canada.

Of course, the temptation is there to restore a number of trade barriers or at least to adopt once again a negative attitude toward free trade as an easy way to solve the problem. And some provincial governments seem to like the idea. However, neither the current federal government nor the Bloc Quebecois, nor the government of Quebec for that matter, consider that approach to be realistic or beneficial.

For now, Bill C–4 appears to be a step toward the ultimate goal of preventing environmental and social "dumping" in cases where trading partners are on a very unequal footing in economic and legislative terms. Note that such an approach has created pitfalls that governments must avoid at all costs, but I will comment on that later on.

Bill C–4 enables a panel, an arbitration panel convened under article 24 of the environmental co–operation agreement or article 29 of the labor co–operation agreement to require either partner to effectively enforce its own environmental or labour laws.

Panel determinations will have the same status as an order of the Federal Court. As indicated in the explanatory notes, the enactment of Bill C–4 "amends the Crown Liability and Proceedings Act so as to permit domestic enforcement by the Federal Court of Canada of any panel determination that is addressed to the Crown in right of Canada", should the latter fail to enforce its environmental or labour legislation.

In other words, Bill C–4 is a step in the right direction in that it prevents the legislative gap between the three NAFTA signatories from widening further. If Canadian businesses decide to set up abroad, it will not be in hope of benefiting from some relaxation of environmental standards or of being able to exploit a poorly protected labour force. The contrary is also possible, but the chances of that happening are much slimmer, believe me.

Mr. Speaker, as you can see, the disparity between our three countries' social and environmental standards is in no way expected to increase as a result of such a measure. On the contrary, under article 3 of each side deal, the three signatory states agree to improve and strengthen existing legislation. In the event of non–compliance, the panel may assess the party in default, through an order of the Federal Court, a fine of up to $20 million US. The United States and Mexico could even have trade sanctions taken against them, while no such sanctions can be taken against Canada or any of its provinces under the agreement.

All in all, however, I would say that the positive aspects of this bill tend to eclipse the less positive ones. The first of these not–so–positive aspects of this middle–of–the–road solution that Canada has given its support to is no doubt the fact that the side deals have achieved no significant reduction in the observable legislative differences between the three NAFTA partners with respect to environment and labour.

This means that businesses could be tempted to take advantage of the fact that, in many cases, our trading partners' standards are more flexible than ours.

• (1025)

Admittedly, all parties expressed their willingness to improve their legislation, but this expression of faith, although noted in the agreement and seemingly sincere, is no guarantee whatsoever that positive changes will in fact occur.

Moreover, we are all becoming better acquainted with the legendary propensity of our neighbours to the South to turn to the courts at the slightest little thing. Following the signing of the free trade agreement, Canadians were surprised indeed to see the Americans rush to the trade tribunals, apparently to tie them up with business as quickly as possible. Since they have not been shy about doing so since the implementation of the free trade agreement, there is reason to think that they will adopt the same course of action, if at all possible, in the case of the NAFTA and its side agreements.

Therefore, it is vitally important that we make our partners understand that this kind of practice is totally unacceptable. Special groups that hand down binding decisions must not become, quite involuntarily at that, institutions at the service of one NAFTA partner or another.

Another of the problems caused by these side agreements has to do with the unique features of Canadian federalism. Regardless of what this centralist government may believe, labour and environment are largely areas of provincial jurisdiction.

While Ottawa disregarded Quebec's willingness to negotiate agreements in the case of the free trade agreement, it is hardly in a position here to take a similar approach in the case of side agreements. Discussions are in progress right now between federal and Quebec officials. According to the information we have received thus far, these discussions appear to be moving along well.

The same apparently cannot be said for the other provinces. From the very beginning, Ontario and British Columbia have made no secret of their opposition to all side agreements. To show its discontent, Ontario has threatened on several occasions to ask the Supreme Court to declare the government's actions in this matter unconstitutional.

Side agreements which for now apply only in areas of federal jurisdiction are not likely to apply to all provinces equally anytime soon.

If our partners did not understand the nature, or should I say the confused nature, of the Canadian federation, well now is certainly their chance to get a clearer picture of the situation. Although they have expressly stated that they would like the federal government to conclude agreements with the provinces, their wish does not seem to have been universally heard.

Regardless, Mr. Speaker, we will enthusiastically support this bill in view of the arguments presented and the underlying principles which gave rise to it.

[*English*]

Mr. Charlie Penson (Peace River): Mr. Speaker, today we are taking a last look at Bill C–4 as it gets third reading.

This bill was introduced by the government on January 26 and I spoke to it at length a few days later. At that time I said the Reform Party supported this bill although we did have some concerns about there being fair representation on the panel. We also wondered whether there should be an appeal process. These concerns were addressed to our satisfaction in committee.

I can now say that I and the Reform Party fully support this bill which will bring into Canadian law an enforcement mechanism established under the NAFTA side agreements on environmental and labour co–operation.

In the area of environmental co–operation we will be assured that there will be strengthened environmental co–operation in North America. We will be assured of sustainable development on a continental basis and of effective compliance with domestic and environmental law.

In the area of labour co–operation we look forward to improved working conditions and living standards in Canada, the United States and Mexico, and the protection, enhancement and enforcement of basic workers' rights.

The trade pacts we have signed recently are of crucial importance to Canada since they help us gain better access to foreign markets. The sooner we get these trade pacts implemented the better.

Naturally there will be irritants as these agreements become operational. These will have to be addressed as they come up and I am confident they will do so.

We are doing the right thing by passing the bill quickly and moving on with the implementation of NAFTA. However there is still much work for the government to do to make it possible for business to take advantage of these trade opportunities.

The most important one is to reduce government spending so that we can eventually begin to lower taxes in Canada, which is among the highest taxed countries in the industrial world.

The second one is to eliminate the many interprovincial trade barriers that exist in Canada. I know these trade barriers are being discussed among federal and provincial governments now. I urge these governments to move quickly and without hesitation in these areas.

We are making great strides in securing our prosperity by making trade deals abroad. Let us see whether we have the same resolve to make the same breakthrough at home.

Canada is a trading nation. We support the bill and hope that we will benefit from the many opportunities this trade deal brings to Canadians.

(Motion agreed to, bill read the third time and passed.)

[*Translation*]

SUSPENSION OF SITTING

Mr. Robichaud: Mr. Speaker, I think you will find that there is unanimous consent to suspend the sitting of the House until the Question Period, at eleven o'clock, and then after the Routine Proceedings, to go on directly to Private Members' Business.

The Acting Speaker (Mr. Kilger): The House has heard the motion from the hon. Secretary of State. Is there unanimous consent?

Some hon. members: Agreed.

(The sitting of the House was suspended at 10.32 a.m.)

SITTING RESUMED

The House resumed at 11 a.m.

S. O. 31

STATEMENTS BY MEMBERS

[*English*]

LINDSAY KINSMEN BAND

Mr. John O'Reilly (Victoria—Haliburton): Mr. Speaker, I rise today to salute the 40th anniversary of the Lindsay Kinsmen Band. Formed in the spring of 1954 by Lloyd McMullen and Muriel and Earl Kennedy, the band has become part of the history of the town. It has touched the lives of thousands of young men and women who pursued a musical career in the town of Lindsay and formed a lasting tie to the community.

Furthermore, the band has distinguished itself with appearances at various national and international fairs and exhibits, including the Calgary Stampede, the New York World's Fair, Expo 67 and the 1970 Klondike Days in Edmonton. It has been said that at each place it visited it left a lasting impression.

There are now 54 enthusiastic members of this band and they proudly carry on the spirit of past bandmasters, drum majors, teachers and members.

I salute the parents who have spent countless hours of their time with the band. I ask all MPs to wish success and a happy 40th birthday to the Lindsay Kinsmen Band.

* * *

[*Translation*]

VOLUNTEERS

Mr. Bernard St–Laurent (Manicouagan): Mr. Speaker, in my speeches, I often compare volunteers to the blood running through our veins: they are everywhere, and they are needed in any well–organized society.

The contribution of these men and women to our society is invaluable. From the most sensitive gestures in the most tragic moments to fanatically determined support in highly committed organizations, volunteers have their place everywhere.

As far back in time as we can go, we see that all major mass movements resulted from the actions of volunteers. Whether we are talking about political action, consumers' associations or humanitarian organizations, we find volunteerism in the background.

Congratulations to all volunteers. What would our world be without you? I wish all volunteers an enjoyable week.

[*English*]

HIBERNIA

Mr. David Chatters (Athabasca): Mr. Speaker, the revelation this morning that the Hibernia project is $1 billion over budget and one year behind schedule comes as no surprise to industry insiders.

The Hibernia project will be typical of economic development projects promoted and financed by government for political reasons rather than economic reasons.

This project has already consumed $1 billion in direct subsidies and almost $2 billion in loan guarantees by Canadian taxpayers, added to which is the taxpayers' $85 million share of the current overrun plus their liability for the 70 per cent share of Petro–Canada. Clearly Gulf Canada made a wise business decision to take its loss and pull out of this project two years ago.

With the proposed start–up date still four years away, how many more tax dollars will be dumped into this misguided effort to promote job creation in Newfoundland?

* * *

CANADA'S SENIORS

Mr. Rey D. Pagtakhan (Winnipeg North): Mr. Speaker, Canada's seniors, like all of us, were concerned to hear this week of the need to tap into the Canada Pension Plan surplus.

They would like to be reassured that they will continue to enjoy independent retirement living after paying into the pension system for decades. Perhaps more than any other group, seniors understand the need for sound fiscal management by governments. They do not want their children and grandchildren to inherit a legacy of debt.

That is why seniors associations such as One Voice would like to be part of the government's consultation process on a range of issues from budgetary policy to the renewal of Canada's social security system. Theirs, after all, is the voice of accumulated wisdom.

Now more than ever Parliament stands to benefit from the insight of our nation's seniors as we work to create a Canada rich with opportunity for all generations.

* * *

ARMENIAN GENOCIDE

Mr. Sarkis Assadourian (Don Valley North): Mr. Speaker, I stand today to remember and pay tribute to 1.5 million Armenian men, women and children who were killed in the first major genocide of the 20th century, planned and executed by the government of Turkey on April 24, 1915 as a brutal final solution to the Armenian question.

My parents were not spared this tremendous suffering the Turkish government inflicted on so many individuals. As a result, like so many thousands of other Armenians, they were eventually forced to flee their homeland, leaving behind all their belongings.

As a citizen of Canada I wish to take this moment and condemn this unforgivable act of human aggression and ethnic cleansing.

• (1105)

Similarly I call upon the Government of Canada to recognize and condemn the Armenian genocide and formally request the Turkish government to assume responsibility for this atrocity once and for all as Germany did for the six million Jews in World War II.

In conclusion, I ask all MPs to join their fellow Canadians of Armenian descent at a demonstration on Parliament Hill on Sunday, April 24 at 12.30 p.m.

* * *

[*Translation*]

ARMENIAN GENOCIDE

Mr. Dan McTeague (Ontario): Mr. Speaker, this year, Armenians throughout the world commemorate the 79th anniversary of the painful events of 1915 that took two million of their compatriots.

On this occasion, the Government of Canada extends its sympathy to the Armenian people, and particularly to tens of thousands of our fellow Canadians of Armenian descent, and hopes that the conflict in Karabakh will be resolved in a peaceful, fair and equitable manner as soon as possible.

* * *

INTERNATIONAL TRADE

Mr. Gaston Péloquin (Brome—Missisquoi): Mr. Speaker, the Bloc Quebecois is concerned about the way trade relations between Canada and the United States are developing, in particular with regard to Canadian exports of durum wheat and barley.

The Bloc Quebecois condemns the intimidation tactics used by the U.S. government to end this dispute and asks the Canadian government to remain firm with its trading partner.

Thousands of Canadian and Quebec producers expect their government to defend their interests with authority, and the Bloc Quebecois will support the federal government's representations as long as it stands up to the unacceptable pressure exerted by the U.S. and does not let itself be led into bargaining at the expense of other agricultural sectors such as dairy products and poultry.

[*English*]

SAINT–MAURICE CONSTITUENCY

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, Canadian taxpayers were angered to awake this morning to find a story in the Montreal *Gazette* outlining the federal government's intentions to invest $4.8 million of their hard–earned dollars on a theme park in the Prime Minister's home town.

This project, which I suggest they call Jean's World, calls into question the new politics that were promised in the Liberal red book by continuing the tradition of rewarding the Prime Minister's home ridings with useless patronage projects.

I remind the members opposite of how loudly they bleated when Brian Mulroney built the patronage prison in Baie Comeau. In comparison, the reaction from the members opposite regarding the Prime Minister's patronage park is the silence of the lambs.

* * *

DES AWARENESS WEEK

Mrs. Marlene Cowling (Dauphin—Swan River): Mr. Speaker, it is my pleasure to remind the House that April 17 to 23, 1994 is Action Canada's DES Awareness Week. DES stands for diethylstybestrol.

Between 1941 and 1971 approximately 200,000 to 400,000 pregnant Canadian women were prescribed the synthetic hormone to prevent miscarriage. As a result these mothers and their sons and daughters are at risk of health problems related to DES exposure.

DES Action Canada is a national non–profit consumer health organization that has worked since 1982 to alert Canadians of the potential dangers of DES. Most of the attention to date has focused on DES mothers who are at an increased risk of breast cancer and on daughters who may suffer from infertility or even cancer.

This year DES Action Canada will try to alert as many DES exposed women as possible.

* * *

[*Translation*]

THE ENVIRONMENT

Mr. Clifford Lincoln (Lachine—Lac–Saint–Louis): Mr. Speaker, our First Nations describe the earth as our mother and treat it with the deepest respect and affection. They say that the forest and its wildlife are adornments that make the mother more beautiful. The more beautiful they are, the better the mother feels.

[*English*]

They say that rivers, streams and lakes are like the arteries and the veins in the body of the mother. The cleaner they are, the healthier they are, the healthier the mother is.

Their respect and love for mother earth is profound. Today is Earth Day. I suggest we pledge ourselves to learn from the example and show all the love and respect to mother earth that they do.

* * *

• (1110)

[*Translation*]

JOB CREATION

Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, these past few days, I have had the pleasure of taking part in the announcement of the first phase of a $4.5 million infrastructure project in the Kamouraska—Saint-Jean-Port-Joli area. Sixty direct jobs will be created and, better yet, according to the mayor of Saint-Jean-Port-Joli, the program will ensure the survival of a construction company located in his community.

This confirms that our government lives up to its commitment to economic recovery and job creation. With this infrastructure program, we are finally giving Canadians hope in a lasting recovery, instead of fostering political and economic uncertainty across the country, as the members opposite do so well. Canadians want jobs, and we are delivering.

* * *

QUEBEC'S RIGHT TO SELF-DETERMINATION

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, yesterday, the leader of the Reform Party, while visiting Quebec, stated that Canada would accept Quebecers' decision to become sovereign. By recognizing Quebec's right to self-determination, he has come to the obvious conclusion that Quebecers constitute a distinct society.

The recognition of Quebec's right to self-determination is part of a continuum. After the Conservative Party of Canada, the Liberal Party of Canada, and the New Democratic Party of Canada, the Reform Party confirms that it too would respect the democratic choice of Quebecers, a choice they will be called upon to make in the very near future. I am fully confident that they will move forward towards their historic goal, that is to be masters of their own destiny.

[*English*]

CITIZENSHIP WEEK

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, it is of great importance to me as a Reformer and a proud Canadian that as we celebrate Citizenship Week we begin the process of elevating the concept and value of citizenship within our country.

As Canadians we need to restore the value and pride that our citizenship deserves. As legislators we need to question policies that stand in the way of that restoration.

Do present policies of bilingualism and multiculturalism build bridges or walls to our diversities? Do record immigration levels added to our crippled economy and stressed social structures promote tolerance or misunderstanding in our land? Do government policies that weaken families and negate justice bring hope or despair to our people?

Whether we are Canadians by birth or by choice our citizenship must be elevated by the decisions to be made in this House as a privileged opportunity to proudly participate together in the making of a great future of a great country.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, the United States will notify the GATT this afternoon that it intends to launch action against Canadian wheat and barley under article XXVIII.

I want to congratulate our minister of agriculture and our Minister for International Trade for not caving in to the Americans on this issue. The American argument is weak as increased sales into their market are a direct result of their own use of the export enhancement program. Fair and open trade cannot continue with these unjust actions.

Canada has a willingness to negotiate but there must be flexibility on both sides. This only goes to help lawyers and bureaucrats on both sides of the border. It does nothing to help farmers.

I call on our government to stay strong on this action and to tell the Americans that we are not prepared to cave in.

* * *

[*Translation*]

PURCHASE OF FLU VACCINE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, today I would like to congratulate the members of the joint federal-provincial-territorial committee in charge of purchasing flu vaccine for 1994-95.

In keeping with a truly Canadian tradition, the committee split the contract equally between two companies, BioVac, in Quebec, and Connaught, in Ontario. This decision saves jobs and protects the interests of all parties concerned, including both companies, the federal government and the provinces.

The average price arrived at under the memorandum of agreement is $1.77 per dosage unit, with Connaught getting $1.69 and BioVac $1.85. By awarding this contract to the Quebec company BioVac, the government is saving the jobs of ten workers in Glengarry—Prescott—Russell, in Ontario, who would have lost them had it been awarded entirely to Connaught.

As the member for Glengarry—Prescott—Russell, I thank the minister for listening to my grievances and those of my constituents, allowing them to keep their jobs.

* * *

• (1115)

[*English*]

JUSTICE

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I raise today the issue of Patrick Kelly who is serving a sentence for first degree murder for which he has always professed his innocence.

In recent months, in fact in December, the main witness, Dawn Taber, withdrew her testimony indicating that she had not told the truth about events surrounding the case. In fact the whole case against Patrick Kelly was based on this one eye witness testimony.

In view of the retraction of that testimony, in view of the minister's power under section 690 of the Criminal Code, and in view of the fact that the minister already has the documentation in front of him and has said that this matter will be dealt with in the fullness of time, I urge the minister to act quickly on this matter. It has been in his hands for about four or five months now.

Not only is Patrick Kelly languishing in jail for a crime he did not commit but this also raises serious questions about the efficacy of the Canadian justice system.

I urge the minister to act with haste to resolve this matter.

The Speaker: Before we proceed to question period I would like once again to thank all of you who have sent your statements to the interpreters. I thank you also for, if I might call it this, the cadence of the statements you are making. Usually when they are a little slower we get a chance to get better, if that is possible, interpretation.

ORAL QUESTION PERIOD

[*Translation*]

SOCIAL PROGRAM REFORM

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my question is for the Deputy Prime Minister.

Just two weeks from the date initially scheduled by the Minister of Human Resources Development to table his action plan concerning social program reform, the minister says that he "is not ready".

Also, yesterday a newspaper quoted the Minister of Finance who said: "Federal ministers, as well as Quebec's Minister of Finance, have agreed on a moratorium regarding social security reform".

Will the Deputy Prime Minister confirm that the Minister of Human Resources Development is improvising his reform and that, at the Minister of Finance's request, the government has decided to impose a moratorium?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, what we said and what we discussed last January with the finance ministers, is that there will be no cuts, there will be no freeze in transfers to provinces for a period of two years, precisely to give the Minister of Human Resources Development time to discuss and negotiate the necessary reforms with his counterparts.

The situation is very clear: We have decided on a moratorium to have a period of discussion and negotiation. In fact, this exercise has already been launched by the Minister of Human Resources Development.

[*English*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my supplementary question is for the Deputy Prime Minister.

I would like to know if she agrees with her colleague, the Minister of Intergovernmental Affairs, who said earlier this week that the duplications in the main power sector are costing $300 million to the Quebec taxpayers.

I would like to know if she maintains the assertion made by her colleague.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the Government of Canada is concerned with duplication at every level.

As a matter of fact we are working very hard with the province of Quebec and other provinces on harmonization of environmental laws. We are working very hard on harmonization of laws relating to trade. We are working very hard at breaking down the barriers between provinces.

We see this as an important pillar in building the Canadian economy. Anything we can do to cut down expenses to the taxpayers we will support.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, the Deputy Prime Minister has not really answered the question. Will she confirm whether or not the figure of some $300 million quoted by the Quebec government is true, especially considering that the strategy regarding the youth program will create more duplication and overlap?

Will the Deputy Prime Minister and her government pledge to release the studies to which the Minister of Intergovernmental Affairs referred, precisely to downplay duplication and overlap between Ottawa and the provinces, so that all members of this House are able to put a figure on the cost of Canadian federalism, and so that, as the Liberals promised in their red book, the whole negotiating process involving the provinces and the federal government can be more transparent?

• (1120)

Is the Deputy Prime Minister prepared to release those studies, as did the Quebec government in the case of the Bélanger–Campeau commission, as did the Liberal Party of Quebec, which is of course pro– federalist, and as did the Parti Quebecois in that province? Will you release these studies?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the federal government works very hard with all the provinces to reduce overlap in every sector, including human resources and the environment.

I also said that the work done by my colleague, the Minister of Intergovernmental Affairs, aims precisely at determining costs and reducing those costs for all taxpayers.

The hon. member asked about the cost of federalism. I think that, instead of complaining like he does about every initiative taken by the government, he should tell Quebecers about the cost of separation.

The Speaker: Maybe the expressions used were inappropriate. We may want to refrain from making such loaded statements.

* * *

HIBERNIA PROJECT

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies): Yesterday, we learned that the Hibernia megaproject was swallowing up even more money.

The developers are now projecting cost overruns of almost $1 billion on top of the original $5.2 billion price tag. This represents an increase in costs of close to 20 per cent. An additional $85 million in federal input and $175 millions more in loans may be required. A lot of pressure is being put on the government to pump more money into this white elephant of the nineties.

Given the sad state of our public finances, is the Deputy Prime Minister prepared to make a commitment that the government will not invest a penny more in Hibernia and that this massive drain on public funds will stop, since the potential profitability of this megaproject, which the *Globe and Mail* has called a real tragedy, is being challenged?

[*English*]

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources): Mr. Speaker, first of all we should realize that these are preliminary numbers and preliminary estimates and that more detailed work is being done.

We have representatives on the board who are working to monitor the situation. We have contractual obligations as well that were entered into two years ago and we will have to honour those commitments. More money will be flowing to this project if it has an overrun.

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies): Mr. Speaker, I have a supplementary question. In that case, will the Deputy Prime Minister undertake to ensure that Parliament will conduct a detailed analysis of the financing, profitability and industrial benefits of Hibernia before extending any more financial assistance?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, what is unfortunate in this situation is that the Bloc members, ever since the beginning of this new session, have been demanding job creation programs, and that is what we are trying to do.

Before asking us to axe Hibernia, I think the hon. member should take a look at who stands to benefit from these contracts? Does he realize that 34 Quebec companies are involved in the project? SNC Lavallin, MIL Davie, Monenco, Janin Construction, and Atlas Construction have all obtained contracts, following the commitment on the part of the federal government to ensure that the project is 65 per cent Canadian?

Does the hon. member want the federal government to break its commitment to SNC Lavallin, Monenco, Atlas and other private companies that need contracts from all over Canada?

[*English*]

HIBERNIA

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, my question is also regarding white elephants which do nothing in comparison to live elephants that are able to walk.

The Hibernia project is at least a year behind schedule and at least $1 billion over budget. Canadian taxpayers are directly at risk both through government commitments and through Petro–Canada. The Minister of Natural Resources has already said that Canadians are on the hook for another $85 million.

• (1125)

In light of the fact that government has been able to back out of the Pearson airport deal and from the EH–101 contract, can the Deputy Prime Minister guarantee that the federal government will not spend another cent of taxpayer money on this boondoggle?

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources): Mr. Speaker, it is passing strange that the member would raise this particular matter when we know full well that his leader has indicated this project is too far along to back out.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, the leader of the Reform Party said the problem is that governments keep getting themselves in deeper and deeper and the sooner we extricate ourselves from these types of mismanaged projects the better.

When is the government going to learn? Hibernia is joining the Bricklin auto plant, the Mirabel airport, and now the Lloydminster upgrader has run out of operating funds. These are all entering the white elephant hall of fame.

What would have been the benefit to Canada's unemployed if the money spent on so–called megaprojects had been directed to deficit reduction, leading to lower taxes and thereby creating real jobs?

When will the government come to its senses and rescue taxpayers from the Hibernia project before it sinks?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, the member makes the comparison with Pearson airport and other projects. These are projects that had not begun, where hundreds of millions, or billions of dollars had not yet been spent, and where 5,300 Canadians are currently employed.

The policy of the Reform Party is, notwithstanding expenditures of billions already under way, to shut down a project and to throw away those billions, to throw away the lives of 5,300 Canadians who are currently employed and to bankrupt hundreds of secondary supply companies currently involved in this project.

Let me complete my answer by quoting Wood Gundy which has done an independent assessment of this project: "We believe that the upside potential from developing Hibernia and the returns that should be generated from the project offset the levels of risk that currently exist".

The assessment went on to compare this project with the Syncrude project of western Canada which now profitably produces approximately 12 per cent of the total Canadian production.

We believe in the west, we believe in the east, we believe in people. We do not abandon Canadians or projects halfway completed in the heartless fashion as proposed by this so–called Reform Party.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I get really concerned when I hear the Minister of Fisheries and Oceans answering a question on megaprojects.

I am trying to bring to the attention of the government the boondoggles it is involved in. I wonder why the Prime Minister is preparing to waste $4.8 million tax dollars on a patronage park in his home riding. It is my understanding that perhaps the feature attraction will be a fantasyland ride called debt mountain.

Why is the Deputy Prime Minister ignoring a federal study which says that just like the failed humour museum in Montreal, the patronage park is also a bad joke?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I get concerned when I hear the leader of the Reform Party claiming to speak on behalf of Quebecers.

From the point of view of the government we are very happy that the minister who is the spokesperson for this project happens to be a minister who is from Newfoundland and who understands how beneficial the Hibernia project can be for not only Newfoundlanders but for those 34 Quebec companies that are receiving $800 million in contracts, those literally millions of other dollars in contracts that are going out across the country.

Frankly, we on this side of the House are not going to apologize for creating jobs for Canadians.

Yesterday for the first time in the House the Reform Party started asking questions about the real issue that touches Canadians, and that is jobs. When the government through the minister responsible for FORD–Q or through the ministers responsible for energy or through the ministers responsible for industry and environment are out there creating jobs we do not expect to take flack from the Reform Party.

The Speaker: The only thing the Speaker really gets concerned about is the length of the questions and the length of the

answers. I would ask hon. members to please be as concise as they can.

* * *

• (1130)

[*Translation*]

SITUATION IN BOSNIA

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, my question is for the Minister of National Defence. Yesterday, during the special debate on the situation in Bosnia, the Minister of Foreign Affairs announced that the government was supporting the United Nations' proposal for air strikes in order to protect the six safe areas designated by the UN in Bosnia following repeated violations of the various ceasefires by Bosnian Serb forces.

Can the Minister of Defence tell us exactly where things stand at this point in Gorazde and indicate if Russia approves of the UN Secretary–General's proposal for air strikes in Bosnia?

[*English*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, as you know the North Atlantic Council has been meeting since nine o'clock Ottawa time. We do not have any results of the discussions. Should I have them before the end of question period, I will perhaps rise at twelve o'clock and make a statement if the House is willing.

With respect to the position of the Russian government, as you know, Mr. Speaker, it has had some reservations on the whole question of broadening air strikes in the former Yugoslav republic of Bosnia. We have no information as of this moment as to whether or not it has changed its position, but it is certainly something that has to be taken into consideration by the council at its meeting this morning.

[*Translation*]

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, could the minister tell us what positions Canada took at the NATO summit in Brussels, particularly on the safety of Canadian peacekeepers in Bosnia and could he tell us also what decisions were made at that summit meeting?

[*English*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, we did cover this last night in the debate. The instructions that we gave immediately following the cabinet meeting last night were to endorse the Secretary General's proposal for the Sarajevo type air strikes being widened to include the five safe havens under certain communications and control procedures of the United Nations and with NATO.

Our military people in Brussels will be consulted as to the exact methodology in terms of control to make sure that our objectives have been met.

With respect to the question of the safety of our troops, we did acknowledge yesterday that we have taken some precautions in and around our base in Visoko so that we do not unnecessarily expose our troops to the Bosnian Serb lines. However I should say that this does not mean, contrary to some media reports, that our troops are hunkered down in the base in Visoko. They are performing the humanitarian aid which has resumed into Sarajevo in the last day or so and they are carrying on their work.

Certainly any question of the safety of our troops will be taken in concert with all the members of the United Nations protective force in Bosnia.

* * *

TRADE

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, my question is for the Deputy Prime Minister.

According to the American trade negotiator, Mickey Kantor, today marks the beginning of a trade war between Canada and the United States. It is obvious that Mr. Kantor has a chip on his shoulder and will not bring an open mind to the negotiating table. In fact Mr. Kantor says he expects a bit of a dust–up.

Mr. Kantor's attitude and comments are clearly unacceptable. One would hope the Prime Minister has already called the American president and demanded him to rein in his loose–lipped negotiator. Can the Deputy Prime Minister tell this House if the Prime Minister has made such a call and if so, what the president's response was?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the Prime Minister has said that he intends to raise the matter specifically with the president. We expect if that has not already been done, it will be done before the weekend.

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, I thank the Deputy Prime Minister for that answer.

I would suggest that this durum wheat issue goes beyond North America. While the Americans complain about Canadian durum they subsidize their own durum by $35 to $52 per tonne for export to world markets. Meanwhile the Europeans have their own durum shortage and have put a $52 per tonne export tax on it to keep theirs at home.

I would suggest and I would urge the Deputy Prime Minister to insist that the Prime Minister call the President of the United States and be prepared to demand that the American export subsidies—

The Speaker: Order, please. I would request of my colleagues that the questions be just a little bit shorter. There was a question in there, if the Minister for International Trade would care to answer.

• (1135)

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, I had a little difficulty hearing the end of the question, therefore I am not sure what the question is. I can simply say that in the case of durum wheat, we certainly had the considerations he raised in mind during our negotiations with the United States and they will be very much in our mind in any further discussions.

* * *

[*Translation*]

PURCHASE OF PROPERTIES IN OKA

Mr. René Laurin (Joliette): Mr. Speaker, my question is for the Deputy Prime Minister. Yesterday, those we now call the forsaken of Oka participated in a calm and peaceful demonstration to show how desperate and impatient they have become because of the federal government's failure to meet its commitment. These people own homes on highway 344, south of the Kanesatake territory; they have been waiting for an answer for nearly four years now.

Will the government now commit itself to settling that issue before the end of the present session in June by buying the properties of these forsaken residents of Oka, as it promised to do and as it has done for all those living north of highway 344?

[*English*]

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, no decision has been made with regard to the property south of highway 344, but the minister is willing to meet with these people and I am sure that will be forthcoming.

[*Translation*]

Mr. René Laurin (Joliette): Mr. Speaker, how can we explain the slowness with which the government is dealing with the Oka situation, knowing how fast the federal government proceeded to buy the property of Mr. Bernard Roy, former Chief of Staff to Prime Minister Mulroney, located in the same area, south of highway 344, for $500,000. Do we have two kinds of justice in this country?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I believe it would be more useful if this question were directed to Brian Mulroney, the former friend of the Leader of the Official Opposition.

[*English*]

TRADE

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, my question is for the Minister for International Trade.

Canadian apple growers are looking to this government for action to protect them from wholesale dumping by the Americans, a blatant violation of the Canada–U.S. free trade agreement, of NAFTA and of GATT. The government asked for proof and the growers provided that proof. Truly time is of the essence in this matter. It has to be dealt with quickly.

Will the minister assure Canadian apple growers that this government will immediately initiate action to stop this dumping?

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, the member opposite will be aware of the fact that the Canadian International Trade Tribunal has already inquired into the question raised by the hon. member. It is indeed open to the Canadian apple growers to petition foreign anti–dumping investigation if that is their wish.

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, my supplementary question is for the Deputy Prime Minister.

Will the Deputy Prime Minister explain why this government is so ineffective when it comes to protecting Canadian farmers against dumping by the Americans?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I would argue the absolute contrary. In fact, this government has stood very fast in the face of rather ridiculous comments by people like Mickey Kantor and the senator from the United States who has the nerve to suggest he would turn cruise missiles on us, the very cruise missiles we were testing for them for a number of years.

We are very unhappy. We do not intend to cave in. We have not agreed to the American negotiations. The Prime Minister is going to be discussing it with the president and we intend to take future action.

* * *

• (1140)

[*Translation*]

2002 OLYMPIC GAMES

Mr. Antoine Dubé (Lévis): Mr. Speaker, my question is for the Deputy Prime Minister.

We know that Corporation Québec 2002 needs help from the federal government to complete its presentation to the International Olympic Committee in order to be a candidate for hosting the Games. The corporation has been asking for a long time that a representative of the government be appointed in order to initiate trilateral negotiations on the $240 million financing guarantees that are required, and were given to Calgary in the past.

The deadlines have been moved forward by the IOC, and rather than urging organizers of Québec 2002 to be patient, like the Minister of Canadian Heritage is doing, could the Deputy Prime Minister tell us whether the government intends to give a speedy answer to Québec 2002?

[*English*]

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Mr. Speaker, we are naturally enthusiastic about a united Canada hosting the Olympics in Quebec in the year 2002.

We have already committed $2.8 million to the bid and are currently exploring funding possibilities in conjunction with the organizers.

[*Translation*]

Mr. Antoine Dubé (Lévis): Mr. Speaker, my supplementary question is for the Deputy Prime Minister or the parliamentary secretary. The deadline for the bid is getting very close. Québec 2002 must have an answer from the federal government in the next few weeks, because the deadline is August 18.

Could she tell us whether an answer will be given and a negotiator appointed? Will the negotiations be modelled on what was done for Calgary?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the parliamentary secretary has already indicated the willingness of the federal government to help Québec 2002. Clearly the Quebec site is fantastic. I have personally visited the proposed site. Everybody is waiting to find out whether Canada will be selected as host for the 2002 Olympic Games. Negotiations are going on and you will get an answer shortly.

* * *

[*English*]

SNOW CRAB FISHERY

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

While his announcement earlier this week has brought welcomed relief and hope to many fishing communities in Atlantic Canada, the minister will know that a potentially explosive situation is brewing in the snow crab fishery in the Gulf of St. Lawrence.

With the groundfishery there all but decimated, gulf fishermen without snow crab licences have watched with growing envy and frustration as a small group of snow crab fishermen do extremely well from their access to this now valuable and plentiful resource.

How is the fisheries minister proposing to address this glaring inequity and avert a crisis in the snow crab fishery in the Gulf of St. Lawrence?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I want to thank the member for his question. Indeed, he has brought to the attention of the House one of the more difficult situations in Atlantic Canada. That is the incredible irony in the comparison between those who have plenty and those who have very little or nothing. It is causing great tensions in our communities. Frankly, in some communities in the province of Quebec in the last week fishermen are in conflict with each other. None of us want to see that in Atlantic Canada.

I have spoken to representatives of both the crab fleet and representatives of groundfishermen in the last 24 hours from Quebec, New Brunswick and elsewhere in the region. The fishermen have begun a dialogue across the gear sectors. The fishermen are suggesting they will attempt to reach a means of seeing a better sharing of the wealth of the resource in question.

I want to give them that chance to work among themselves and to hear what they recommend, I hope during this weekend, so that we can have a working solution in time for the beginning of the crab season next week.

* * *

ENVIRONMENTAL SECRETARIAT

Mr. Bill Gilmour (Comox—Alberni): Mr. Speaker, my question is for the Minister of the Environment. The choice of Montreal for the environmental secretariat was supposedly based on the following criteria: transportation accessibility, support services, diplomatic services, cost of living, and environmental record.

An analysis of the consultant's report shows that Toronto has more flights to all three capitals than Montreal. Ottawa offers more diplomatic and government services. Montreal's cost of living is 10th on the list of 25 contenders and Montreal's environmental record is 20th on the list, a terrible record. Clearly—

• (1145)

The Speaker: Order. I invite the hon. member to put his question, please.

Mr. Gilmour: How can the minister justify the selection of Montreal for the environmental secretariat?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, today is Earth Day. Today is the day when every Canadian should be thinking about how we can improve our earth.

Instead, what I hear from members of the Reform Party is constant carping, criticism and carving up of the country. Its leader went to Montreal yesterday and I think he got a very strong message. If the leader of the Reform Party wants to begin

to understand what the country is all about, he had better not start thinking in small pieces; he had better start thinking big.

One of the things we did in making our decision about the centre was that we looked at all applicants. We looked at the criteria that we established and we made a decision based on our best political and environmental advice.

The reality is that any decision made by a government is a decision that involves politics. The difference between this party and that one is that we actually understand all parts of the country. In the case of the Reform Party, it is obvious that its understanding is very limited.

Mr. Bill Gilmour (Comox—Alberni): Mr. Speaker, the minister is sending mixed signals. One day she is saying that it is a political decision; the next, she is saying that it is based on this consultant's report.

Will the minister tell us what she means by a political decision?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the budget for the suits of the leader of the Reform Party is also political.

The reality is that if one follows the criteria of the member and suggests that the centre should have gone to Toronto because it has the most number of flights, every single thing done by every ministry in the government should go to Toronto. Toronto has more direct flights to all parts of the United States and Mexico.

The reality is that sometimes we have to make tough decisions. I said that it was a difficult decision. I said that we tried to consider all the factors. My own community was bitter. Do members think it was easy for me to say no to the people of Hamilton?

The reality is that politics is about making difficult decisions and making them in the best interest of the country. That is what we have tried to do.

* * *

[*Translation*]

HUMAN RIGHTS

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, my question is directed to the Deputy Prime Minister. A month ago, an adjudicator at the labour court in the Vancouver area handed down a ruling ordering Canada Post Corporation to guarantee the social benefits of the same-sex spouse of one of its employees. We heard that the Minister of Justice did not intend to appeal this ruling, which caused considerable consternation in the gay community and among all those with a concern for human rights.

I want to ask the Deputy Prime Minister what her government's plans are with respect to extending guarantees and recognition of the rights of same-sex spouses?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I believe the Minister of Justice said he was not prepared to proceed with an appeal in each case. In fact, he gave instructions that in some cases where an appeal had been made, the appeals should not be pursued.

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, with all due respect for the Deputy Prime Minister, if this had been a question on an examination, she would have failed her exam.

May I remind the Deputy Prime Minister that the Minister of Justice promised to proceed with a thorough review of the Canadian Human Rights Act and that on several occasions during the election campaign, her government repeatedly made a commitment to recognize sexual orientation as grounds for discrimination. When will this government stop its double talk and ask the Minister of Justice to go ahead and introduce legislation that will guarantee an end to discrimination and recognize the rights of same-sex spouses?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, first of all, the hon. member asked me some questions about a court ruling, and I made it clear that the Minister of Justice had already given instructions not to pursue these appeals. I think the message is pretty clear.

• (1150)

Moreover, the Minister of Justice has stated that the government is working on meeting its commitment in the red book to prohibit discrimination because of sexual orientation, whatever it may be. The government promised in the red book that it would proceed with a review of our human rights legislation. The government is working on this, and there will be a policy very shortly as far as the Justice Department is concerned.

* * *

[*English*]

CORRECTIONAL SERVICE CANADA

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, my question is for the Solicitor General.

A short while ago Correctional Service Canada announced the appointment of a kikawinaw or a matron for the healing lodge on the Nekaneet band reserve in my riding. This is a very expensive senior position but that institution will not be operational for at least another year.

Does the minister approve of this sort of management within his department?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the staff in my view has to be hired and ready to work with local and native groups.

There is no way in my view the institution could operate efficiently if the people who are going to be the staff come there after the doors are open. It is just common sense.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I wish the hon. minister had been my employer when I was in the working world.

This is going to be a relatively open institution but, as I understand, it will house serious offenders now incarcerated in other institutions.

What reassurances could the Solicitor General offer for the security of farmers and ranchers who are understandably concerned about the matter and who will be living next door to the place?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the point the hon. member has raised is being taken into account in the planning of the institution.

There will be the proper facilities and staff to deal with the fact that some people in it will be of maximum security nature. Certainly the approach we are taking makes more sense than that of the hon. member who would have the prisoners go into the institution before the staff is even hired.

* * *

INFRASTRUCTURE PROGRAM

Ms. Shaughnessy Cohen (Windsor—St. Clair): Mr. Speaker, my question is for the President of the Treasury Board.

The government is working hard to create thousands of jobs throughout the country. The crown jewel of those initiatives is the Canada infrastructure program.

Could the minister tell the House the status of the many infrastructure project applications that have been received?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, I thank the hon. member for giving me the opportunity to bring some good news to members of the House.

The program is up and operating in record breaking time. It is now at a point where we have approved 200 projects worth $300 million. To date 5,000 jobs are to be created by those projects, which puts us well on the path toward the 90,000 jobs we have projected will be created by the program.

There are people now being employed in engineering and design work. There are tenders being called. There are construction workers who will soon be getting out and getting shovels into the ground so we can get Canadians back to work.

* * *

[*Translation*]

REGIONAL DEVELOPMENT

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, now that government advertising is over, we will go back to regular programming.

According to a federal study, Ottawa is about to spend $4.8 million on an industry interpretation centre project in Shawinigan. The study in question, which was commissioned by the Federal Office of Regional Development in Trois–Rivières, concludes that it is a mistake and a bad joke.

• (1155)

My question is for the Deputy Prime Minister. Does she admit that this project cannot be self–financing and that her government is about to repeat the same mistake it made with the Humour Museum in Montreal, which closed its doors less than 12 months after opening?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, we are talking about a project that was supported not only by the long–standing local authorities and the former government but also by the Bloc member for Trois–Rivières, Mr. Yves Rocheleau.

It must be said that, although there is some dissension within the Bloc Quebecois, the project is supported by all the local authorities. There is also a study which raised some very valid questions, and the government intends to answer these questions. This study is only one of many. It must be said that when local communities have the desire and the capacity to support a project, I think it is worthwhile for both the Canadian and the Quebec governments to follow suit.

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, the Minister of Finance is a serious man; now, the study we are talking about, which was commissioned by his office, his officials, concludes that this project has no chance of being viable and that the figures submitted are inflated in several respects.

Instead of wasting $4.8 million in public funds to honour an election promise made by the Prime Minister, does the Minister of Finance admit that what the people of Shawinigan and the St. Maurice region need is industrial projects that create real jobs instead of a white elephant without any kind of guarantee it will be self–supporting?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, the Legault, Grysole and

Associates study undoubtedly concluded that the project needed certain changes. That is the purpose of the study and we intend to make these changes.

If you want to talk about jobs, I would ask you to listen to the President of the Treasury Board, who just told us that we invested $300 million in a project that will create 90,000 jobs in Canada.

* * *

[*English*]

DAY CARE

Mr. Philip Mayfield (Cariboo—Chilcotin): Mr. Speaker, my question is for the Minister of Human Resources Development or for whomever the government chooses to answer.

The red ink book advocates an extensive increase in the number of child care spaces available. The government funding for this service will be paid by individual taxpayers whether or not they use it. Government funded day care increases the tax burden on Canadians and will further discriminate against families who choose to be single income households.

Does the government recognize that such a proposal will force more parents to send their children to day care even if they would prefer to stay home with them?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, yesterday the member's colleague was asking the government what we could do to get people working.

Obviously one of the things we could do to get people working is to ensure that they have proper support for their children when in fact they are out in the paid workforce. I happen to believe that women who work at home are working every bit as hard so I specify the paid workforce.

However, for the member to suggest the government pull out of child care funding, it would take the case of the Canadian economy back decades. At the moment child care spaces across the country are set up by provincial governments with the financial assistance of the federal government directly to those families, primarily single income mother led families who without the assistance would not be able to go out into the paid labour force.

The member suggests that for some people it is not necessary. The same thing holds true for health care. Would he like to abolish national health care or education?

Mr. Philip Mayfield (Cariboo—Chilcotin): Mr. Speaker, the Deputy Prime Minister misses the point. I do not advocate withdrawing funds or inhibiting people from going to work.

A voucher system would allow parents to stay home with their children or to send them to the most suitable day care. It would also direct public assistance to those who really need it.

• (1200)

Will the Deputy Prime Minister and the government consider the introduction of a child care voucher system rather than universal day care?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I am a parent and there is no government that tells me where I have to send my child for child care. We do live in a free country.

At the moment what this government has said is that when it comes to employment outside the home obviously child care is an important component of any initiative to help people get out to work. Our government intends to meet its commitments in the red book.

I only wish that the member had a better understanding of how hard it is for those women trying to juggle work outside the home and work at home. I only wish that he and his party would give them more support.

* * *

TRADE

Mr. John Solomon (Regina—Lumsden): Mr. Speaker, my question is directed to the Minister for International Trade.

Yesterday I met with a number of U.S. congressmen to discuss U.S.–Canada trade issues, including the durum wheat question. My conclusion is that this being an election year in the United States with many U.S. legislators up for re–election, they have become strong protectionists to the point of ignoring certain trade agreements like NAFTA and GATT.

Can we have his government's assurance that it is going to protect Canadian farmers' interests and not cave in to these American protectionists' posturing at this point?

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, the member can certainly have that assurance. I believe it is reflected in the stance we have taken in the negotiations, in the discussions during the past months. We will continue to protect in every respect the interests of Canadian grain farmers. We have done so in the past and we will continue to do so in any future discussions.

The Speaker: I am sure all members heard the cannon. There is a point of order from the minister of fisheries.

Routine Proceedings

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, during question period I referred to Hibernia's having created 5,300 direct jobs. That information was wrong and I want to stand to correct the record. The number is actually 6,282.

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, pursuant to the Standing Order 36(8), I have the honour to table in both official languages, the government's response to four petitions.

* * *

[*English*]

THE ENVIRONMENT

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, today is Earth Day in Canada, a day that we have set aside to join with people around the world in making our own personal contribution to the well–being of our environment.

Since Earth Day was first celebrated in Canada on April 22 four years ago, the grassroots support for this event has grown so rapidly it now involves nearly one in three Canadians in some form of environmental activity. There is much energy, enthusiasm and support for greening our way of life.

More than ever before Canadians are aware of our natural environment and we are doing something to make sure that what we now enjoy can be passed on to our children and to their children. By planting a tree, composting kitchen waste, reusing shopping bags, recycling cans, returning bottles and demanding less packaging from producers, Canadians are showing that we want governments to sit up and take notice.

In fact, recent surveys have shown that 60 per cent of Canadians support more spending for environmental protection. Industry too is quickly coming to realize that green planning and green operations mean green savings and green bucks.

Almost every sector of our economy now realizes that consumer demand means that by producing a product in an environmentally friendly manner you can have the critical competitive edge.

[*Translation*]

Business and industry, for their part, are asking the government to put its house in order. They need our co–operation as well as clear, specific directions to achieve our environmental objectives.

• (1205)

I am proud to announce to this House and to all Canadians that our government is answering the call. Canadians can stand up and say that their federal government is the first green government in our country.

Three former federal environment ministers currently sit in this House, along with a former provincial environment minister. Two of these people are leaders of their respective parties.

We are also fortunate to have the highly qualified Chairman of the House of Commons Standing Committee on Environment and Sustainable Development and finally, my parliamentary secretary who is absolutely indispensable to me.

[*English*]

Canadians can also feel secure that there is environmental leadership within their government. We are proud to have a Prime Minister who understands that environment is an integral part of job creation and growth and who made sustainable development an underlying theme of our red book.

Our Prime Minister appointed our former Speaker, the one who initiated the greening of the Hill program, to be our ambassador for the environment to the world. We have a Prime Minister who created more national parks than any other minister in the history of Canada. We have a Prime Minister who announced clearly on his first international trip that Canada's water is not for sale.

Canada's Minister of Foreign Affairs understands that we must work globally to attack environmental degradation and make sure that the global environment facility, the GEF, and the Montreal protocol receive Canada's fair contribution.

Our minister responsible for infrastructure made water and sewer upgrades, environmentally friendly projects, an important part of our national infrastructure program.

The Minister of Fisheries and Oceans moved quickly to fulfil promises made about Kemano and has also recognized that eco–tourism can play an important role in the revitalization of our economy.

The Minister of Human Resources Development and the secretary of state for youth have announced a plan to involve youth in environmental training programs to help us get environmental industries on the cutting edge of the world community.

My colleague, the Minister for Natural Resources, has been actively promoting sustainable development in her natural resource sector. She has also been working very hard on energy

efficiencies, an integral component of any future use of energy when we realize that we are the most energy consuming country in the world. Her department's model forest program provides a model for sustainable forest management.

She has also recently tabled the first report to Parliament on the Energy Efficiency Act which outlines the environmental and economic benefits available to energy users to improve energy efficiency.

[*Translation*]

We have a Minister of Finance who acts in a progressive manner on environmental issues. Last February, he announced a major new initiative in support of sustainable development.

In the budget, it was announced that a task force involving government, industry and representatives of environmental groups would be established to identify barriers to sound environmental management.

This task force will also focus on a wide range of economic instruments which rely on market forces and demonstrate potential for rapid implementation either as an alternative to or to complement environmental regulations.

Speaking of this task force, I am delighted to announce today that following consultations will all interested parties, the Minister of Finance and I will be releasing shortly the names of the task force members and the nature of the task force's mandate.

[*English*]

I am very pleased on behalf of the Minister of Finance and myself to announce that we are moving ahead rapidly with our commitment to analyse how tax policy and how economic instruments can be used to help build a strong environmental record.

Very shortly we will be announcing the membership and the terms of reference of a committee. It will be examining the whole issue of not only economic instruments as they can help government policy but also a review of taxes and subsidies to make sure that they are environmentally friendly and do not work against a clean environment.

I could go on and mention the environmental contributions of every single member of this cabinet, for example the Minister for Industry and his secretary of state who are working very hard on environmental industries, but the point is clear. This government, this cabinet and this Prime Minister are committed to the environmentally sound management of our nation's business.

• (1210)

[*Translation*]

As Minister of the Environment, I am proud of my department's achievements. In the six months since taking office, we have built strong foundations to meet our commitments. I said that we would pass legislation providing for a round table on the economy and the environment. This will give existence in law to a vital organization and also fulfil a commitment made in the red book.

The throne speech spoke of the government's intentions and I also announced that we would pass an environmental assessment act this spring, as was requested by the Leader of the Opposition. As promised in the red book, we will also strengthen regulations, thereby fulfilling a second commitment.

In co–operation with my colleague, the Minister of Industry, and his Secretary of State, we are in the process of developing a government strategy for environmental industries and we sponsored consultations earlier this winter, in order to generate the required public support. We are currently looking at the comments received and the strategy will be announced very soon. This is the third commitment fulfilled.

Last Monday, I had the pleasure and the honour of announcing phase II of the Great Lakes action plan, as well as the implementation of the plan for the St. Lawrence, Vision 2000. These two plans are major steps to clean up the largest freshwater expanse in the world.

These initiatives, combined with the statutory five–year review of the Canadian Environmental Protection Act which will soon be undertaken by the standing committee of the House, will enable us to fulfil another promise made in the red book regarding pollution prevention. We should soon get the answer of the parliamentary committee on our commitment regarding the Auditor General, and we also expect results very quickly. This is the fourth commitment fulfilled.

An oil tanker sank some time ago. We worked with the four provinces concerned, in co–operation with the Minister of Transport, and we found a solution which will soon be implemented. This is another commitment fulfilled.

Earlier this spring, I gave the Standing Committee on Sustainable Development the very important mandate of looking at the concept of an auditor general for the environment. The committee made its recommendations, thus allowing us to fulfil another commitment made in the red book.

[*English*]

Our government is keeping its promises and we hope with the help of the Parliament of Canada to continue to do so.

On Earth Day I wish to give my friends and colleagues in this House and all Canadians my personal pledge that we want to work with the provinces, the municipalities, workers, environmental groups, businesses and, most important, we want to work with the children of Canada to ensure the protection and promotion of our natural environment.

As Minister of the Environment for Canada I am proud of what we have accomplished. I would be prouder still if I could stand today and tell this House that we have no need for Earth Day, that we do not need a special day to think about the environment because every day is Earth Day in Canada.

This House has heard many speeches from many eloquent individuals but I would like to leave members with the motto which I think should be the standard bearer for Earth Day, for this House, for our country and for the world. It is an ancient Haida saying which we all know and which we should take to heart: We do not inherit the land from our ancestors; we borrow it from our children.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, now that the Minister of the Environment has praised the government's actions with respect to the environment, the Official Opposition would rather talk, on this Earth Day, about the real problems, that is problems in our ecosystem and challenges that must be met so that we can live in a sound environment.

The minister would rather dwell on her government's accomplishments since the election. So, allow me to put in perspective some of those accomplishments that must leave more than one Quebecer and Canadian totally confused.

• (1215)

Regarding the legislation, the minister has made several statements in the House and in the media. However, we still have not had the pleasure of seeing one single bill come out of her department. The minister seems to misunderstand the legislative process leading to the meeting of an electoral commitment. It is not enough to announce that regulations relating to the Environmental Assessment Act will be produced and that a bill on the round table on the economy and the environment will be presented for people to consider that the Liberal Party has kept its promises. If the government thinks that its commitments have been met simply because they were announced, we may end up once again facing needless verbiage and pious hope.

After announcing with great pomp that there will be consultations on governmental strategy with environmental industries, it seems, as was the case in Montreal, according to some observers, that in fact these consultations were only an excuse for a social gathering of officials. It would appear that the environmental industry was not really associated with the process. Yet, the Official Opposition had given its support to this initiative, hoping it would be an opportunity to promote research and development in environmental industries. So, there is still much to be done before the minister can proudly announce that her commitment has been met.

Mr. Speaker, I would be glad to have talks with the minister. I know she is in a good mood today and it is always with great pleasure that I have talks with her. So I will continue to do so.

As for the St. Lawrence Action Plan—

Mrs. Copps: But not always in good faith.

The Acting Speaker (Mr. Kilger): Order. I realize that, from time to time, there may be some friendly give and take between two members, but perhaps we could stick to the subject of this debate.

Mr. Ménard: Mr. Speaker, I appreciate your vigilance.

As for the St. Lawrence action plan, now pompously called St. Lawrence Vision 2000, this government is merely continuing the Conservative Party's policies. I do not think we can see this as meeting a commitment made by the Liberal Party.

Unfortunately, the budget brought down by the Minister of Finance, to which the minister refers with such enthusiasm, contains no funding for dealing with harbour sediment contamination, although according to the minister, the infrastructure program would be able to provide the necessary funds. If that were the case, we would be delighted. However, according to *Le Soleil*, and the minister has probably read this, one of the department's officials expressed some serious doubts about that possibility.

Although there have been many important announcements, it is clear that implementation is lagging, while the public's very legitimate expectations are increasing. Consider the case of chlorinated organic compounds, which include most pesticides—whose presence in our Great Lakes are a threat to the health of the people living in these densely populated areas, as was pointed out in the latest report of the International Joint Commission.

Furthermore, as was pointed out by the chairman of the Committee on Environment and Sustainable Development, the hon. member for Davenport, Canada has been postponing ratification of the United Nations Convention on the Law of the Sea for nine years now, a convention that, if implemented, would contribute very substantially towards protecting the oceans, improving the fisheries and reducing the risk of pollution. So far, 57 countries have signed the convention, but 60 signatures are required to ratify it. Now that, Mr. Speaker, would be good news. That is something tangible the very energetic Minister of the Environment could have done.

Quebecers and Canadians have no illusions about the triumphant announcements made today by the Minister of the Environment. I am surprised that I am the one in this House who will

have to describe the serious problems facing Canadians, Quebecers and humanity.

Since the early 19th century, more than half of our tropical forests have disappeared. Only 40 per cent of the forests are still standing in Third World countries, and this dramatic situation has led to the extinction of 100 species daily. Desertification is a problem in more than 100 countries and it affects more than 800 million people.

One third of Asia's arable land is threatened by desertification, and 80 countries, with 40 per cent of the world's population, lack clean drinking water, and deteriorating water quality is a death sentence for millions of children. The global environmental situation has reached crisis proportions.

• (1220)

Instead of dealing at length with the qualifications of her Cabinet colleagues and the Prime Minister, the Minister of the Environment should have taken advantage of Earth Day celebrated today to bring the discussion to a higher level and inform us of the direction her government will take regarding solutions that will have to be put forward by Canada and other countries if we want to live in a community where environment meets the demands of the population, in particular those of young people who will inherit the outcome of the decisions we are taking today.

Mr. Speaker, I thank you and I want to say to the minister that we wish to be part of any initiative that she will propose to this House, but until now, concrete measures have been delayed for a long time and we pray St. Basile that legislative action will be taken as soon as possible.

The Acting Speaker (Mr. Kilger): I cannot help asking myself if the invitation of the minister is still on the table or on the ground, but anyway the issue is worth following.

[*English*]

Mr. Bill Gilmour (Comox—Alberni): Mr. Speaker, as Earth Day is a positive day, I will keep my comments in a positive vein.

Earth Day is a time for all of us to look inward and examine what many of us take for granted, the planet on which we live.

I am pleased to see that we are on a path through the forest that leads toward a sustainable future and that we are addressing, although sometimes quite slowly, ways to prevent pollution thus ensuring a healthy planet for our children and our grandchildren.

The Brundtland commission's definition of sustainability: "Leaving our planet to our children in the same or better condition than the one that we inherited" should be the goal of each and every one of us. In order to achieve this goal we need to get into the regular habit of doing more with less.

Although I agree with the minister that government should be involved, I feel that it is more up to each and every one of us personally, not someone else, to do what is right. Only when we take responsibility and learn to live our everyday lives by conserving resources will we have achieved this goal of sustainability.

As I said earlier, we are still on the path in the forest. Sustainability is still some distance away. Only when we live each and every day as Earth Day will we have achieved that long awaited goal.

The Acting Speaker (Mr. Kilger): I wonder if I could seek unanimous consent of the House to allow the member for Regina—Lumsden to say a few words on behalf of the New Democratic Party. Is there unanimous consent?

Some hon. members: Agreed.

Mr. John Solomon (Regina—Lumsden): Thank you, Mr. Speaker, and thank you to my colleagues in the House. It is my pleasure today to join with members of this House of Commons in celebrating Earth Day. First, I congratulate all those in Canada who are taking as a priority not only our country but our planet in terms of its environment.

I have met with many individuals and organizations in my constituency in the city of Regina who are taking an active role in their community to ensure that when they leave this earth as living persons, they leave it a better place in terms of environment and resources for their children.

I congratulate them on their efforts in terms of recycling programs and other approaches that they are taking, which I participate in as well. I recycle all of my glass, tins, plastics, newspapers, clothing and other things that I or my family consumes. I think it is important that all legislators consider following that example that, indeed, many of our children have set for us.

I agree with the government's priority of ensuring that we have an environmental plan in this country. I agree with its sentiment that we should leave this earth better than we found it because we are indeed caring for this earth on behalf of future generations. Nobody knows that more than parents who see their children growing through various stages of their lives and see some of the very difficult challenges that face our young people in today's economy and today's environment.

• (1225)

I have a little bit of a difference of opinion from the government. The Liberals in opposition spoke very loud in terms of opposing the green plan that was put forward by the former Conservative government. The catch words here are: Actions speak louder than words. Their action in opposition was that they opposed the green plan .Their action is government is that they are implementing the Conservative green plan. To me that is a flip–flop.

I do not believe the government is taking seriously its verbal commitments to ensuring we have a healthy and strong environment in this country. That is demonstrated very clearly by the fact that here we are into the end of April 1994, we have been sitting here for three months, and the government has yet to bring forward any major discussion opportunity in the House of Commons on our environment in Canada. There is no new green plan. It is implementing an old green plan that was not acceptable to the Liberals in opposition. Now they flip–flop in government and support the green plan. Actions speak louder than words.

The other action the government has undertaken is it appointed the NAFTA environment office to the city of Montreal which does not have an example of good environmental protection for its citizens. It has one of the worst records in Canada.

My sense is that actions speak louder than words. The Liberals are very, very wordy. They get up, talk and rant and rave about all sorts of wonderful things they are doing but they are not doing anything. Their actions prove the opposite.

On behalf of the New Democratic Party we will continue to ask the government to ensure that it does put the environment on the agenda and to ensure that Canada's environment is sustained for future generations.

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have the honour to present the 17th report of the Standing Committee on Procedure and House Affairs regarding the membership of committees.

If the House gives its unanimous consent, I intend to move concurrence in the 17th report later this day.

* * *

CORRECTIONS AND CONDITIONAL RELEASE ACT

Ms. Val Meredith (Surrey—White Rock—South Langley) moved for leave to introduce Bill C–240, an act to amend the Corrections and Conditional Release Act and the Criminal Code.

She said: Mr. Speaker, the purpose of this bill is to amend the Corrections and Conditional Release Act as well as the Criminal Code to provide for the detention of high risk violent offenders after the expiration of their sentences and to provide for the detention of sex offenders convicted of offences against children.

This bill will give the Correctional Service of Canada and the National Parole Board the power to refer the offender to the appropriate Attorney General for a dangerous offender hearing. Upon making a dangerous offender finding, a court could then make the following orders for the protection of society: First, custody for an indefinite period of time; second, custody for a definite period of time; and third, supervised release in the community for a period of 10 years.

The second aspect of this bill would eliminate the need to prove the serious harm criteria when dealing with high risk offenders who victimize children. The current requirement to prove serious harm is difficult in cases involving children as the actual harm to the child may not be evident for several years. A child's difficulty in clearly communicating the effect of a sexual crime makes serious harm very difficult to detect.

It is my pleasure to introduce this bill. I hope it is given great consideration as it is very important for the protection of society.

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

* * *

● (1230)

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, if the House gives its consent, I move that the 17th report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

(Motion agreed to.)

* * *

PETITIONS

NAVIGABLE WATERS

Mr. Dan McTeague (Ontario): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present a petition that has been signed by over 300 residents of Ontario riding and elsewhere concerning Frenchman's Bay.

The petitioners call on Parliament to urge the government to use its powers over navigation and shipping as outlined in section 92(10) of the Constitution Act and in the Federal Navigable Waters Protection Act to undertake dredging operations in Frenchman's Bay in order to correct the loss of draught both in the bay and in the channel entrance.

Due to a severe build–up of silt the draught in Frenchman's Bay has been dramatically reduced and now a serious threat is being posed to personal safety and to boats entering that channel.

EL SALVADOR

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, pursuant to Standing Order 36, it is my duty and honour to rise in the House to present a petition duly certified by the clerk of petitions on behalf of constituents.

The petitioners humbly pray and call upon Parliament to urge our government to constitute the appropriate representations to the El Salvadoran government to comply with the peace accords and human rights standard before their April 24 run–off election and thereafter.

[*Translation*]

RETIRED PERSONS

Mr. Paul Crête (Kamouraska—Rivière–du–Loup): Mr. Speaker, I have the honour to table a petition from the *Association québécoise des retraités*, Kamouraska—Rivière–du–Loup section, expressing to the House the association's dismay over the numerous attacks which the Liberal government has launched on the incomes of retired persons, in particular its proposal to reform old age pensions and to abolish the universal age tax credit. I believe that the views of the senior citizens in my riding must be taken into account and I therefore wish to table this petition.

[*English*]

KILLER CARDS

Ms. Shaughnessy Cohen (Windsor—St. Clair): Mr. Speaker, I have the honour, pursuant to Standing Order 36, to present a petition requesting that the laws of Canada be amended to prohibit the importation, distribution, sale and manufacture of killer cards in law and to advise producers of killer cards that their product, if destined for Canada, will be seized and destroyed.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I rise under Standing Order 36 to put forward petitions concerning killer cards.

I thank the minister for bringing to the attention of the House that he plans to introduce legislation in this area.

The numbers of petitions from places throughout my riding give support to him in getting rid of these killer cards.

ASSISTED SUICIDE

Mr. Philip Mayfield (Cariboo—Chilcotin): Mr. Speaker, I have the honour to present a petition from my constituents in 100–Mile House, British Columbia.

• (1235)

My constituents ask that Parliament not repeal or amend section 241 of the Criminal Code and uphold the Supreme Court of Canada decision of September 30, 1993 to disallow assisted suicide, euthanasia.

This petition is presented with my concurrence.

JUSTICE

Mr. Gordon Kirkby (Prince Albert—Churchill River): Mr. Speaker, pursuant to Standing Order 36, it is my duty and pleasure to present a petition on behalf of a number of constituents of Prince Albert—Churchill River calling for the repeal of section 745 of the Criminal Code.

The petitioners strongly oppose this clause which allows convicted murderers serving mandatory life sentences of 25 years without parole to apply for parole after 15 years.

I urge all members to consider these views expressed by the residents of La Ronge, Buffalo Narrows, Smeaton, Shellbrook, Waskesiu, Holbein and Southend in my riding in northern Saskatchewan.

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, it is my pleasure to present a petition, along with my colleague from the opposite side of the House, to repeal section 745 of the Criminal Code.

This section is called faint hope. It allows a convicted murderer sentenced to life without parole for 25 years to apply for parole after 15 years.

I support this petition. I feel that when a judge and jury make the determination that somebody should not have access to parole for 25 years it should be respected, and I support this petition 100 per cent.

SERIAL KILLER BOARD GAMES

Mrs. Rose–Marie Ur (Lambton—Middlesex): Mr. Speaker, pursuant to Standing Order 36, it is my duty to present on behalf of the constituents of Lambton—Middlesex and area a petition which has been duly certified by the clerk of petitions.

It urges the Government of Canada to ban the sale of the serial killer board games and serial killer cards in order to protect innocent children.

ASSISTED SUICIDE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a petition signed by over 1,000 Canadians from several communities in a number of provinces.

The petitioners pray and call upon Parliament not to repeal or amend section 241 of the Criminal Code and to uphold the Supreme Court of Canada decision of September 30, 1993 to disallow assisted suicide and euthanasia.

I wish to take this opportunity, Mr. Speaker, to indicate to you and to the House that I fully concur with the views expressed in this petition.

NATIONAL ENERGY BOARD

Mrs. Rose–Marie Ur (Lambton—Middlesex): Mr. Speaker, pursuant to Standing Order 36, it is my duty to present a petition on behalf of the constituents of Lambton—Middlesex and area.

The petition has been duly certified by the clerk of petitions. It urges the government to amend the National Energy Board Act to provide authority to the National Energy Board toward intervener funding in cost to land owners who intervene in proceedings before the board on issues of public interest and relevant to the construction and operation of pipelines.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, I ask that all questions be allowed to stand.

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

Some hon. members: Agreed.

[*English*]

The Acting Speaker (Mr. Kilger): As agreed earlier today, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

INCOME SECURITY

Mr. Chris Axworthy (Saskatoon—Clark's Crossing) moved:

> That, in the opinion of this House, the government should consider the advisability of ensuring that the reform of the tax system is harmonized and integrated with review and reform of the Canadian system of social security as a whole with a view to most efficiently realizing the fundamental objective of income security for all Canadians.

He said: Mr. Speaker, my motion is seconded by the member for Regina—Lumsden.

• (1240)

It calls on the House to agree that the government should consider the advisability of ensuring that the reform of the tax system is integrated and harmonized with the review and reform of the Canadian system of social security.

My motion has three themes to this point. The first is that our tax system needs to ensure that we have the revenue needed to provide for the social programs we have deemed necessary so as to ensure that all Canadians can live at a reasonable level of security and dignity.

The second aspect of this motion revolves around the use of the tax system in social policy administration. The tax system has been used over the years as an integral way of ensuring the administration of social policy through various different measures, tax credits and so on.

The third aspect of the motion deals with the issue of the unfair tax burdens and tax implications on Canadians who are moving off social programs into the workforce. I will deal with each of these separately.

To date, the focus of the government as it looks at social programs, as it was for the previous Progressive Conservative government and following the wishes of the Reform Party, has been to focus on cuts to expenditures and programs, cuts to people, cuts to those most vulnerable, the poorest in society. That has been the focus of the government's attention to social programs.

It is worth pointing out that the Bloc Quebecois has made many important contributions against that approach, arguing as the New Democratic Party would, for a more holistic, a more people oriented approach to social policy reform. I thank the members of the Bloc Quebecois for that.

The government has placed no emphasis on solving the problem. The problem is that the economy simply does not work for more than four million Canadians because these people do not work in the paid workforce, not through any fault of their own but because the government has not made a priority of job creation. Neither did the government before it.

No emphasis has been placed on making the economy work, giving Canadians the opportunity for the jobs they so sorely need in order to feed themselves and their families and make a contribution to our society. As a result of this, we have seen an increase in social program payments because of the large numbers of Canadians who have been unable to find work.

In addition, there has been no emphasis by the government or any emphasis from the previous government on ensuring a progressive, fair tax system even though this is recognized in the budget. Indeed one of the budget quotes from the government says that the fundamental basis of a sound tax system is the reality and perception that everybody pays his or her fair share.

That may be the perception but clearly it is not something the government has seen fit to do anything about. We continue with a tax system which is unfair to most ordinary Canadians because it loads the tax burden on middle and lower income Canadians while allowing those who are wealthiest and our largest corporations essentially to get a free ride.

We need some action in a holistic way to deal with our social programs. They are there for those who need them. Those who need them have grown in numbers because our economy is simply not working for them. We also have a tax system which unfairly burdens middle and lower income Canadians. Essentially we have seen no action from the government on this measure even though in opposition they frequently criticized the Conservative government for its regressive tax changes.

I would just like to point out too that Canadians are concerned about the speed of social policy reform and its implications. They are concerned the government is focusing only on cuts to social programs, cuts in the order of billions of dollars, with inadequate consultation and inadequate consideration of the major impact this will have both on the provinces but more important, on those Canadians who need those programs.

In spite of the advice to the contrary from the government's own advisers, it continues to make ad hoc social program changes while trying to consider the overall picture.

• (1245)

One member of the task force of the Minister of Human Resources Development, Mr. Ken Battle, proposes a moratorium on changes to social programs and changes to the income tax system until a comprehensive in–depth review of those programs has been conducted. That advice of the government's own adviser is not being taken.

Going to the tax system itself, we have seen nine years of Conservative government focusing on cutting expenditures to deal with the debt and deficit problems that Canada faces. We see governments across the country, Conservative and Liberal governments, focusing in that same way. We see New Democratic governments balancing budgets without cuts to social programs.

My own province of Saskatchewan cut the deficit from the highest per capita to the lowest in three years, the very best deficit cutting record of any province or any government in the country, according to all the reports of financial managers who are not normally friends of the New Democratic Party. In addition it has increased spending on social programs and health care.

It is not necessary to attack the deficit by attacking those who are most vulnerable in society. The New Democratic Government of Saskatchewan has proven that to all Canadians. Anybody who would rather live in Alberta with Ralph Klein's slash and burn deficit cutting than in Saskatchewan is probably somebody making hundreds of thousands of dollars a year in income.

The debt as we know was not caused by social programs. Statistics Canada has indicated many times that half the debt Canada has faced since 1975, which is when the debt became a major problem, was due to tax breaks and tax loopholes for wealthy individual Canadians or about 50 per cent. Forty–four per cent was due to high interest rates; only 6 per cent to increases in government spending, and of that 6 per cent only 3 per cent was for social programs spending.

The problem has not been social programs spending. It has been a weak tax system, a tax system that has favoured the rich. After all, the rich have their own political parties in the House that have served them well by providing them with this very favourable tax situation.

Surely, if we are to attack the problem, we need to attack the regressiveness of our tax system. More than $140 billion in corporate taxes, for example, have gone untaxed in the last nine years. Eighty corporations each owe $100 million or more in deferred taxes. Workers often pay more taxes than the companies they work for. New Democrats and Canadians think it is time the government at least treated corporations as they treat other Canadians.

Why not impose a minimum corporate tax? Even Ronald Reagan imposed a minimum corporate tax. Why not charge interest on deferred taxes which are outstanding on the part of these corporations? Why not pursue more aggressively those companies that are deliberately avoiding paying their taxes?

Let us look at one example of the implications of the unfair tax system. If Imperial Oil had paid its 1992 deferred tax bill of $1.58 billion, we could have created 600,000 child care spaces in the country or we could have built 54,000 social housing units. The costs to Canadians are significant as a result of a tax system which favours the rich. It also ensures that middle and lower income Canadians pay an unfair proportion of taxes and that there are not enough resources available to deal with the social program costs required as a result of the fact the economy is not working for four million Canadians.

Another example which we know well in Canada is that of the family trust. It is an example in which the richest Canadian families are able to escape taxation while others have to go to the food bank to beg for food. Estimates indicate that over a billion dollars a year are lost to the federal treasury as a result of giving Canada's richest families a tax break that enables them to hide their tax benefits.

This tax benefit was introduced by the Liberal government of Pierre Trudeau and was extended by the government of Prime Minister Mulroney.

• (1250)

It is an outrage that Canadians are faced with a tax system which gives the richest Canadians huge tax breaks while it forces the poorest Canadians to go to food banks to find food.

There are many other tax loopholes that could be eliminated. We have seen some attention in the government's budget paid to the business entertainment tax deduction. More could be done there. Another half a billion dollars could be saved as a result of closing that loophole. I do not see why my constituents who cannot afford to get to Toronto to watch a Blue Jays game should subsidize business people who are entertaining their friends in skyboxes at the SkyDome. There is a clear inequity in that process.

We should eliminate special tax breaks enjoyed by real estate developers. To give real estate developers tax breaks on an imagined depreciation of their assets when in fact their assets are increasing in value is a perverse gift to the richest of Canadians. We see very large wealthy development companies paying no or very low rates of corporate tax.

We should eliminate the tax breaks for corporate mergers and acquisitions. There is absolutely no gain to the average Canadian there. These three tax breaks to the very wealthy would save another billion dollars for Canadians and provide more resources for the social programs we need.

I could go on. We could tax wealth. We could clamp down on tax cheaters. As I mentioned we could put a minimum corporate tax on corporations to ensure they at least pay something.

I have made my point that our tax system is unfair, balanced in favour of the wealthy who have had political parties and continue to have political parties in the House working for them, and unfairly harsh on middle and lower income Canadians who have seen their taxes increase significantly over the last few years.

It is time, if Liberal words mean anything and if Liberal words in opposition mean anything, to make some changes to ensure that Canadians do not see this matter continue.

Briefly my second point is with regard to the use of the tax system for social policy implementation. It has a long tradition in Canada. It can work well if those tax changes are progressive. However, it works badly if those tax changes are regressive.

Mr. Ken Battle, an adviser of the Minister of Human Resources Development, has pointed out over the years that progressive changes to social programs and tax policy have been undermined consistently by regressive changes under the past government. The only significant change in the first budget of the Liberal government was to get rid of the lifetime capital gains exemption. There is perhaps $12 billion lost to the treasury as a result of high tax deductions for RRSPs which only the wealthy can take advantage of and child care expenses that favour well–off taxpayers.

We have also seen how our tax system has impacted on our social programs in a way in which most Canadians have not realized until well after the fact. The minister's own adviser, Ken Battle, calls this politics of stealth. We are seeing that same politics of stealth carrying on under this government, although its members criticized it extensively when in opposition.

We see universal child and elderly benefits no longer existing as a result of the clawbacks imposed on old age pensions and family allowances. We see a replacement of family allowances based on an income tested child tax benefit, all things that were criticized by the Liberals in opposition, all things they continue to allow to take place in government.

Lastly we see the impact of partial deindexation which is catching ever more lower income Canadians in its net, excluding them from social programs and placing them in ever higher tax brackets.

It is necessary for the Minister of Human Resources Development, in conjunction with the Minister of Finance, to take charge of the issue to make sure that tax policy as it impacts on social policy is progressive, helpful to those who are experiencing difficulties in our society, and contributes, as the government's own words indicate, to a fairer tax system so that we can all be satisfied the tax system is fair and that we are paying our fair share as is everyone else.

My last point deals with something about which there has been much loose talk.

• (1255)

As with the previous government, this government is fond of talking about deterrents to work which can be addressed by reducing the social programs for people who are not working. The biggest deterrent to work, as every Canadian will say, is that there are not enough jobs with adequate wages. If we address that problem we also address not only our deficit problem but our social programs. We would simply not have as many Canadians drawing on social program expenditures.

There are significant practical problems to be addressed dealing with moving off social programs, social assistance or unemployment insurance, and into the workforce. This has been described as being a welfare roll. Thousands of welfare recipients each year are blocked from moving into the workforce because of the adverse economic consequences that would give rise to, the so–called welfare taxback in which those who move off social programs experience the very highest marginal rate of income tax in the country. Either 100 per cent or something very close to it is taxed back from them on earnings they make as they attempt to move from social assistance to the workforce.

Many Canadians who are on the verge of moving from social assistance to work and are able to earn a bit of money on social assistance lose a dollar of welfare assistance for every dollar they earn. That is the highest rate of marginal tax in the country on the very poorest of Canadians. Of course it is an outrage.

We have also seen the value of refundable tax benefits and GST being determined by net income. As a person leaves social assistance they lose those programs. We have to ensure that is not a deterrent, as it presently is, to moving off social assistance and into the workforce. We have to ensure that our tax policies at the federal and provincial levels and our welfare policy fit together so that we encourage wherever possible, wherever

there are jobs, those people who can fill them to move off social assistance into the job market.

We have to ensure that the transition period from social assistance or unemployment insurance into the workforce is a smooth one and is possible for Canadians to make. We have to take notice of the high cost of working for some families as they move from social assistance into the workforce.

In conclusion, it is incumbent upon the Minister of Human Resources Development to work with the provinces to ensure these transitional arrangements are smooth and encourage participation in the workforce.

The motion brings together the important points on how we deal with one of the most serious problems in our country: how to find the resources necessary to ensure that those who are not part of the paid workforce live in security and dignity. Surely that is a role of any democratic and decent society.

We have to ensure that our tax system is fair, that those who can pay do pay, and that we close tax loopholes which would bring in, as I have indicated, billions of dollars that could be used on social programs. We have to ensure that tax policy as it affects social policy is progressive and that the transition from social assistance or unemployment insurance into the workforce is a smooth one.

This is not easy but with political will to solve this problem it can certainly be achieved as it has been in many other countries.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I was pleased when I read the motion. In the beginning I searched to see whether it was from the member for Saskatoon—Clark's Crossing or put forward by the Minister of Human Resources Development.

[*Translation*]

Of course, as we know, the two hon. members have the same surname, and that has caused some confusion. I thank the hon. member opposite for fully supporting this government's policy, seeing that by and large, what he is proposing in his motion is in fact what this government is seeking, and indeed has undertaken, to do.

• (1300)

[*English*]

I am sure the hon. member across has read the red book. I say that because of the way his motion is written. He has inspired himself with Liberal policies. I am very glad though that he has done so. I do not agree with the text of his presentation to the House today but I do agree with his motion.

For instance, today he complimented the provincial government of Saskatchewan for its social policy. My very distinguished colleague from the riding of Prince Albert has just informed me that a number of hospitals were closed in his riding alone. Can you imagine that? That is the kind of policy that gets praise from the member for Saskatoon—Clark's Crossing.

He also complimented the NDP generally. I am sure it was an oversight on his part. I cannot for the life of me think of anyone wanting to compliment Bob Rae for any of his policies, particularly social policy, job creation policy and tax policy, in the province where you and I have the honour and privilege to represent constituents, namely the province of Ontario.

In my area in Ontario we have seen the devastation of NDP provincial policies. We have seen what they have done to our area. It is more than a passing coincidence that every single NDP candidate, every single NDP MP in Ontario without exception, was soundly defeated. That tells you something. The NDP in my riding got approximately 4 per cent of the votes. That tells you what the people thought of that party.

I get back to the motion because it is a good motion. I want to read portions of the red book. I know that all members of the House will consider it a privilege. Reading from page 22 of the red book, let me read the following:

> The federal and provincial governments share common problems of too much government debt, too much foreign owned debt, and too high borrowing requirements, domestically and internationally. All three levels of government put the burden of these problems on the same taxpayer who is subject to taxes on income, capital and consumption. To this list governments add other charges in the form of licences, permits, user fees, and additional payroll deductions. A Liberal government will work closely with the provincial governments to achieve maximum possible co–ordination of tax policies.

That is just the kind of thing that is advocated in the motion. I read further, Mr. Speaker, from the red book because I know that you would want me to do this. It says the following:

> In the first session of the new Parliament the Liberal government will give the all party finance committee of the House of Commons a 12–month mandate to consult fully with Canadians and provincial governments and to report on the ways to achieve tax fairness, simplicity and harmonization.

That is the exact thing that is asked for in the motion. Let me read the motion a little bit here. It says:

> That the government should consider the advisability of ensuring that the reform of the tax system is harmonized and integrated with review and reform—

And so on. This is exactly what our government is doing. I am sorry I was interrupted in my reading of the red book and we should never do that to the red book. I continue:

> In particular, the committee will be mandated to report on all options for alternatives to the current GST. A Liberal government will replace the GST with a system

that generates equivalent revenues, is fairer to consumers, to small business, minimizes disruption to small business and promotes federal–provincial fiscal co–operation and harmonization.

[*Translation*]

So, you see, Mr. Speaker, that is what the Liberal Party was suggesting during the last election campaign and we, of course, had made our intentions known in the red book, from which I have just quoted.

• (1305)

But that is not all, Mr. Speaker. As you know, earlier this year, the Minister of Finance tabled a budget, a budget that this House has passed.

In this budget, we have made good our promises, if not all at least most of our election promises, and this just in the first year of our mandate. So, you see, Mr. Speaker, I think that on the strength of this first budget alone, this government would deserve to be re–elected. Of course, in the years to come, we will give the public many more reasons to re–elect us, as the hon. members opposite will learn to appreciate.

In our red book, and again in the budget, we promised to bring the deficit down to 3 per cent of GDP within three years. There it is, in the budget.

Also in the budget: to implement a national program to renew infrastructure; restore funding for the National Literacy Program; establish a Youth Service Corps; provide new youth internship and apprenticeship programs; improve access to capital for small business; replace the GST; re–institute the Residential Rehabilitation Assistance Program; create a Canadian information highway. As you can see, Mr. Speaker, I could go on and on. Perhaps I should: set up a Technology Partnership Program; launch an Engineers and Scientists Program, and so on.

These are all things that we had promised in the red book, electoral promises that we are acting on.

There are two main thrusts. The first one is to make the tax system better, more balanced and more in line with our social programs.

I will now outline the second.

[*English*]

The hon. Minister of Human Resources Development proposed to this House a change in the system in which we deliver social programs. Much to the chagrin of some opposition members, we are proceeding to do exactly what the motion is asking us.

The Minister of Human Resources Development has mandated a committee to do some work. Stage one of that will be hearings by this committee, federal–provincial and territorial labour market and social services ministers to meet and to discuss this, later on a task force to advise the minister and then an action plan to be drafted and presented in this House.

I congratulate the member for Saskatoon—Clark's Crossing for supporting so wholeheartedly the policies of our government.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière–du–Loup): Mr. Speaker, I rise today as a member of the committee responsible for reviewing the social program reform action plan of the Minister of Human Resources Development and, unlike the hon. member for Glengarry—Prescott—Russell, I think that the vision of Mr. Chris Axworthy, the hon. member for Saskatoon—Clark's Crossing, is much broader than that of his namesake, the Minister of Human Resources Development.

His motion, in favour of which I will speak, has only one flaw in our eyes: it should be more proactive since the hon. member says that "the government should consider the advisability of ensuring that the reform of the tax system is harmonized."

I myself think that the government must ensure that the reform of the tax system is harmonized, and I think it is important to make that clear because the current approach used by the Minister of Human Resources Development in this area is no guarantee of future success and because he announces changes, to the Unemployment Insurance Program in particular, even before his reform initiative is in place, and it is clear that there is no harmony between the budget and the objectives, and the way social program reform is being conducted.

So we obviously support the proposal of the hon. member for Saskatoon—Clark's Crossing, since the Bloc Quebecois has been calling for tax reform since the election. This issue was part of our election platform and we think it is important to harmonize the two elements, namely the tax system and social security programs, regardless of our opinion on how to approach social program reform in the future. Be it the Reform Party or the Liberals, I think that, in this respect, everybody will admit that we need a little more harmony. I believe that, at the present time, there is a serious lack of co–ordination on the part of the government, and a warning such as the one the member for Saskatoon—Clark's Crossing is proposing is in order.

• (1310)

It seems to us that the planned social program reform might create more inconsistencies if it does not take the tax system into account. We will end up with the same counterproductive situations we saw in the past, where we gave people incentives to increase their income but these same incentives discouraged them from working and being productive members of society. Harmonization is a must.

We must harmonize because the present government does not seem in any hurry to deal with some elements of the tax system which impact on the reform of social programs. I am referring to family trusts, for instance. We can reform all the social programs in the world, but if we do not take care of the revenue

side of things, making sure that everybody pays their fair share, we are not doing our job as a government, as a Parliament.

In 1969, there were $18 billion in family trusts. In 1982, there were $80 billion. The potential growth of those trusts should encourage us to check to see what today, in 1994, the exact amounts involved are, to determine why these people pay no taxes and to find ways of obtaining a reasonable amount of tax revenues from those trusts. After all, they belong to a few very rich families, as Mr. Claude Piché said in *La Presse* on January 19, 1994, when he explained that the creation of a trust is a very complex and costly process which is not really worthwhile unless you have a real fortune.

Therefore, on the question of family trusts, it would be interesting to know exactly what is going on as soon as possible because since 1983–84, we have not been able to find out what funds are in there. In my view, the government should take a close look at its own actions on that issue and publish the exact figures as soon as possible.

Tax reform also seems very important because the tax structure must be fair for everybody. We should make our tax tables much less regressive because right now taxes do not serve justice and equity in our society and there is a lot to be done in that area. The present government is saying nothing and does not seem to be really willing to make the necessary changes; it is burying its head in the sand.

There is also the issue of tax shelters that need to be abolished. There would be a lot of work to be done just to determine which shelters should be maintained and which should be abolished. In that sense, the motion of the hon. member for Saskatoon—Clark's Crossing is very interesting and it is a needed reminder for the government which seems to forget that what it does on the one hand does not necessarily agree with what it does on the other.

The other important element is that the fiscal structure must be harmonized to take income security into consideration. There are examples from the past which demonstrate that income tax tables can be used to help low-income earners. In Quebec, Mr. Parizeau, when he was Minister of Finance, made sure that low-income families would pay no income tax. That kind of initiative should be taken by the current government, which seems to be forgetting its electoral promises to the neediest and more inclined to protect those who financed its electoral campaign.

We therefore consider it important to support the motion of the hon. member for Saskatoon—Clark's Crossing. There are also a few other things that I would like the government to take into consideration when harmonizing, and one is a minimum corporate tax. There is no doubt that Canadian tax policy is very favourable to business. Naturally, businesses should be allowed to develop, but at the same time we have to avoid an imbalance between the share individual taxpayers must bear and that of business. In that area, I thing we have a long way to go.

• (1315)

Another thing I would like to mention are the changes to fiscal arrangements that apply to foreign corporations. For example, in 1990, taxpayers with incomes of over $80,000 accounted for more than 70 per cent of all taxable capital gains, and 66 per cent of those were investors. We in the Bloc Quebecois believe that the financial position of the government requires a larger contribution of high income taxpayers, and in the spirit of this motion we could, at the very least, undertake a thorough study of this aspect, to make sure that in the future, the tax policy and the forthcoming reform of social programs guarantee some harmonization between the two and that, in effect, we do not create situations that are even more absurd than the ones we now have.

I would like to add that when the hon. member for Glengarry—Prescott—Russell quoted from the red book, it reminded me of a saying my grandfather was fond of. Do not judge people by what they say but by what they do. It is particularly true with the Liberals' election platform. During the campaign, all they promised were jobs, jobs, jobs, but they have yet to deliver. The Liberals made a lot of commitments concerning social equity in the red book, but they have not achieved much. And worst of all, they do not seem to have the will to forge ahead in this area.

To conclude, I would like to say that, unlike the hon. member for Glengarry—Prescott—Russell, I do not see how you can compare the motion put forward by the hon. member for Saskatoon—Clark's Crossing with the position taken by the Minister of Human Resources Development. There is a fundamental difference between the two in that the minister tends to act a bit like a bulldozer these days. However, he may be realizing that provinces have some rights in this area and will expect the government to respect them.

The public also want things to be done legally and has shown in the past that if governments are divorced from the realities of their constituents, voters can remind them of the harsh realities come election time. I think that a motion like the one before the House today should prompt the government to review the need for more harmonization at the Cabinet level, which would allow people to share their ideas and dovetail their programs.

[*English*]

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, I agree with the bill that has been put forward by the hon. member for Saskatoon—Clark's Crossing. The tax system does need to be reformed. How can anyone disagree with that broad goal of income security for all Canadians?

The disagreement, however, comes on these two questions: How should the tax system be reformed, and what constitutes social and income security?

Let me deal with the second question first. What is social and income security? In the minds of most Canadians it can only exist in a society in which there are good jobs with good incomes. That is the bottom line. To have good jobs there must exist good investment opportunities and there must be good rates of return or profit. Without that we will not have good jobs in this country. Such a society must also have an environmentally sound, financially viable economy alongside a supportive, responsive public services sector.

How do we get on the right road to achieving this objective for our society? How do we get there from here? There are many areas that need to be reformed. Reforming our tax system would be a major variable in the equation.

What kind of tax reform is needed? Our current system with its unjustifiably high taxes is a wedge, one that is being driven between Canadians eager to be fruitful, prosperous and just and the ultimate goal of achieving a socially and income insecure society. It is a wedge that is being driven between the intentions and the realization of that goal.

• (1320)

What is the real culprit? Why is the current system of high taxes a problem? These unfair high taxes are only a symptom of a bigger inherently related problem. We cannot separate the two.

What is the real problem? The real root that necessitates high taxes and prevents us from achieving the kind of society which we really want is government fiscal irresponsibility. We consistently spend more money than is brought in. These high taxes are detestable and they are a wedge that is coming between the ambitions of Canadians and the realization of their goals.

The driving force that forces up taxes and that fuels the underground economy and that causes unnecessarily high unemployment and makes businesses and jobs pack up and flee the country and creates social unrest and crime and a general loss of confidence in our whole country drives up interest rates and depreciates our currency.

The root cause is the fact that as a country we have lost control of our finances. We spend too much. Let us not blame anybody. We are in this together. High taxes are destroying jobs and they are destroying social programs because they destroy the initiative of the people and their desire to invest and work.

The common sense of the common people could have foretold us our fate. Do we seriously believe we can continually spend more money than we bring in? Can we keep borrowing from our neighbours, from businesses and from other countries? Someone, some time, has to pay.

Many of my hon. colleagues from the other parties in this House will on almost every subject in this House Reformers talk about the same thing, fiscal responsibility. Why are they stuck on that? Let me explain why.

We are focused on the financial matters of this country because we want Canada to decide its own future and not destroy it. We want Canada to have the best social programs and infrastructure, the most beautiful environment, the best jobs and incomes for its people. We are not going to get it the way we are going now. We cannot achieve a socially and income secure society for ourselves and for our families and future generations by continually demanding more.

We cannot withdraw from what will happen. We will eventually deny ourselves and our children everything that we are trying to preserve. We have to decide now how we are going to adjust our lifestyles, that we are going to tighten our belts and that we are going to expect less. It is really a cruel hoax on all our fellow Canadians to let them think that we can continue as we are. It is wrong.

It is a lot of fun to talk about spending, talk about social programs, to talk about women's rights and minority rights and immigrant rights and refugee rights, criminal rights, language rights, universal social programs like health care and day care and many other noble causes which some other group might feel is deserving money. It is fun to talk about those things and plan. The final result is that somebody has to pay.

Occasionally we may sound apocalyptic when we talk about our nation's finances. Perhaps things will turn around. Maybe it will happen some day. Maybe it will happen soon. Perhaps our debt crisis will not become drastically worse. Maybe we will look back in 50 years from now at this session of Parliament and on the continual attention that Reformers gave to the government finances as overkill. Maybe we will look back and see it as that.

I sincerely hope that happens. If it does it means we have done one thing, that we were able to control spending and taxes and bring in real fiscal reform. At the present time we are in a free fall. We are plunging downward. We are skydiving without any intention of opening our parachutes.

• (1325)

I agree with the motion. Let us reform our tax system. Let us reform the GST. Let us slash personal income tax, corporate tax and payroll tax. Let us pretend for a moment that all govern-

ments were able to cut taxes; federal, provincial and property. Would Canadians not love us? We would be heroes. We would go from being one of the highest taxed countries in the developing world to one of the least taxed.

What would Canadians do with all the money that previously went to government? One can only imagine and we should imagine. Canadians want to be freer. Canadians want to be free to decide what to do with all their hard earned money. What if the government kept its greedy, grimy tentacles out of the people's pockets?

Governments often have a philosophy that they have some absolute sense to know what is best for people. It is deceitful, it is dishonest and it is immoral. That ideology has manifested itself in the extreme repression of the former East Germany, Romania, Czechoslovakia, Hungary and the Soviet Union, just to name a few. Such regimes were ruled by elites, elites who believed very strongly that they had the ultimate answer for a perfect society, indeed for a perfect world. Because of this elitist attitude they taxed to the max. Poor, hard working citizens had to pay the bills. There was very little regard for them. Their mental skills were seen as inferior.

If Canadians felt that the government was spending their hard earned dollars in a responsible way and that these programs were good for all Canadians, they would jump on board. However, Canadians see governments misspending their money and they feel things are out of control.

Canadians see government responding to policies and programs and funding any group or cause that will keep them in power. Our current system allows a majority government to implement policies to a myriad of controversial programs. Quite frankly, the government simply does not have a mandate for these programs.

One example is the bilingual–multiculturalism notions that the government is inflicting on the nation. We have never had a referendum on official bilingualism or official multiculturalism. We simply have to accept these policies because the elites have told us it is good for us.

When we question them we always get: "If you don't like it, five years down the road you can throw us out". However, if our leaders are accountable only every five years and not every day they end up representing the people only once every five years.

The essence of democracy is that we must be accountable every day. We are usurping individual freedoms, choices and responsibilities in favour of some elitist version of "what is best for them". The guiding hand must come from the bottom not from the top. We need government to promote law and order, but the big disagreement comes over how and what amount of government we have. The Reformers call it the legitimate role of government.

The legitimate role of government is to do for people only what needs to be done for them or they cannot do at all or as well individually or through non–government organizations. That is the legitimate role of government. If we want to have the best tax system in the world we must look at our expenditures. We must finance only those services that Canadians cannot provide for themselves or through non–government agencies.

In order to do that we must also have a different attitude toward government and a different attitude by our government toward ordinary Canadians. That is the only way we are going to have real tax reform.

Mr. Gordon Kirkby (Prince Albert—Churchill River): Mr. Speaker, I am honoured to rise on this motion that has been brought forward by the member for Saskatoon—Clark's Crossing.

In his motion he suggests that while the reform of the tax system needs to go ahead, it needs also to be harmonized and integrated with the reform of the Canadian system of social security.

If we look at what is involved in reforming a tax system and what is involved in reforming a social security system we can see some very complicated and very difficult, long and tedious hard work to do.

• (1330)

For instance, if we look at the GST, a very small portion of the taxation system that is now being reviewed with a view to changing it and making it better, we see that hours and hours of study need to go into it, consultation, hearing from the people affected by it.

It would seem even this small area within the taxation system that needs to be reviewed takes a lot of work. We can imagine the effort it is going to take to completely review the entire tax system.

At the same time, with the social safety net review the Minister of Human Resource Development has begun an unprecedented consultation across this nation with provinces, with citizens across this country to find out what they are thinking about these issues, what the problems are, what the needs of Canadians are.

In this motion it is suggested that these two massive reviews be brought together. I see a lot of danger in this. This proposition in my view would delay reform in an interminable fashion, years to complete this type of integrated review.

I am not saying that there is not overlap in specific areas between the taxation system and the social safety net system. For instance, we have the child tax benefit, child care expense deduction, the personal pension income credit, the age credit, the disability tax credit, the medical expense tax credit and there are certain other tax measures for people who have disabilities within the taxation system which assist with the social safety net.

Where there are these links, they can be dealt with on their own. There does not have to be a complete linking of these reviews. What is so dangerous about this is that we can see that our present welfare system and much of our social safety net system are designed and have created dependencies across this country.

Welfare and a lot of the housing and things like that, all the things that have gone together to compose the social safety net, have become a prison from which people cannot escape.

I have gone around my riding a number of times before the election and after the election. When I talk to people who are on social assistance there is no doubt that they want to work. What is the biggest inhibitor to going to work? It is the dependency and the rules created and put in force dealing with welfare that keep people from being able to earn money, that keep people from using their initiative and drive to make better lives for themselves and their families, that keep people from having the dignity that comes with having a job and putting bread on the table.

What worries me is that if these two major reforms are brought together the pace of reform is going to slow down to nothing. Then perhaps that is what the hon. member who is proposing the motion wants. Perhaps he wishes to keep a system in place that is going to prevent people from getting away from the dependencies that have been created by this very system.

That cannot happen in this nation. It cannot happen in my riding. There are too many people who have been asking for years for the opportunity to get out of the system that presently holds them captive. We cannot take a chance that this type of reform will be derailed, that it will be stalled.

We want to see a simplified tax system. We want to see an equitable tax system. We want to see the deficit go down. The Liberal Party has stated that it wishes to see the debt go down to 3 per cent of the GDP within the first three years, but we want to see people go back to work. We have undertaken a number of initiatives to achieve that, whether it is our infrastructure program, whether it is a number of the small business initiatives, or whether it is other initiatives designed to get people back to work.

I do not think we should delay what we are going to do any longer. I think the motion is designed to do exactly that, not to allow another generation to go forth before getting rid of a system that creates dependency. The people need to be free to succeed and the Government of Canada is committed to making that happen.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

It being 1.38 p.m. the House stands adjourned until next Monday at 11 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 1.38 p.m.)

HOUSE OF COMMONS

Monday, April 25, 1994

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

Mrs. Elsie Wayne (Saint John) moved that Bill C–208, an act to amend the Members of Parliament Retiring Allowances Act, be read the second time and referred to a committee.

She said: Madam Speaker, I am very pleased to have the opportunity to speak about my first bill to be tabled in the House and why it should be adopted. This bill responds to the concerns expressed by many Canadians on MPs' pensions.

We all agree as members we are contributing substantially to our pension plan. It is true that only about one–quarter of the MPs elected will stay long enough to collect a pension. This being said, we should still move forward on this issue.

Is it fair for an MP to collect a pension after six years in the House, even if he or she is not of retirement age? Is it right for a former MP to receive a pension if at the same time he or she is working for the government?

The objectives of my bill are clear. This bill will prohibit former members of Parliament from collecting a pension while employed by the Government of Canada, a government agency or a federal crown corporation. Under this bill a former member could not collect a pension until the age of 60.

I know that the Prime Minister is concerned about the issue of severance pay. Not only did he raise his concerns last April 6 in Kamloops, but he raised them again on March 7 in the House. He said: "There is no security of employment around here. Some people who come to Parliament when they quit find it is not easy to get re–established in private life". This is true, but we all knew that when we ran as candidates. It is also true that a lot of former MPs have problems getting back into private life. However, we are not arguing that issue today.

• (1105)

I understand that a case could be made for linking pension changes to severance packages. I suggest that if the Prime Minister wants to deal with the severance issue he can do it at a later date. Right now we should do something about pensions.

In the speech from the throne our government said: "Measures to reform the pension plan of members of Parliament, including the elimination of double dipping, will be placed before you". The government still has not introduced legislation to do that.

Indeed, there is a strong consensus on this issue from all parties in the House. During the last campaign the former Prime Minister said that she would introduce measures that would preclude any MP from collecting a pension before the age of 55. She also added that there would be no more double–dipping.

The leader of the NDP agreed with that statement in the House last year. The leader of the Reform Party has said that his party is the only federal political party to consistently advocate a change in the MP pension plan in order to bring the benefits in line with private sector standards. The Reform Party has said that it wants to postpone eligibility until at least age 60, and this bill does just that.

In his speech in Quebec on August 16, 1993 the Leader of the Official Opposition said: "Bloc MPs would support the government if the previous Prime Minister, Campbell, were to recall Parliament to pass promised legislation amending the MPs' pension plan and preventing ex–MPs from holding government jobs while collecting their pensions".

On that same day in Burlington, Ontario, our present Prime Minister urged previous Prime Minister Campbell to act quickly. He said: "If Ms. Campbell wanted to do something about it she would have recalled the Parliament and in one day it would have passed".

In response to the Vancouver *Sun* column "Ask the Leader", our present Prime Minister said that he believes such measures are necessary in order to restore Canadians' faith in politicians and to combat widespread voter cynicism, and I agree with him.

The time has come for all members of this House to show Canadians that we all were serious during the last campaign. After the election the Prime Minister said that his government wanted to wait for a report commissioned by Parliament on MPs' pay and perks before introducing legislation.

That report has been released and the government still has not introduced legislation to make the needed reforms to the pension plans of members of this House; reforms that are necessary, that Canadians want and that this government promised.

My bill today would make those reforms and so I urge its passage. Canadians want action and they want it now. Therefore, I would move that not withstanding any standing orders and usual practices of the House, Bill C–208, an act to amend the members of Parliament Retiring Allowances Act, be made votable and referred after second reading to a committee of the whole instead of to the legislative committee and that, unless otherwise disposed of, no later than five minutes before the end of the time provided for the consideration of Private Members' Business today, any proceedings then before the House shall be interrupted and every question necessary to dispose of the said bill at all stages should be put forthwith and successively without further debate or amendment.

• (1110)

The Acting Speaker (Mrs. Maheu): Does the member for Saint John have unanimous consent to propose the motion to the House?

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): Resuming debate.

[*Translation*]

Mr. François Langlois (Bellechasse): Madam Speaker, I am pleased to speak on Bill C–208, An Act to amend the Members of Parliament Retiring Allowances Act.

As noted earlier, this bill comes at an awkward time. It would have been so much easier to have reviewed this subject immediately after the Conservative leadership race, during the summer, a summer when the then Conservative Leader, the hon. member for Vancouver Centre, British Columbia, crisscrossed the country from Halifax to Vancouver to Newfoundland on a pre–election campaign. It would have been easy to recall the House to give the members of the 34th Parliament the chance to debate fully the question of whether the provisions of a bill can apply retroactively.

It is not in our parliamentary tradition to introduce bills which apply retroactively and, when we do so, it is often only grudgingly, after having examined all of the ins and outs of the matter.

The current members of the 35th Parliament were elected in accordance with the rules that prevailed at the time and, clearly, they have some vested rights. It is obvious on reading Bill C–208 that it affects the vested rights of members elected to serve in the 35th Parliament.

If I understand correctly, Bill C–208 would apply only to members elected to sit in the next or 36th Parliament. This is similar to the decision reached by the Quebec National Assembly when it reviewed the members' pension plan.

Therefore, instead of conducting a pre–election campaign at the height of the summer, I think the party to which the hon. member for Saint John, New Brunswick, belongs should have been calling on its leadership, if there was any, to convene Parliament so that the issue could be debated and pension plan reform proposals could be applied to the current Parliament.

Bill C–208 is brief. It contains one provision with which I know most hon. colleagues will certainly agree, that is the provision which states that a former member who is receiving remuneration in whatever capacity from the federal government cannot at the same time collect a pension. Let us take, for example, the case of a former member who is appointed to a federal court bench. Personally, I feel it is wrong and somewhat contrary to common sense when a person can collect both a pension and a salary from the federal government. I feel the same way about persons working for various federal offices and government or parapublic agencies and collecting a pension at the same time.

In my view, the different levels of government in Canada should get together and agree to ban this practice from one province to another. For instance, there is something a little odd about a provincial deputy minister of justice receiving severance pay just because he is appointed to a federal court of appeal. Representatives of the various levels of government in Canada should sit down together to review the administration of public moneys in this area.

As for the second major provision of Bill C–208, namely the age restriction criteria whereby a former member cannot begin to collect a pension immediately unless that member has reached 55 or 60 years of age, this is indeed another matter.

• (1115)

Many will say that a member has no business collecting a pension of $40,000 or so a year after just two terms of office, that is to say eight, nine or ten years depending on the constitutional limits, if he or she was a member of Cabinet and is making a career change. There is something wrong with that picture, however, and I think we should look at it.

Studies have demonstrated that, by the time some members who sat for two terms, having been elected twice, finish collecting the full pension to which they are entitled for life, they will have cost between $2.5 and $3.5 million to the public purse.

However, the bill introduced by the hon. member for Saint John, New Brunswick, has a flaw as I see it. There is a gap between the proposal for a minimum age of eligibility, whether 55 or 60 years old, as suggested in the hon. member's bill, and

the present situation where one can collect a pension immediately upon retiring.

Many members—with the kind of turnover we have here in the House of Commons, there were 200 new members elected in this 35th Parliament— find themselves in a difficult situation. Many of those members who were defeated in the last election—this is true of any election, but particularly of the last one because of the major changes that took place about six months ago, on October 25, 1993—may be finding themselves in dire straights. Perhaps, in fact very likely, we would need a sort of severance pay to help former members find a new job.

Members of Parliament who held professional positions have to quit or at least considerably neglect their careers to serve their constituents while they are sitting in the House of Commons. When they resume their careers after being defeated or upon retirement, they must rebuild their clientele.

Farmers who had leased their farms will also have to get reacquainted with new technology and take operations back in their own hands. This bill lacks transitory provisions, and there should be such provisions.

Members of Parliament who retire or are defeated often have to regain, pardon the expression, some sort of "political virginity". A member who used to work in communications, in a radio or TV station, would not be allowed to go back on air overnight as a political analyst. The station would say that he or she is too closely associated with a given political party, and should stand back for a while and come back a few months or even years down the road. In the meantime, the former member will be handed assignments in areas not closely related to the political arena that he or she knows well. The same thing happens in several other fields. You are told: "Distance yourself from politics; work on your image and, soon, we will take you back".

That is the time frame this bill does not cover, and that is why I find it very hard to say: Let us immediately stop paying benefits or annuities to members who retire or are defeated in an election; let us stop paying upon retirement and wait until former members reach the age of 55 or 60, without at the same time putting transitory provisions in place. I would have liked Bill C–208 to contain something specific in terms of transitory provisions.

We would do well to use Quebec's legislation, the legislation passed by the Quebec National Assembly, as a model to refine this bill in that regard. This government had indicated in its parliamentary calendar that this issue would be debated in the House and I would recommend that the various points I have made be taken into consideration when a government bill on the subject is tabled.

• (1120)

[*English*]

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue): Madam Speaker, we have before us for discussion Bill C–208 which proposes amendments to the Members of Parliament Retiring Allowances Act, amendments which seek to end double dipping and delay commencement of pension benefits to a former member until he or she reaches age 60.

I will confine my remarks to the bill's treatment of double dipping. My hon. colleague from Nepean will address the problems raised by the proposed provisions dealing with delayed receipt of benefits to former members and survivors.

When I refer to double dipping I am referring to the simultaneous drawing of both a pension under the Members of Parliament Retirement Allowances Act and a salary or other payment from the Government of Canada. The government has announced that it intends to curtail this practice. Indeed, the right hon. Prime Minister has on several occasions stated that the government is committed to ending double dipping. The bill purports to do this but it must be said that the approach adopted here is seriously flawed.

First, the proposed section 13.1 would remove the re–employed former member's entitlement altogether rather than just suspend that entitlement during the period of re–employment.

Obvious inequities would then result since there is no provision to reinstate the former member's pension when his or her re–employment terminated as inevitably would occur. The bill would appear to impose a lifetime pension disentitlement for a former member. This surely could not have been its intent.

Second, the term "remuneration" is not defined and the proposed scope of the source of that remuneration is very wide. Crown corporation directors' fees and per diems for even short periods of part time service to the Government of Canada would be caught by this very broad definition, as would contract fees, even though receipt of pension had already been taken into account when those fees were set.

As the bill is drafted, receipt of any remuneration no matter how little the amount would disentitle a former member from receiving any pension at all. As I mentioned that disentitlement would appear to be for life.

Third, the bill provides no mechanism to allow the pension administration to monitor possible cases of re–employment. Therefore there would be no way of knowing if and when a former member started to receive remuneration in another capacity from the Government of Canada, especially since there is no requirement in the bill for former members to report their re–employment and remuneration.

This leads to a related problem. No provision is made in the bill for the recovery of overpayments of pension, overpayments which would inevitably arise since the administration would have no sure way of knowing that re–employment had occurred and that the pension entitlement should be terminated. Recovery of such overpayments could prove difficult, expensive and time consuming at a time when government resources must be husbanded very carefully.

In conclusion, the bill would put an end to double dipping but it would not do so in a fair and even–handed way. I wish to state again that the government fully intends to curtail this practice which has attracted so much criticism. However, it wants to adopt a more disciplined and integrated approach taking into account all aspects of a member of Parliament's compensation.

As hon. members are aware, the government has received the recommendations regarding members' compensation from a firm of consultants engaged by the previous government.

These recommendations have been referred to the Lapointe commission which must report to the House by mid–July of this year. Rather than rushing into law seriously flawed legislation such as the bill before us now, the more prudent approach for dealing with the issue of double dipping for persons under the pension plan seems to be to await the deliberations of the Lapointe commission. The recommendations of the commission can then be studied carefully in the course of the government's consideration of its options for reform of the pension plan, a consideration of options which would be carried out in a context of the overall compensation package provided for members of Parliament.

• (1125)

Mr. Randy White (Fraser Valley West): Madam Speaker, after years of abusing the trust of the taxpayer with a pension plan only King Midas could have matched, we have a private member's bill from a Conservative MP.

Although I favour the two issues that are addressed in this private member's bill, as has already been mentioned there are some flaws in it. The best way to evaluate whether the bill is successful is to compare the Liberal approach, the Reform approach and the approach of the private member's bill. I leave it to you, my colleagues, and those watching today to decide which approach is best.

Before I begin this comparison I would like to look briefly at who seriously advocated pension reform in Canada in the past and why all of a sudden here we are in 1994 looking at a very small private member's bill.

To date no action has been taken by the Liberals other than after the recent election five Liberal MPs have been added to the long list of those collecting pensions. The Conservatives have taken no action to date either but if you look at the last election again there were 111 members of Parliament picking up a pension. Then we have the Conservative's private member's bill today. The Reform Party has had a policy in place for a number of years which I will describe a little later.

Let us look at the approach to MPs' pensions that has been taken by the major parties. I would like to go through the government first, the Liberal Party. As I said, five Liberal MPs have recently been put on to this pension plan and are now safely living on government pensions for the rest of their lives along with many other colleagues. In fact there are 397 individuals today on MPs' pensions.

The pensions range from about $28,000 to $84,000. The infamous red book suggests that the Liberals believe reform is necessary. I am not sure whether they are speaking about our party or the reform of the pension plan, probably a little bit of both. They suggest the pension regime of members of Parliament has been the focus of considerable controversy and is now the subject of an independent review which was mentioned here just briefly. The book also talks about the end to double dipping which this private member's bill actually does address. After all these years of milking the system the Liberal Party is now suggesting that it believes that reform of the pension plan is necessary.

The Liberal Party has recently paid for a study on parliamentarians' compensation although it has suggested that the Conservative Party implemented this study and it could do nothing about it. That was incorrect.

The original study was around $150,000. It could have been stopped once the election was over but it was not. Now the cost of this report is approximately $200,000–plus and the commission which was just talked about will cost about $300,000. The report contained some recommendations.

It is important to note that the report stated that MPs actually should get a 37 per cent pay increase. Liberals say it is not going to happen because we have deferred that for two years but it is in there.

The study suggests that MPs should get severance pay and that Senators should get an increase in pay. It also suggests a number of changes to the pension plan. One in particular suggests that the pension plan should be indexed annually to the excess of inflation over 3 per cent which is actually one of the most expensive parts of the pension plan.

This study is going to a commission. Where it goes from there we do not know but I suspect that we will see bits of it in the commission's report.

• (1130)

We have already established that the Liberal government closely mirrors the previous Conservative government in many things, so let us not expect too much. If we look at the Conservative approach we do not need to talk too much about the performance of that group of politicians and their pension reform policy. The Canadian electorate said all there was to say about that in the last election. Since the last election, as I have said, we have 111 Conservative members of Parliament picking up pensions ranging from about $26,000 to $82,000.

This private member's bill addresses double dipping which is now defined as a former member of Parliament who is employed by the Government of Canada, an agency of the Government of Canada or a crown corporation. I am happy to see that defined because there was some question from time to time about what double dipping actually was.

It also covers vesting or collecting the payoff at age 60. There were some problems with that. What is not addressed here is that there are people in the country who could get elected at age 55 and under this private member's bill could get a pension at age 60. They would get it in five years, not six as it is today. We have to look at both these combinations.

This private member's bill reflects a modest attempt to correct the outrageous self–indulgence both Liberals and Conservatives have provided themselves over the years at the expense of the taxpayer. It is ironic after the last two decades when we have been going into debt year after year after year and overspending in our budgets that we are sitting here looking at a private member's bill. These kinds of things should have been looked at some time ago. It is a little bit but it is a little bit too late.

Since the beginning the Reform Party's policy has been to ensure that politicians could not collect a pension until age 60. We wanted to ensure that double dipping could not occur by two means. The first is no vesting of benefits, should a past MP obtain a position with the government or any of its agencies or corporations. The second most important aspect of double dipping is to eliminate all the patronage that is going on in the first place. The only way double dipping occurs is after an MP leaves his or her seat and gets appointed to this board, that board, this corporation and so on.

Some hon. members: Oh, oh.

Mr. White (Fraser Valley West): The Liberals are heckling me. For those who are watching this debate on camera, they are heckling me. Quite recently we had three patronage appointments, and there is no reason to think that party is going to change that.

We want to end full indexing, to ensure all contribution criteria meet provisions of the Income Tax Act, which is not in here, and to allow an adequate sharing arrangement between government and the member. The current arrangement sees the taxpayer contributing about $5.97 for every $1 by the MP. We ought to ensure that pension benefits for MPs are brought in line with private sector standards.

There is sometimes talk that one of our members is double dipping. The definition of double dipping is an MP who is unelected or chooses not to run and gets a patronage appointment somewhere else. That is where the heckling comes in because they just love patronage over there.

When I signed my papers as an MP I refused to sign the pension papers because I did not want to participate in it. I got this letter back from the government: "However, pursuant to the Members of Parliament Retiring Allowances Act, members are required to make pension contributions based on the amounts payable by way of sessional allowance". The fact is that we cannot even stop getting this kind of stuff. Government parties have made it so difficult over the years that they get in the trough and cannot help but stay in the trough. No wonder people in the country are upset.

In conclusion we have to look at whether or not the real intent will be there, whether or not the Liberal government will actually take the steps forward to provide a reasonable pension plan that is in line with the private industry, matches the Income Tax Act, and so on and so forth. We have already seen that it is a party that will not accept the function of recall. It is into patronage. It has moved the NAFTA centre to Montreal and so on. I say it will not do so. If we want real reform in the pension we will have to look to Reformers.

• (1135)

Mrs. Beryl Gaffney (Nepean): Madam Speaker, I am pleased to rise to speak to Bill C–208, an act to amend the Members of Parliament Retiring Allowances Act.

While I commend the member for Saint John for putting the private member's bill forward, in my estimation it does not go far enough. My colleague dealt with the first part of it and I will deal with the second part.

It purports to deal with two aspects of the pension plan provided for former members of the House and former senators. It proposes amendments to the Members of Parliament Retiring Allowances Act in an effort to provide a quick fix regarding two features of our pension plan which have attracted a good deal of criticism in the country. I am referring to the fact that the act places no restrictions on double dipping and permits a former member to begin drawing a pension immediately upon retirement regardless of his or her age.

At this point I should state clearly that the government is very much aware of the widespread concern of Canadians about the pension plan for members of Parliament. The government is committed to change but wishes to do so in a rational and comprehensive fashion, not piecemeal, which unfortunately is the approach adopted in the private member's bill.

It would be prudent to await the proposals of the Lapointe commission and modify the pension plan for members of Parliament in accordance with a more integrated and cohesive approach to the overall compensation package appropriate for parliamentarians.

My hon. colleague from Essex—Windsor has dealt ably with the issue of double dipping in the context of the amendments proposed in the bill. Therefore I shall direct my remarks to other deficiencies in these proposals, deficiencies which are serious enough that the intent of the bill could not be realized if it were to become law.

The major problem with the bill as it stands today is that it deals only with some of the benefits to which a former member is entitled. As hon. members may know, the amendments made to the Members of Parliament Retiring Allowances Act in 1992 brought the pension plan into compliance with the Income Tax Act registration rules and essentially divided the pension plan into two parts: part I, the registered plan and part II, a retirement compensation arrangement.

The proposed amendments in the bill only deal with part I of the act, the registered plan, and purport to delay commencement of pension benefits under the registered plan until age 60. As an aside, these amendments do not even deal with all benefits to which a former member might be entitled under part I, since they do not address the special joint and survivor benefit which a former member may elect to receive under section 23 of the act in cases where a former member wishes to provide survivor benefit protection to a spouse he or she married after ceasing to be a member.

Not only is the proposed subsection 13.1(2) quite redundant, it fails to achieve its objective of delaying receipt of benefits until age 60. I would assume that is what the hon. member would like it to do since it does not amend part II of the act, the portion of the act which contains the provisions that allow for benefits to be paid prior to age 60.

Further, the proposed amendment seeks to delay commencement until age 60 but does not make any exception to that rule in the case where a former member became disabled after retirement but before he or she reached age 60. Surely it could not have been intended that in no circumstance would a benefit be payable to a former member who was unfortunate enough to become disabled prior to age 60.

Turning to the matter of the proposed companion changes to survivor benefits, hon. members should be aware that delaying receipt of survivor benefits until a deceased member or former member would have been 60 years of age is quite inconsistent with any other federal pension legislation and contrary to the standards set out in any pension benefits standards legislation in the country.

Such a measure could be characterized as regressive at best, not to mention slightly absurd in the case of children's benefits, since few such recipients would still qualify for benefits if they had to wait until their parents reached 60 years old. No provision is made for an intervening disability in these instances either.

• (1140)

There are two further aspects of the survivor benefit proposed in the bill that are problematic. The first of these is that again the bill does not address the survivor benefits paid under part II of the act and does not therefore impose the delay until age 60 for these benefits.

Second, the provision that purports to delay payment until age 60 does not have any transitional arrangements and could have the effect of cutting off the benefits of those persons presently in receipt of survivor benefits who became entitled to them under the law as it now stands. It is far from clear that the proposed section 13.3 would prevent this from happening, given the wording of the proposed new section 24 of the act.

In conclusion the bill may be well intentioned but falls far short of achieving its objectives. Given its structural defects as drafted it could be said to raise questions of equity. As I mentioned earlier the government will be coming out with a report in July of this year.

I would like to quote from *Hansard* of March 5, 1991. I am on record as speaking in favour of amending the Members of Parliament Retiring Allowances Act.

> I find it hypocritical that someone in the private sector who might get laid off from their job, or might be transferred to another company within the private sector in another area of Canada, does not have the same privileges as we do as members of Parliament under the present legislation.
>
> We have widows and widowers who are living on limited income. We have a country whose economy is very tight today. We have people who are unemployed and I think that we as members of Parliament must show some compassion and some consideration.

I am in support of amending the Members of Parliament Retiring Allowances Act. Parts I and II must both be amended. We cannot look at one in isolation of the other. I am pleased to speak to the bill. Again I commend the member for Saint John for taking this initiative and looking at it, but we need to go one step further to cover all aspects of the bill.

Mrs. Daphne Jennings (Mission—Coquitlam): Madam Speaker, I am pleased to speak to the bill today.

This bill to amend the Members of Parliament Retiring Allowances Act raised by my friend in the Conservative Party is a positive step and long overdue. The MPs pension plan is part of the reason Canadians are disillusioned with politics and with politicians.

The vote on October 26, 1993 to change the government in Ottawa was as a result of many things, not the least of which was the need to reform the MPs gold plated pension plan. Often in the House when the government enjoys a clear majority, the majority overrides voices in the opposition who are often and only repeating the frustrations of Canadians.

Government members protest constantly against the elected representatives who are only doing what they promised Canadians: to get rid of the obscene MPs pension plan for one. When I hear Liberal MPs protestations I am reminded of a phrase from literature to the effect: methinks thou doth protest too much.

It seems strange to be defending a Conservative motion which in essence has been part of the Reform Party platform over the last few years. It seems strange when other Reform MPs and I were elected on the basis of our promises and MP pension reform was high on the list.

One of the promises I made to constituents time and time again was to fight the current MP pension plan and change the system so that retiring MPs, those whom the voters have stated they have no confidence in, those who lost their jobs in the October federal election, would not be eligible for hefty pensions, at least not eligible until age 60.

Politicians must realize they should have no more rights than other Canadians in the private sector like the employees of Woodward's department store who had to face a changing world with no guarantees and certainly no gold plated pension plan.

• (1145)

Defeated and retiring MPs will cost Canadians close to $2 million per year in pension payments on top of current pension payouts. Is this right? No, of course it is not right. The payouts are obscene. If the government hopes to restore confidence in the political process it must take quick action to scrap this ridiculous pension plan.

Part of our accountability and responsibility as members of Parliament must be reflected in our own pension plan. According to the Liberal Party platform the incoming government supports a review of the lucrative pension scheme with a special look at the age at which pensions begin to be collected. That is a good sign.

The pension plan is indefensible, even in good times when Ottawa's vaults are overflowing and the public is feeling wonderfully generous toward its politicians. In bad times when many Canadians are suffering and the government is hard pressed to find basic programs, this plan amounts to little more than robbery. There are probably east European dictators who never had it so good as retiring Canadian members of Parliament.

MPs should not be setting their own wages nor their own pensions. They should be set by an independent body which reflects a cross–section of Canadians. It could be businessmen, academics, professionals, home workers and many others. No group should police itself in our society or set its own wages when those wages come from the public purse.

It is hoped the Prime Minister will recognize the public hostility to this obscene plan. Premier Ralph Klein recognized the public hostility to a rich pension plan for MLAs in a time of hardship. His decision to kill the Alberta MLAs pension plan was probably the single most important factor in the re–election of the provincial Conservative government. It was also a factor that Prime Minister Kim Campbell fatally ignored when she set up a commission on federal pensions rather than act directly.

The Canadian people who heard former finance minister Michael Wilson promise in 1984 to reduce pensions were not fooled by more promises. Chrétien should take the right example: not Wilson, not Campbell, but that of Klein.

It may be that some form of taxpayer assisted federal pension plan should survive. There may in the end be justifications accepted by the public for a plan to assist politicians in retirement. These can be explored.

This bill does not mention the Reform Party's clause on stopping the indexation of the MPs pension plan. Here we have a pension plan where the Canadian taxpayers have to pay far more than their fair share in contributions. The added insult is in indexing.

Former Conservative cabinet minister Perrin Beatty, only 43, qualifies for a pension of over $70,000 annually until he is 60, at which time it will be adjusted to take into account the preceding 17 years of inflation. The Reform Party which has made MPs pensions an issue estimates that Beatty will collect more than $5 million in pension payments if he lives till 75.

When we become government we will continue as we have started. Even in opposition we have kept our word to the Canadian people. We have taken less in salary or in allowance, forgone other MPs benefits and pushed for changes in many areas, particularly parliamentary reform.

We will continue to fight for changes to the MPs pension plan, but not changes like those made by the previous government in January 1992. Those changes illustrate how excessive MPs benefits are.

One of the changes came about because the MPs benefits exceeded the limits allowed for registration under the Income Tax Act. The federal government therefore had to divide the pension plan into two separate sections to keep it registered. The first section, the retiring allowances account, met the requirements for registration while the second, the compensation arrangement account, fleshed out the plan so the MPs could still receive their lavish benefits.

A 1988 actuarial study of the plan revealed that the contributions made by the politicians, which were matched by the government, would fall $144 million short of paying for the MPs projected benefits. Therefore, in the January 1992 changes the government moved to make the plan self–sufficient.

First, the government provided a cash infusion to make up for the plan's accumulated shortfall, which by that time had risen to $158 million. Second, to ensure no further shortfalls would accumulate, the government had to choose one of a combination of the following scenarios. Either the MPs would have to reduce their pension benefits and/or increase their contributions, or the government would have to increase the amount of tax dollars being funnelled into the plan.

• (1150)

You do not have to be a rocket scientist to figure out which route was chosen. Treasury Board decided that Canadian taxpayers would be more than willing to keep making up the difference so the MPs plan could keep its gold plating.

A ratio of one to one, one to two, but seven to one? While MPs contribute $7,000 to their pension plan on their $64,000 sessional allowance taxpayers have to contribute about $41,000 per year on behalf of each MP.

There is another aspect to the pensions which is equally insupportable, the right of retired MPs to go on collecting a pension even as they collect another federal public salary. I repeat federal. Former NDP leader Ed Broadbent is a good example, collecting both a handsome pension and a large salary, because of his appointment by Mulroney to a human rights agency.

I am listening to the frustrations coming from the other side. Another gross example is former Mulroney cabinet minister Benoit Bouchard who will collect both an MP—

The Acting Speaker (Mrs. Maheu): I am sorry. I have tried to be very patient. I think the member is well aware that we do not call members of Parliament by their names. We refer to the position or the riding.

The member still has about a minute left, but would she please pay attention.

Mrs. Jennings: Madam Speaker, I thought you were going to tell me my time was up.

I was under the impression that if an MP was no longer an MP it was quite all right to mention their name.

The Acting Speaker (Mrs. Maheu): You did refer to the Prime Minister by name.

Mrs. Jennings: Getting back to federal pensions, the very first step in pension reform should be to outlaw that type of double dipping. MPs should not be permitted to collect a pension until they reach an age considered pensionable among the Canadian public, somewhere between the ages of 60 or 65.

Also the pension should bear some relationship to contributions. At present the taxpayer contributes at least five times as much as MPs do to the pension payouts. That is a ratio which is destined to grow.

Finally some leadership has to be shown from the political representatives who endlessly beseech Canadians to cut back, to reduce their expectations. These pleas lose their lustre when the politicians neatly exempt themselves from the sacrifices. Klein realized this. The Prime Minister probably does too. All he needs to do now is act.

Mrs. Diane Ablonczy (Calgary North): Madam Speaker, I would like to make four short points about the bill under consideration this morning.

The first point is that this is something the public cares very deeply about. I think we are all aware of that; all members who have spoken today on this topic have mentioned it. Because this is something the public cares about, it is something we should seriously consider.

In my experience nothing gets the public more riled than this whole subject of the members pension plan. This is for a couple of reasons.

One is because there is nobody else in the country who is able to command a pension for life after working only six years. Canadians feel it is fundamentally unfair that anyone should be able to do that. Another is that the pension plan is a very rich one, even if you discount the fact it can be earned after only six years. It is fully indexed and is based on 75 per cent of the best six consecutive years of earning. Again it is not something which is available to most Canadians.

Therefore it is fair to say it is something we should legitimately deal with because the public is demanding it be dealt with.

• (1155)

The second point I would like to make is that change is very much needed in this pension plan. Canadian taxpayers are not able to fire us, to put it bluntly. If they lose confidence in us, if they feel we are not competent in the job we are doing and our performance is unsatisfactory, the taxpayers are not able to relieve us of our duties as can happen in private industry and in any other walk of life.

It adds insult to injury in their view when not only can they not get rid of us in between elections but even after an election if our performance has been unsatisfactory they have to pay us forever under a pension plan as long as we had been MPs for six years.

Canadians do feel that change is needed simply on the basis of equity. On the basis of the dollar figure Canadians feel that change is needed. As other members who have spoken have said, for each dollar an MP pays into the pension plan or did in 1993, the taxpayer contributed more than $6. That is a very high ratio of contributions of the person receiving the pension and the employer, who in this case is the public or the taxpayer.

In other words MPs pay about 20 per cent of the value of the plan. This compares to 40 per cent for federal public servants and about 35 per cent for public sector executives. Once again the percentage of contributions in the eyes of Canadians is inequitable.

Other members have also mentioned that of the MPs from the 1988–93 Parliament 134 will receive pensions now. Those will cost $5.5 million each and every year. That is an increase of 56 per cent over what was paid out in pensions to former MPs in the last fiscal year.

Again Canadians see this pension liability as one which is growing very rapidly. In a time when our tax resources are shrinking and the demands on them are increasingly competitive, Canadians are concerned even though it is a minuscule amount in terms of the overall budget. The percentage of growth and the growth of the liability does concern a lot of Canadians.

The average pension for those 134 MPs from the last Parliament is $41,450 per year and that will go up as the indexation goes up. This is true even though a number of those 134 former members of Parliament are not retired. They are working and some of them are even working for the federal government. Canadians do not see any equity in paying pensions to people who are quite able bodied and working and are able to support themselves. They are asking why pensions are paid to people who are working and are well able to work.

The last point I would like to make about the fact that change is needed is that a lot of our pension obligations are unfunded.

I have been contacted, as I am sure other members have, by members of the Public Service Alliance. They are concerned that there is an unfunded pension liability of about $100 billion for federal civil servants. They are concerned that this fund should be managed, should be funded, should be actuarially sound. They are concerned about their future pensions.

When Canadians are concerned about their future, their pensions, their retirement years, it is very difficult for them to feel positive about a group who again seem to be free or not subject to those kinds of uncertainties.

The third point I would like to touch on is what this bill proposes. It proposes essentially two things. One is that double dipping would end. In other words people who are entitled to members pensions but who are working for the federal government or crown corporations would not be entitled to pension moneys as long as they are employed by the federal government or by crown corporations. The second thing it would do would be to end any pension payments until at least age 60.

• (1200)

I think it is fair to say that those are key elements of pension reform for members of Parliament that the Canadian public is asking for, but I very much agree with other members who have spoken on both sides of the House suggesting the bill does not go far enough, that this just touches on the need for pension reform but there are other elements that really need to be brought into a comprehensive reform of members' pensions.

While this is a good start and the two points are valid, there are other elements that need to be addressed.

[*Translation*]

The Acting Speaker (Mrs. Maheu): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

SAHTU DENE AND METIS LAND CLAIM SETTLEMENT ACT

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development) moved that Bill C–16, an act to approve, give effect to and declare valid an agreement between Her Majesty the Queen in right of Canada and the Dene of Colville Lake, Déline, Fort Good Hope, Fort Norman and the Metis of Fort Good Hope, Fort Norman and Norman Wells, as represented by the Sahtu Tribal Council, and to make related amendments to another act, be read the second time and referred to a committee.

He said: Madam Speaker, I rise to address the House on Bill C–16, the Sahtu Dene and Metis Land Claim Settlement Act. I am honoured and pleased to have the opportunity to speak in support of this bill. I urge hon. members to give this legislation their strong support and quick passage so that the Dene and Metis people of the Sahtu region can begin now to build a better future.

This agreement has been many years in the making. The Dene of the Mackenzie Valley filed a comprehensive claim with the federal government in 1976 and the Metis filed a claim the following year. These were among the first claims received after a Liberal government decided in 1973 to end the 50 year hiatus in treaty making in Canada.

This was the right decision. It avoided potentially protracted and expensive litigation. Court decisions have indicated that the best way to resolve land claims is through negotiation. Some 20 years later the settlement of outstanding land claims is an objective this government will be pursuing with a great deal of energy and commitment in the coming months.

The clear definition of aboriginal rights to land and resources is a crucial foundation for the long term success of self–government and the future aspirations and prosperity of dozens of aboriginal communities.

With that in mind we need to move quickly to clarify land and resource ownership in those regions of Canada where aboriginal right to land has not been satisfactorily dealt with, and we are committed to do so both through existing channels and with new approaches to resolve land claims.

We made clear our commitment to address outstanding land claims in "Creating Opportunity: The Liberal Plan for Canada". On page 96 of that document there is a very clear and concise statement of this government's intention toward aboriginal people: "The priority of a Liberal government will be to assist aboriginal communities in their efforts to address the obstacles to their development and to help them marshal the human and physical resources necessary to build and sustain vibrant communities".

Comprehensive land claim settlements take us a long way toward accomplishing this goal. By ensuring certainty of land ownership and providing fee simple title to large areas of land they remove some of the most significant obstacles to the economic development and diversification of aboriginal communities.

By affirming resource ownership and rights and by providing monetary compensation they give aboriginal beneficiaries the means to become self–reliant. By formalizing aboriginal participation in the decision making process, land claim settlement agreements enable aboriginal people, people like the Sahtu Dene and the Metis, to regain a measure of control over their lives and to restore pride and self–respect in their communities.

• (1205)

The Sahtu claim was the second regional Dene and Metis agreement to be signed. A land claim agreement with the Gwich'in was finalized in July 1991, promulgated to December 1992 and is now being implemented.

The fact that we are addressing Bill C–16 today is testimony to the perseverance, strength and character of the Sahtu Dene and Metis.

I am particularly pleased for the elders among these two aboriginal groups. These individuals have suffered the longest, worked the hardest and provided the guidance and leadership that has brought this agreement before the House. They give the younger generations reason for hope.

The result of those years of perseverance is a modern day treaty that fulfils treaty 11, signed in 1921. With second reading debate we are now at a critical stage in the settlement process.

Let me remind my hon. colleagues that this land claim agreement has been overwhelmingly endorsed by the beneficiaries. Eight–seven per cent of the ballots cast by the Dene in the ratification vote supported the agreement and 99 per cent of the Metis who voted supported the agreement. I would also like to point out that this is the first land claim agreement in which the Metis have had a principal role.

This agreement has also been endorsed by the government of the Northwest Territories which was a key player in the negotiations and which will play a fundamental role in implementing the agreement. It has been praised by non–aboriginal residents and business interests in the Sahtu region because it will finally lay to rest issues of land ownership and resource rights that have stymied development in the settlement area.

Now it rests with this House to move the settlement agreement forward. By passing Bill C–16 we will be approving, giving effect to and declaring valid this agreement between Her Majesty the Queen in right of Canada and the Dene of Colville Lake, Déline, Fort Good Hope and Fort Norman and the Metis of Fort Good Hope, Fort Norman and Norman Wells as represented by the Sahtu Tribal Council. We will also encourage resource development of the settlement area.

In the simplest of terms, Parliament is being asked to do its part to address the longstanding, legitimate land based claims of the Sahtu Dene and Metis and to help the north realize some of its economic potential.

We are being asked to ensure that their traditional lifestyles will not only survive but will flourish. We are being asked to put into action Canadians' commitment to share the potential of our nation.

I would like briefly to touch on a number of issues addressed in the Sahtu Dene and Metis land claims settlement that I know will be of interest to hon. members.

First, I want to make it clear that Bill C–16 provides that the Sahtu agreement will be a land claims agreement within the meaning of section 35 of the Constitution Act, 1982. This is extremely important because it means that the rights of the aboriginal participants to the agreement may not be arbitrarily affected or altered by any other person. However, this Constitution protection does not mean that the agreement forms part or alters the Constitution of Canada.

On the issue of land title, this agreement will give the 2,000 Dene and Metis beneficiaries collective ownership of approximately 41,000 square kilometres of land in the settlement area. On approximately 1,800 square kilometres of this area they will also own the sub–surface mineral rights. The Sahtu lands will be privately owned lands, not reserve lands under the Indian Act.

The quantum of land that was agreed upon in this land claim agreement is guaranteed to the Sahtu Dene and Metis forever. If any settlement lands were ever to be expropriated, which is extremely unlikely, they would be replaced with an equal amount of land elsewhere in the settlement area.

I can assure hon. members that the lands selected have a great meaning to the beneficiaries.

• (1210)

The settlement agreement encompasses territory that has been occupied and used by many generations of Sahtu Dene and Metis. Settlement lands include traditional hunting and fishing areas as well as lands of historic and spiritual significance to the Dene and Metis. They also include lands which would bring economic benefit to the Dene and Metis. Subject to existing mineral interests, the Sahtu Dene and Metis will decide whether and how to explore and develop any sub–surface resources that they might own.

In addition to these revenue generating opportunities, the beneficiaries of this land claim agreement will seek payments totalling $75 million in 1990 dollars over the next 15 years.

These lands and these funds combined with a share of the resource royalties from projects in the Mackenzie Valley will give the Sahtu Dene and Metis the financial resources to support their own economic development initiatives. The money may also be used to support social, cultural, educational and political initiatives.

Most important, it will be used as the beneficiaries see fit. They, rather than the government, will have an increased say in how their communities are to develop.

A number of provisions of the agreement acknowledge the rights and interests of non–aboriginal people in the settlement area. For example, any third party rights, titles and interests that already exist on Sahtu lands when this legislation comes into force will be protected. As well, because the parcels of settlement lands are so large, there are provisions to allow access to the lands under certain circumstances by persons who are not Sahtu Dene or Metis. For example, members of the public may cross settlement land in order to exercise a right, interest or privilege on crown land that is adjacent to the Sahtu land.

In all cases, however, access to settlement land will be based on the conditions that no significant damage will be done to the land and that there will be no interference with Sahtu Dene and Metis use and enjoyment of their land.

I am pleased to note that the land claim agreement acknowledges the traditional subsistence lifestyle of the majority of the Dene and Metis in the Sahtu region. It guarantees them special wildlife harvesting rights in the settlement area, including the exclusive right to trap. The agreement also provides for compensation where developers cause provable damage to property or equipment used in harvesting wildlife or a loss of income from wildlife harvesting.

It also recognizes the importance of expanding the economic horizons for aboriginal people in the north. Toward this end, the agreement provides for economic development opportunities related to guiding, lodges, naturalist activities and commercial fishing.

For example, throughout the settlement area the Sahtu Dene and Metis will have the first opportunity to obtain new licences for commercial opportunities in wildlife harvesting, guiding and outfitting, naturalist activities and the keeping and breeding of wildlife species native to the settlement area.

The aboriginal beneficiaries will also be looking for employment and business opportunities that will arise once third party resource development projects get under way. The historic involvement of the Sahtu Dene and Metis in the Norman Wells project puts them in an excellent position to take advantage of opportunities that are expected to emerge in the oil and gas sector.

[*Translation*]

Madam Speaker, the passage of Bill C–16 and the coming into force of the Land Claim Agreement will give the Sahtu Dene and Metis the opportunity to be really involved in the making of decisions which will have an impact on their environment and way of life.

Under this agreement, they are guaranteed a 50 per cent representation on all agencies concerned with renewable resource management, land development, and regulations regarding land and water use in the area covered by the agreement. Moreover, they will sit on the Mackenzie Valley Impact Review Boards.

[*English*]

Federal, territorial and municipal laws will apply to the Sahtu Dene and Metis and their land. However, if there is any conflict between those laws and this agreement, the agreement will apply.

• (1215)

I am pleased to note that an arbitration panel will be established under the terms of this agreement so any disputes that arise can be settled without involving the courts.

The agreement also provides a framework for negotiating self–government. I know that many Sahtu Dene and Metis are looking with hope and confidence to the day when they might exercise jurisdiction in such areas as education, language, taxation, health and social services and the administration of justice.

We are proceeding with this land claim at this time for three basic reasons. The first is that an agreement has been signed on behalf of the crown and we are determined to live up to past commitments and to uphold the honour of the crown. Second, the agreement reflects the aspirations of the Sahtu Dene and Metis and addresses their legitimate claims. This agreement will guarantee a secure land and resource base for economic development and self–government. The third reason we are proceeding is because the resolution of outstanding land claims has become a priority for all Canadians.

This initiative has the support of people from coast to coast, aboriginal and non–aboriginal alike. Bill C–16 is clearly deserving of parliamentary support. I urge my hon. colleagues to do the right thing for the Sahtu Dene and Metis and the right thing for Canada by ensuring quick passage of this legislation.

[*Translation*]

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, I am very happy to address this House today to inform you that I and the party which I represent, the Bloc Quebecois, will be very pleased to support Bill C–16 for several reasons.

I would like to tell you that since I became Indian Affairs critic for the Official Opposition, this is probably the issue on which I have spent the most time. The procedure followed in this case is fairly typical and representative of what I intend to do from now on with government bills on Indian affairs.

This bill has many implications, and I will come back to them shortly. The people of Sahtu, who are very pleasant to deal with, came to meet me in my office; we went over the whole agreement as such and I was very glad to learn that the government had agreed to support Bill C–16 which would quickly implement an agreement reached on September 6.

Of course, representations were made from many quarters. As I said, those people are very pleasant to deal with and very persistent. This agreement is the result of a long struggle. From 1982 to 1991 or 1992, these people tried to negotiate it, but there were other agreements before, starting in 1921, formal agreements and also less formal agreements between the Whites at the time and the people of Sahtu.

So this agreement is very good for them and for us. The seniors, called elders, were very much involved. For them this agreement is very important for future generations and I think that they will be very satisfied.

The president, George Cleary, also came to my office with his delegation. As I just said, those people were persistent and I think that the agreement they have today is very worthwhile. I also hope that all members of this House will ensure that this bill can take effect fairly soon. Among the local associations that made representations to us are the Déline band of Fort Franklin, the Déline sub–band, the Fort Norman band, the Colville Lake band and the Fort Good Hope band.

Of course, these are important centres of social and economic activity in that region of the Mackenzie Valley and those people have communities within those socio–economic centres and they are all included in the agreement.

Speaking of local associations represented, there are also the Metis Nation of the Northwest Territories, local 60 in Fort Norman, local 59 and local 54; these are Metis groups that worked on this agreement and signed it. The agreement will affect some 1,755 Metis and Dene. The figures vary a little. Some talk about 2,000 but there is a general consensus that the agreement will affect between 1,700 and 2,000 people.

• (1220)

Of course, Sahtu—it is important to know this—is the big lake in northern British Columbia and the Northwest Territories. The word means big bear in the Dene language. So right off the bat it is important to realize the significance of the words.

Earlier I talked about the 1921 treaty. It may have been the start of a more traditional system of management between the Whites and the Natives, and we see that this is now taking the form of a land claims treaty that is not in fact a self–government treaty. I could come back to that a little later.

The territory itself represents about 75 per cent of the area occupied by Nova Scotia. So it is a huge territory, to say the least, and it is already limited by other Native agreements. In particular, the Sahtu Tribal Council's current territory is limited to the northeast by the recently–signed Nunavut agreement and to the north by the Inuvialuit treaty.

I will now tell you the history of the five communities because I think it is important. The Colville Lake community lives on the ancestral lands of the Slave Dene. It was founded in 1962 and it is the only community in the Northwest Territories where everything is made out of roundwood logs, Madam Speaker. It is still typically, a very rustic, very nice, good–sized village. I did not visit it but I saw pictures, and everything is built out of roundwood logs.

Déline, which was founded in 1825 by Sir John Franklin, is also called Fort Franklin. It was Lord Franklin's winter headquarters. When oil was discovered in Norman Wells—I will come back to that later—in the 1920s, it was close to transportation routes and became a major trading post. At that time, the people of Bear Lake were still leading a nomadic existence, following a tradition which is several thousand years old. They travelled across their hunting grounds in pursuit of the animals they wanted to trap and hunt.

It is only since the 1960s and the early 1970s that the Dene have been living in Déline year–round. When these people became a little more sedentary in the 1970s, they built the village of Déline where they now live.

Fort Norman has long had great seasonal importance to the Dene. The Northwest Company was active in the 18th century. The trading post founded at Fort Norman in 1810 has been permanently occupied since 1872. It was then a trading post which became a permanent village in 1872.

Fort Good Hope is the oldest trading post of the Lower Mackenzie Valley. Although it lies inside the territory of the Northern Slave Dene, the Gwich'in and the Mountain, the Mackenzie Delta Inuit used to go there. So another important community is affected by this agreement.

Norman Wells was the first community in the Northwest Territories to depend exclusively on the development of non–renewable resources. It is where the first traces of oil were discovered. It is a place where the oil development reaches its full extent. In 1818 and 1819, oil was discovered in commercial quantities. In 1847, the collapse of oil prices created problems for the village.

Imperial and Canada are joint owners of operating oilfields. The Can Oil trail was laid out during World War II so that Norman Wells could send its premium–quality light oil, a strategic resource, to the Alaska Highway and to southern cities. Norman Wells is also the northern end of the oil pipeline going from the Northwest Territories to Zama in Alberta.

• (1225)

I said earlier that the agreement was signed on September 6, 1993, in Fort Norman. According to our experts and researchers, the agreement is indeed protected by the Constitution as a modern treaty, in compliance with section 35. I said that between 1,700 and 2,000 Dene of the Sahtu region will be covered by the agreement and will be represented by the Sahtu Tribal Council.

In the region where those rights will apply, the agreement was approved by 85 per cent of the Dene and by 99 per cent of the Metis, while the rate of participation was close to 90 per cent.

You can see the efforts made by these people, who live in the very large territory of 280,000 square kilometres covered by the agreement. Such high participation and approval rates demonstrate how important the agreement is to those people, as well as their very positive attitude towards it.

I want to discuss the content of the agreement as regards the use of land and water. The Dene–Metis from the Sahtu region on the one hand, and the government on the other hand, will be equally represented on the land use planning boards regulating the use of land and water, and they will also be represented on an environmental council in the case of development proposals for the region. This is very important to these people.

I explained earlier the importance of traditions such as fishing, hunting, trapping, etc. Now, we also realize that, with the emergence of their new economy, these people want to try to reconcile in an effective way their new and former cultures. I am pleased to see that the government has acted on their claim regarding this aspect and that these people's representation will be equivalent to that of the government regarding any expansion project, and also that, in the field of environment, they will have the opportunity to provide an important input.

I want to point out that it is a land claim agreement—later I might give more details on the territory covered and on the agreement itself—which does not put an end to what are commonly referred to as self–government agreements. These are two very different things. In fact, the annex to the agreement before us today contains some draft agreement on eventual negotiations relating to the issue of self–government.

As you know, a number of things can be the object of a transfer of jurisdiction between the Crown and Indian bands. Very few such transfers are in the process of being made right now, but the agreement provides for that possibility regarding a number of issues, including education, justice, health care and police services. Indeed, now that a land claim has resulted in a formal agreement, once these people have developed their resources and built a solid base for their economic development, they will want to look at what issues eventual negotiations on self–government might include.

Again, this agreement does not put an end to self–government. In fact, I think that it is a starting point for self–government, because if there is no land claim, if there is no land on which to base future claims for transfers of jurisdiction, it is very difficult to look at the issue of self–government. Consequently, this is one thing which is taken care of with the conclusion of the agreement.

We are also pleased to see that the Sahtu Tribal Council will participate in any constitutional conference on the reform of the Northwest Territories' constitution. An arbitration board is about to be set up to avoid having to go to the courts and therefore avoid delays which can sometimes be very long and costly for these nations.

The Metis and Dene now get ownership title for over 41,000 square kilometres, of which 1,800 include mines and minerals. This is very important. This is a territory these people now own exclusively. Some compensation could even be awarded in cases of expropriation.

• (1230)

In other words, should the government decide, although I heard the minister say it was unlikely that the government would be interested in acquiring land and decide to expropriate, but should this ever happen, these people made sure the agreement contained clauses under which compensation would consist of equivalent lands. This is very important to them. If the

government tries to expropriate 2,000 or 3,000 of the 41,000 square kilometres covered by the agreement, it will have to compensate by giving them the same amount of land somewhere else.

This is a very important point. The 41,000 square kilometres are not only part of the settlement but also belong to the Sahtu municipal lands. In other words, the five or six communities I mentioned earlier as well as other groups living in small villages are not only given lands immediately adjacent to their territory or villages but are also given ownership of all adjacent lands within the 41,000 square kilometres. On 1,800 square kilometres, rights to sub–surface resources the mineral rights will be included.

As far as financial compensation is concerned, I think it is a good settlement, both for the Crown and for the aboriginal people. They will receive a tax–free financial settlement in the amount of $75 million annually, over a period of 15 years. Every year, participants will receive 7.5 per cent of the first two million dollars of royalties on resources received by the government for that year, and 1.5 per cent of additional royalties on resources in the Mackenzie Valley.

There is a financial settlement and royalties on resources as well. Of course a percentage goes to the Crown, but the Sahtu tribal council benefits from it as well.

I think this is good for the economic development of the Dene and the Metis in that part of the country. For them, the settlement was a prerequisite for economic development and self–government, and the rest will follow. The financial compensation package is a case in point.

As for the other clauses in the agreement which I intend to discuss, we shall see that, on the economic development side, these people are ready to take control of their lives.

The main focus of the department of Indian affairs may well be to help aboriginal tribes and nations to take control of their lives and get rid of the dependency spirit fostered by the Indian Act.

I think that today we are witnessing a first step by aboriginal people toward economic development and, eventually, self–government.

Incidently, in Quebec we have some very good examples where this has been successful. Unfortunately, I have not had the opportunity nor, in fact, much time to compare the two agreements, but Quebec has set a good example, with its Cree and Naskapi legislation and the James Bay agreement, and I think we can say quite honestly that we pioneered the introduction of a degree of self–government around land claim settlements. I believe this bill is very similar in its treatment of the Metis and Dene in the Northwest Territories.

As far as the agreement itself is concerned, I will briefly discuss a few important points. I mentioned the wild life aspect and the possibility that these people would be represented on a kind of tribunal and consulted on environmental and economic development issues.

To them, wildlife is extremely important. As I pointed out, for thousands of years, until the beginning of the twentieth century, these people followed the caribou herds and other game. They were nomads. Their life style and habits were based on animal resources. The agreement contains provisions on wildlife, and we are very glad to see the agreement reflects their culture and the position of the Bloc Quebecois on the important jurisdictional aspects that must be included in this kind of bill.

• (1235)

So the Renewable Resources Board will be composed of an equal number of Dene, Metis and government representatives and will manage wildlife in the region covered by the settlement. They will obtain specific rights concerning the management of wildlife, including the exclusive right to trap throughout the region covered by the agreement, the right to hunt, economic opportunities concerning the use of camps, guiding naturalist activities and commercial fishing.

Some people who are neither Dene nor Metis have lived in the region for some time. They will now have to reach an agreement with the band council in order to pursue their commercial activities. The agreement also mentions the importance for the band council of ensuring that wildlife is managed not only for subsistence but also on a commercial basis. Furthermore, the agreement provides that those who harm the environment by taking too many caribou or fish or who misuse the fishing or hunting equipment at their disposal will have to compensate the band council.

The agreement does not infringe on the ancestral political, social or other rights which the Dene or Metis may have. The Dene and Metis living in the region can register under the terms of this agreement. We know that there may be people who have lived on that territory from generation to generation but were not registered under the Indian Act; the agreement contains special provisions whereby these Dene and Metis can register within a certain period—I will not mention exactly any passage or provision, but they are indeed included in the agreement.

As for the native people or Canadian citizens living in the Mackenzie Valley, the valley covered by the agreement, who are not registered and are neither Dene nor Metis, the agreement allows them to register provided that a Sahtu community adopts them. It is important to emphasize that the agreement does not throw out people who have lived on the territory for a long time, as if to say to them: "You are not Dene, you are not Metis, you have to leave the territory". The agreement allows these people

to stay provided that they are accepted by one of the Sahtu communities.

The Sahtu lands will be private, not reserves, and that is important. I mentioned earlier that, since its inception, the Indian Act has made the Indians very dependent. The agreement before us frees the Indians from this dependence and gives them enough economic power and land to exercise their full autonomy. Although the agreement on self–government will come later, we note that this is a step in the right direction. We are pleased to see that the land will be private and not reserves.

Federal, territorial and municipal laws will apply and, in case of conflict, the agreement will prevail. That is important; it is another step to self–government and it says: "The agreement between you and us will protect you". For example, if there is conflict between a municipal by–law and the agreement, the agreement will prevail. The agreement will not set up a hermetically sealed territory. By that, I mean that we are not building a Berlin wall around a territory and saying that no one can go there.

• (1240)

We are pleased to see that, as far as the public is concerned, the agreement contains provisions allowing the public access to the region.

However, if someone has in mind to start up a business within this territory, then naturally this is another matter. Under the current provisions the public will be allowed access to Sahtu land in order to reach an adjacent territory. Dealing with a territory covering 280,000 square kilometres, you cannot expect someone to make a detour around this vast expanse to reach an adjacent territory.

Therefore, members of the public wishing to travel through this region will have no problem doing so. Naturally they will have to comply with the regulations and designated areas. The agreement even contains provisions stipulating that members of the public will be able to hunt migratory birds, provided of course they comply with certain conditions to be determined by the band council.

Regarding access for developers, those who are already in the area will be able to remain there, subject, as always, to the approval of the band council. Indeed, this approval will be required, and even a right to appeal is provided.

One example of this arose when the lands in the Sahtu region were being selected. As you know, outfitters who have long been operating in this region need vast expanses of land to carry out their outfitting operations.

These outfitters renegotiated all of their systems and territories with the Sahtu and Metis band council, and agreements are now in place which allow these outfitters to continue using Sahtu lands.

Federal departments have been represented and consulted on countless occasions during the negotiation process. The same holds true for the government of the Northwest Territories which was part of the federal negotiating team.

As we can see, nothing was taken for granted. All parties, the federal and territorial governments as well as the representatives of the Sahtu band council, approached the task at hand very seriously and no one was left out of the process. The agreement meets with the approval of all parties.

The Sahtu were even consulted when the time came to draft the land claims bill. They told us so themselves. They will also be consulted on the drafting of the future Mackenzie Valley resources management legislation.

The territory in question does not take in all of the Mackenzie Valley. Therefore, it is extremely important, to them and to us, that it be made clear that when legislation, whether economic or social, is drafted for the rest of the Mackenzie Valley, they will be consulted. The agreement states that they will be consulted, that they will be abled to express their views and even participate in the process.

On certain reserves, the Dene themselves make the decision whether or not to allow exploration or resource development. They are not required to follow a particular course of action. Of course, within the 1,800 square kilometres referred to earlier, a band council can decide at any time to allow exploration, the conduct of a feasibility study or a geological study and, if there are resources in the subsoil, mining, quarrying, and so on.

This is all allowed under the provisions of the agreement before us.

As for present and future titles holders, they will have to negotiate with the Dene and Metis the use they want to make of those lands and waters. That is totally consistent with the principle of the agreement before us.

To wrap up regarding the contents of the agreement, negotiations were held from 1982 to 1990 to come to this agreement. Today, to become law, it will require unanimous consent from this House. So, I hope that, for the sake of expediency, we will have unanimous consent.

Other consensus were reached before coming to the product before us and I would like to mention some of the groups that have been consulted and various public consultation processes involved.

So, groups were consulted. Proper consideration was given to this. The people and organizations I am about to mention have taken part in the discussions to some extent. The Northwest Territories Chamber of Mines was one of them, as well as the Mining Association of Canada, the Canadian Association of Petroleum Producers, the North West Territory Wild Life

Federation, the Mackenzie Mountains outfitters—those who need large areas for their outfitting operations, as I said earlier—and the Ingraham Trail Association. Consultations took many forms. It was mentioned earlier that the agreement was approved by federal government. The agreement was signed by the federal government as well as the territorial government. The public meeting in Yellowknife was held as part of this consultation process.

• (1245)

Communities were toured extensively. I was saying earlier that the agreement applies to an area of 281,000 square kilometres. You can imagine it was no small task to go and see 2,000 people who live in that area. But the results were highly conclusive, as I said earlier, with a positive vote from 85 per cent of the Dene and 99 per cent of the Metis.

Information brochures were distributed. Municipalities were involved in the lands screening process. A serious job has been done.

I would like to open a parenthesis here because the outlay of money required makes Canadian taxpayers jump. In fact, many people have commented to me, and I am sure that similar remarks were made to the hon. minister, that the department of Indian affairs was perhaps one of the least hit by cuts. Not only were there no cuts, but its budget has actually increased.

We must also understand what led to the Indian Act. I often tend to use the same example, namely an Indian village or reserve nearby. How much money goes to the village if we look at who built the town hall? Who built the hospital? Who built the schools? Who is in charge of the roads? Who is in charge of the water supply system? If we look at all this and at the money coming from various departments, we see that the department of Indian affairs looks after the reserve.

Although the amounts may look outrageously high, it must be understood that, as a trustee under the Indian Act, the federal government must look after the quality of life of the Natives who live on these reserves.

There are many other reasons why the budget was not cut. Yes, the budget has grown but so has the Native population. It does not mean that we want to remain a trustee forever. I think we all have an effort to make in this regard and, after listening to the minister's comments on this subject, I feel that he, too, wants to revoke the Indian Act as quickly as possible.

How will we proceed? We have a typical example before us today. Without the Dene and the Metis achieving self–government, which will come later, we can still see that it is a step in the right direction. The money the government was going to spend on these bands should be reduced to allow for its gradual withdrawal and to let Natives control their own economic development and achieve full self–government in the long term.

We now understand why, in a public finance management context, the department may not have been hit by cutbacks. There is also the whole notion that, since the government wants Natives to take control of their own destiny, it will have to invest the amounts resulting from that decision and allowing us to initiate a negotiating process. That is what I tell people to explain why we in the Bloc Quebecois see an increase in the Indian Affairs budget. We must also remember that, historically, we exploited the lands and resources of these people and confined them to parcels of land representing perhaps 1 per cent of the area they used to occupy.

In closing, a last word on their languages and cultures because I think it is important.

• (1250)

The Eskimo and Dene languages are not at all related. Even though these nations have long lived close from one another, we recognize that the two cultures are distinct. Even though these people have been hunting, trapping and fishing forever, we recognize their respective specificity regarding the land they occupied. They have such precise expressions relating to nature that there is indeed a separation between the two languages. For example, the Eskimo language has 60 terms for "snow". That language has all kinds of variations and nuances regarding snow. Because of this degree of specificity, it is understandable that the languages are not necessarily compatible, depending on what part of the territory one lives in.

As for culture, these people are fishermen; they have always been close to nature, and the agreement before us today will bring them closer to an economic development which will enable them to manage their own natural resources. I think that the agreement ensures a happy union between the two cultures, and that it reflects a deep respect for their traditions and heritage. It could be the start of an economic development somewhat closer to our own culture.

For all these reasons, and after a thorough review of the agreement, the legislation and the representations made by the Metis and Dene, I am pleased to say that the Bloc Quebecois supports Bill C–16. I hope that all members will share our view, so that we can speed up the implementation of this agreement.

[*English*]

Mr. John Duncan (North Island—Powell River): Madam Speaker, it must be spring. The sun coming through those stained glass windows is taking my breath away.

As spokesperson on aboriginal affairs for the Reform Party of Canada I take great pleasure in opening debate on second reading of Bill C–16, which would have the effect of approving, giving effect to and declaring valid the Sahtu Dene and Metis comprehensive land claim agreement signed September 6, 1993.

This agreement is comprehensive and complex in scope and far–reaching in consequences. Along with numerous appendices it comprises several hundred pages with many clauses and subclauses of considerable complexity.

My party has some very serious reservations about the direction in which land claim settlements in the north have gone in general and specific concerns relating to this agreement in particular. I intend to point out some of them and I am sure that my colleagues will add further to what I have to say. Many of our members wish to speak on this bill.

I want to emphasize at the outset that my criticism is directed to government policy toward the native people. In many respects it is not achieving the desirable result of improving unacceptable social and economic situations in which many of our native people find themselves or providing opportunities which could encourage and assist many of them to take their full place in Canadian society.

At this time I would like to explain a little bit about my background. I have worked in many locations on the B.C. coast in the forest industry. Twenty–two yeas ago I was supervising tree planting and forestry crews in the Chemainus area on Vancouver Island with natives as crew and charge–hand. This connection with native forestry crews continued in Ucluelet and in the Queen Charlotte Islands. The workforce in the logging operation on the Queen Charlotte Islands was very integrated. Individual racial status was often not known nor of consequence, which is as it should be in my view.

• (1255)

When one lives, works and volunteers in these small communities there is sensitivity that respects cultural differences. I have shared joy and grief and I am aware of many of the subtleties of native culture.

I so much remember my Haida friend, on hearing that I was leaving the Charlottes, saying to me: "John, many people have come to the Charlottes, worked, and then left without contributing a thing. I can tell you that you are an exception because you have made this a better place". Madam Speaker, these words meant so much to me. It is so easy to become polarized in society, particularly when this suits someone's political agenda. We all have a responsibility to be constructive wherever possible.

Returning to debate on Bill C–16, every time I set out to analyse this agreement I return to the same question. Will the Sahtu Dene and Metis people be better off after the agreement is in place than before or will they not? The agreement requires surrender of all further land claim interest, creates fee simple ownership without creating reserves, and maintains a tax regime for individual Dene and Metis of the Sahtu the same as that of any ordinary person. They pay tax on income earned. These are enlightened provisions with which I concur.

My primary reasons for speaking in opposition to the bill are threefold. First, there is no legal rationale for this massive fee simple transfer of land. Second, a new bureaucracy is created. Third, the agreement in all its complexity is to be constitutionally entrenched.

We are dealing with very substantial benefits in land and dollars and other rights to a relatively small population over a massive land area. To be specific, the Sahtu settlement area covered by the agreement we are discussing today covers 280,000 square kilometres or 108,200 square miles. It is an area 50 times the size of Prince Edward Island, five times the size of Nova Scotia, or 30 per cent of the size of British Columbia.

A portion within this massive land area will be conveyed outright to the Sahtu Dene and Metis. Specifically they will receive title in fee simple to 41,000 square kilometres or 16,000 square miles. This is an area seven times the size of Prince Edward Island or three–quarters the size of Nova Scotia.

In addition to these land entitlements the Sahtu Tribal Council will receive each year for the next 15 years a sum of money totalling approximately $130 million. The Sahtu Tribal Council will also receive from government a portion of the royalties received from oil and gas exploration within the settlement area equivalent to 7.5 per cent of the first $2 million in royalties each year and 1.5 per cent of all royalties over and above the $2 million.

Non–share or communal settlement corporations are to be established to receive these capital funds and to dispense them for the activities and details and benefits described in detail in schedules I and II of chapter 8 of the agreement. These activities and benefits include education and training, supplementary funding for a wide range of existing government programs, loans or grants to low income people for certain purposes, housing, other public services, heritage preservation, economic development loans or guarantees, recreational facilities, elders assistance, one–time individual grants to all of $3,500 plus consumer price index adjustment to the date of payment, administrative costs, and qualified trusts investments.

• (1300)

In addition to all of this, the federal government is committed to taking measures to support the traditional economy and to assist business development. Moreover nothing in this agreement affects the participant's right to receive benefits from any existing or future constitutional rights for aboriginal people generally.

This is an enormous package of benefits and one cannot help but be struck with the fact there are so few people who stand to receive them. The Sahtu ratification committee has provided us with the most recent count of participants in the settlement area. It numbers 982 adults, that is 829 Dene and 153 Metis, and 773 children for a total of 1,755 people.

I would ask the minister as to the rationale the government has applied in arriving at this huge package of benefits for such a relatively small number. How has the sum of $130 million been arrived at? Is there any indication it is appropriate to the needs of the participants? Will this enormously generous package of benefits result in the regular programs available to native peoples being phased out? There is no indication in the agreement that this is to be so. In fact, the very opposite is said to be the case.

A very disturbing aspect of this agreement is the fact that a massive area of land will be forever removed from the public lands of Canada and conveyed outright. An area equivalent to three–quarters the size of Nova Scotia will be conveyed to a collectivity totalling 1,755 people. In our view, conveyances of this kind are unnecessary, should not be made and are not in keeping with what the courts of Canada have found to constitute aboriginal rights.

The area north of the 60th parallel throughout Canada has always been considered to be a part of the public lands of Canada in which all Canadians share an interest. This is the fourth land claim settlement undertaken by recent federal governments in the territories. It is apparent there is very little left of the Northwest Territories which has not either been conveyed outright to various bands or over which they have a substantial measure of control.

It is apparent it is the intention of successive governments of Canada to blanket all of Canada's north with land claim settlements of this kind. One could understand granting to a sparse northern population traditional rights of hunting, fishing and trapping, subject to third party interests. But it is quite another matter to convey the outright ownership of vast territories of land. It is not necessary and my party opposes it.

It is noted that subsurface rights are also transferred under a portion of the property to be conveyed outright to the Sahtu Dene and Metis under this agreement. I wonder if the minister can tell us if the Government of Canada has any idea of the potential in mineral and oil and gas exploration that exists in respect of these subsurface rights. If not, this represents a potential transfer of unknown proportions.

We do not believe that land claim settlements of this kind should be open–ended or represent a blank cheque. After all, these are the public lands of Canada and the Government of Canada has a duty to all Canadians to administer them in the best interests of all. Massive transfers run contrary to this principle.

The agreement sets out a plethora of new administrative tribunals and other bureaucratic instruments that are going to be established. The same can be said to have been the case in regard to the three previous land claim settlements in the territories. In fact in the case of the Nunavut agreement, a whole new government is proposed to be established: a legislature and a court system including the Supreme Court of Nunavut and the court of appeal.

• (1305)

In the case of the agreement before us today, it is noted that five renewable resource councils are to be established for each of the Sahtu communities of Colville Lake, Déline, Fort Norman, Fort Good Hope and Norman Wells to manage the exercise of harvesting rights.

A renewable resource board is to be established as the main instrument of wildlife management in the settlement area. Six members are to be nominated by the government and three by the Sahtu Dene and Metis.

An arbitration panel is to be established to attempt to settle disputes relating to this agreement without going to court. A land use planning board is to be established to prepare a land use plan providing for the conservation, development and utilization of land, resources and water in the settlement area. Again the Sahtu Dene and Metis can nominate 50 per cent membership on such a board.

A land and water board is to be established to regulate all land and water use within the settlement area. The environment impact review board and the surface rights board established to implement the earlier Gwich'in agreement are to have jurisdiction over the area with special panels established with the Sahtu tribal council having the right to nominate half of the members.

One has to question the necessity of setting up still another plethora of boards, commissions and instrumentalities within the Northwest Territories. The fact of the matter is that most of these functions are now being administered by existing instrumentalities of either the Government of the Northwest Territories or the Department of Indian and Northern Affairs.

There is no obvious consideration in the agreement given to winding down existing boards. Layer of government upon layer of government in the sparsely populated Northwest Territories is not the way to go. We are in danger of turning a sparse population into a bevy of bureaucrats, yet one of the main stated purposes of the agreement is to permit pursuit of a traditional livelihood and way of life.

Later this year the government is expected to introduce the Mackenzie Valley resource management act which it is said will fulfil the resource requirements of the various regional land

claim settlements in the western Arctic. In addition it will bring a new system of resource management to the Mackenzie Valley. Indications are that this act will create still additional boards to co–ordinate the activities of the others. Where will it end, bureaucracy on top of bureaucracy?

The agreement provides for a most elaborate process of negotiations in the future to conclude agreements on Sahtu Dene and Metis self–government. This framework agreement is set out in appendix B of the agreement. It is important to note this framework agreement contemplates negotiations on the transfer of legislative–making powers to the Sahtu Dene and Metis over a long list of 18 subject matters.

One has to question the necessity of this given the fact the agreement we are debating today deals with virtually every aspect of these people's lives. The real question is: Is self–government necessary or appropriate for so few people scattered over such a wide area? Whether or not a self–government agreement is negotiated remains for the outcome of future negotiations.

• (1310)

I would stress the fact that self–government arrangements or agreements must provide that the laws passed by legislative bodies and governments of the aboriginal peoples and the administrative practices of such governments must comply with the Canadian Charter of Rights and Freedoms. To be certain this will be the case, it may well be necessary to amend section 32 of the Constitution to specifically provide that the legislation passed and administrative action taken by aboriginal governments will be subject to the charter.

Perhaps the minister could advise the House whether the Minister of Justice has examined this issue and expressed an opinion as to whether or not the actions of aboriginal governments are now covered by the Charter of Rights and Freedoms, or whether an amendment to the Constitution is required.

If approved, Bill C–16 constitutionalizes the agreement within the meaning of section 35 of the amendments to the Canadian Constitution which came into force in 1982. While the full scope of this constitutional protection is not clear, it almost certainly means the agreement can only be amended by resorting to the appropriate part of the amending formula set out in the Constitution. If it be otherwise, constitutional protection means nothing.

When one looks at the amending formula in the Constitution there are no less than six different formulae, only one of which is designed to be used in a particular circumstance. The fact of the matter is that none of them fit the case of an agreement entered into by the Government of Canada and a tribal council of native peoples. When the amending formula was designed there was no thought given to devising constitutionally entrenched land claim agreements between an Indian band and the Government of Canada.

If this had been an agreement between the Government of Canada and a single province then section 43 would apply and the agreement could only be amended by consent of both the provincial legislature and the Government of Canada. However, the Sahtu Tribal Council is not a province and it is unclear how this agreement can be amended.

Section 41, which is the general amending formula, might be the only amending formula available in this case. The irony is that this general amending formula requires not only a resolution of Parliament, but also of at least seven provincial legislatures. Of course this is totally inappropriate.

There are two aspects of constitutional entrenchment that cause me concern. First, this is a complicated agreement. I think it unwise to constitutionalize such detail given the uncertainty as to how it can be properly amended.

I am well aware clause 3.1.26 of the agreement provides that once the agreement is in force it may be amended by consent of the cabinet and the Sahtu Tribal Council. If this is so, it is difficult to see that the agreement has protection under section 35 of the Constitution.

My second concern is to question the wisdom of entrenching all of the detailed provisions of the agreement until it has been in force for a period of time to consider whether or not it is workable.

It would be preferable to constitutionalize the land rights and perhaps the other benefits to be paid. All of the administrative and regulatory provisions should not be constitutionally entrenched to ensure flexibility as circumstances dictate.

• (1315)

Who are we to say we know what is best for future generations in those areas? If there is to be certainty, finality and stability to these land claim agreements, there must be the extinguishment of any claim to other undefined and uncertain aboriginal rights over land that might be put forward in the future.

I am therefore pleased to see under clause 3(1)(11) that in consideration of the rights and benefits provided under this agreement, the Sahtu Dene and Metis release and surrender to the Government of Canada all their claims, rights, title and interests if any to other lands and waters anywhere in Canada.

I am pleased to see such a provision in this agreement. It is rumoured that the minister does not favour extinguishment clauses in agreements of this kind and that he has instructed departmental staff to expunge from their vocabulary the word extinguishment.

I do not know whether this is in fact the case but if it is, I say with the greatest of respect to the minister that it is the wrong course for him to take. I say that because the content of these agreements represents substantial concessions from government to the native people and the most reasonable quid pro quo should be for the final resolution of outstanding aboriginal claims.

To enter into these agreements with the prospect of having to do it again a few years down the road is a prospect that should not be entertained by government. Although there is an extinguishment clause, the agreement provides that it in no way affects the right of the Sahtu Dene and Metis to participate in any benefit from any existing or future constitutional rights extended to aboriginal people or their right to continue to benefit from all government native programs.

What is missing in this agreement is any indication that if it proves to be successful over a period of time, financial assistance and government native programs of a general nature can be phased out. All of this is at the expense of the Canadian taxpayer and surely the objective is to provide self–sufficiency and ultimately the removal of the need for government assistance beyond that available to ordinary Canadians.

I would like to have seen more of an indication that this is the direction in which the government wishes to go. One should also ask what we do if this agreement turns out to be unsuccessful over a period of years.

My final point concerns the tendency of the Department of Indian Affairs and Northern Development to take a decidedly advocate role on behalf of the native peoples. I can understand that this is its mandate up to a point but with issues such as conveying large areas of public lands, the actions of the department should be in the best interests of all Canadians.

Too often these agreements are worked out behind closed doors with the ordinary Canadian in blissful ignorance of what is going on. I am delighted that the Sahtu agreement is being debated at some length is this House, unlike earlier north of 60 agreements. In future it would be advantageous to determine a mechanism for debate at a much earlier stage than merely at ratification. I commend this approach to the minister for his consideration.

I regretfully conclude that the major beneficiaries of this agreement are negotiators, advisers and lawyers. I have concerns that the average Sahtu Dene or Metis may be no further ahead in the long run as a result of this agreement. I wish them well.

• (1320)

Mr. Peter Adams (Peterborough): Madam Speaker, I rise in support of Bill C–16, the Sahtu Dene and Metis Land Claim Settlement act.

As previous members have described, this is a claim which deals with that part of the Mackenzie Valley which involves Great Bear Lake and the area to the west and the bands that live in those areas.

I am extremely pleased to speak in support of this legislation. It is another example of the government's commitment to build partnerships with aboriginal peoples, partnerships based on mutual respect.

The resolution of native land claims is a major part of that commitment. The federal government is committed to significantly increasing the rate of land claims settlement. It has been seeking new ways to resolve impediments that slow that process down.

I would like to give members of this House some background to the Sahtu land claim agreement as an example of the claims negotiation process. I would like to describe what comprehensive claims are and provide some details of the process that is followed to successfully conclude them.

First, I will give a few highlights of the evolution of the concept of aboriginal rights in the context of land claims. Protecting lands occupied by aboriginal peoples from outside acquisition can be traced to the royal proclamation of 1763. With Confederation, Canada assumed responsibility for applying this principle.

The common law concept of aboriginal rights was addressed in 1973 in a Supreme Court case which acknowledged the existence of aboriginal title in Canadian law. Six years later in 1979 a common law test for continuing aboriginal rights was established in another federal court decision.

These two groundbreaking decisions were followed by the recognition of the central importance of the concept of aboriginal rights to aboriginal peoples in the Canadian Constitution, specifically section 35(1). In 1990 the Sparrow case tried before the Supreme Court provided the first analysis of the implication of this recognition.

All these decisions established that the exercise of aboriginal rights could be regulated by government. The court also set out strict tests which were to be applied to determine if government interference with section 35 rights was justified in specific cases. The court has also concluded that rights are unique to each aboriginal group. Given that the rights are common law and not written down their extent and nature have been the subject of considerable debate.

Before these court decisions were enacted defining the special rights of aboriginal groups within treaties had long been an important aspect of the relationship between aboriginal peoples and the crown. As well the evolution and development of the federal government's land claims policy has been closely linked to court decisions, particularly the decisions that I mentioned earlier.

To address any uncertainty created by the decisions the federal government announced that it was willing to negotiate land claims settlements with native peoples. As the policy developed, claims were divided into two broad categories, comprehensive and specific.

Comprehensive claims are based on the concept of continuing aboriginal rights and title which have not been dealt with by treaty or other legal means. The courts have emphasized that the proper way to resolve outstanding land claims is through agreements negotiated fairly by the affected parties.

Specific claims, on the other hand, arise from the alleged non–fulfilment of Indian treaties and other lawful obligations or the improper administration of lands and other assets under the Indian Act.

All these court decisions and constitutional guarantees provided the background within which the Sahtu agreement was negotiated.

• (1325)

To further describe this process I would like to list the objectives of comprehensive claims settlements, of which this is an extremely important example.

The primary purpose is to conclude agreements with aboriginal groups that will resolve the debates and legal ambiguities associated with the common law concept of aboriginal rights and title.

Uncertainty with respect to the legal status of lands and resources created by a lack of political agreement with aboriginal groups has been a barrier to economic development for all Canadians and has hindered the full participation of aboriginal peoples in land and resource management.

The comprehensive claims process is intended to lead to agreement on special rights aboriginal peoples will have in the future with respect to lands and resources. It is not an attempt to define what rights they may have had in the past.

The process of comprehensive claims settlement has five stages. The first is initial negotiation when issues are identified for discussion. The second is substantive negotiation when issues are discussed to produce the agreement in principle that contains all the features of the eventual settlement. The third is finalization when all parties formalize decisions needed in the agreement in principle to produce a final agreement. The fourth stage is enactment of settlement legislation which brings the agreement into force. The fifth stage is the implementation of settlement legislation when the terms of the agreement are carried out by all parties.

During the initial and substantive stages, the first two stages I mentioned of the settlement process, aboriginal groups may obtain loans from the government to hire professional and technical staff to help them prepare and negotiate their claims.

Most of the lands and resources that are subject of negotiations and that are required for the settlement of comprehensive claims are owned by a province. Because of this the federal government feels that provincial governments must participate in the often complex negotiations and must contribute to the provision of claims benefits to aboriginal groups.

In Yukon and Northwest Territories most lands and resources fall under federal jurisdiction. Nevertheless, territorial governments participate fully in claims negotiations and have made commitments to aboriginal groups through claims settlements. This was certainly the case of the Sahtu agreement. The Northwest Territories government was an active participant in all deliberations.

As in all deliberations, including those leading up to Bill C–16, the scope of discussions was defined so as to arrive at a fair and just resolution of the outstanding claim in a manner that would uphold the honour of the crown.

As well, settlements including the one before us today are designed to ensure that the interests of aboriginal groups in resource management and environmental protection are recognized and that claimants share in the benefits of development. A number of these points were mentioned in previous speeches.

To achieve these objectives settlement agreements must define a wide range of rights and benefits to be exercised and enjoyed by claimant groups. These rights and benefits usually include full ownership of certain lands in the area covered by the settlement, guaranteed wildlife harvesting rights, guaranteed participation in land, water, wildlife and environmental management throughout the settlement area, financial compensation, resource revenue sharing and specific measures to stimulate economic development and a role in the management of heritage resources and parks in the settlement area.

The rights and benefits of the Sahtu Dene and Metis in this particular case have been described by the minister and other speakers today.

Members should know that settlement rights are constitutionally protected and cannot be altered without the concurrence of claimant groups. A claimant group may retain any aboriginal rights that it may have had with respect to the lands it will hold following the settlement so long as such rights are consistent with the final agreement. As well those aboriginal rights that are not related to land and resources, or to other subjects under negotiation, will not be affected by the exchange of rights in the negotiated settlement.

• (1330)

Resource revenue sharing is negotiated so that the group can share federal royalties derived from resource extraction throughout the area covered by the group's settlement agreement.

Enhanced aboriginal involvement in environmental management is also provided for. Such arrangements, however, recognize that government has an overriding obligation to ensure resource conservation, to protect the interests of all users, to respect international agreements and to manage renewable resources within its jurisdiction.

If an aboriginal group's traditional activities have extended to offshore areas, their claim settlement may include offshore wildlife harvesting rights.

The House should be aware that in its efforts to clarify the rights of aboriginal people the federal government does not intend to diminish the rights of others. Public and third party interests will be respected in the negotiation of claim settlements and if affected they will be dealt with equitably.

I hope my colleagues appreciate the long and complex process that has brought us to second reading of Bill C–16. I urge members to support the bill. Its passage will benefit all Canadians as well as help First Nations become strong and prosperous. I hope all bands associated with the Sahtu Tribal Council will have a happy and prosperous future as a result of this legislation.

[*Translation*]

Mr. Claude Bachand (Saint–Jean): Madam Speaker, I listened very carefully to the hon. member's speech, and I wish he would expand on the five stages and the process around what is referred to in English as a comprehensive agreement. The first two stages the hon. member mentioned were initial negotiations, when issues are identified for discussion, and substantive negotiations to identify all aspects of the issues, the entire process being financed by the federal government.

Earlier in my speech, I said that, to justify raising the Indian Affairs budget, perhaps the government would like to give us a preview of its plans for further negotiations. Could the hon. member tell us whether the Liberal government plans to increase the level and number of negotiations of the kind we are discussing today, which would partly justify maintaining and even increasing the Indian Affairs budget?

I would also appreciate it if he would share with us his views on the involvement of the provincial governments in these agreements, although I am aware that today we have the involvement of the government of the Northwest Territories, which is not quite a provincial government. I would appreciate it if he would explain how he sees the involvement of the provincial governments in the negotiations around land claims.

[*English*]

Mr. Adams: Madam Speaker, I thank the member for his interest and his questions. I listened with great interest to his remarks.

I made it clear that the government was very keen to move forward with claims settlements. I am afraid I cannot comment on the details of the budget. Unlike the hon. member this is not one of my specialty areas. However I would be glad to find out the relationship between our plans to speed up negotiations and the budget, if he so wishes.

With regard to the question of involvement of the provinces, in my speech I specifically mentioned that the case of the Northwest Territories was quite special. In that area the federal government still has a great deal of control. Nevertheless, despite that, the federal government involved the NWT government in these negotiations because it was the proper thing to do.

As I also pointed out, if that is proper in the case of the NWT government, where I suppose it could be argued that the federal government need not have involved that level of government, it is even more true in the case of the provinces. The federal government will involve the provinces in equivalent negotiations in the future.

• (1335)

Mr. David Chatters (Athabasca): Madam Speaker, I listened with interest to the presentation and I have a couple of questions for the member.

The member outlined two different types of land claims in Canada and how they are dealt with. He explained that the particular agreement falls under the comprehensive land claim policy which states that under the comprehensive land claim agreement entitlement to lands not dealt with under treaty fall in this category.

In my opinion this particular land area is clearly dealt with under treaty 11. Also in my opinion the Government of Canada has fulfilled its obligation under treaty 11 in every way possible. How is this particular land claim justified under that particular area?

Mr. Adams: Madam Speaker, although I have an opinion on the status of treaty 11 and the outcomes which have not appeared from that treaty, in this case I would like to take the question under advisement.

Mr. Jack Ramsay (Crowfoot): Madam Speaker, I listened with a great deal of interest to the legal base that the hon. member laid out. I thank him for placing that on the record. I am sure it will be the subject of consultation and examination.

Would the member give the House a view on the question of the fee simple aspect of this agreement? Does the member concur that fee simple transfer on such a broad basis as is undergone in this agreement goes beyond any legal precedent we have seen in Canada?

Mr. Adams: Madam Speaker, I have to say I am not familiar with all the legal precedents, but it does seem to me that one of the bases of these claims negotiations is that there are groups of people who have variously occupied very large areas. It seems to

me logical that when the settlement is made there is some agreement or jurisdiction over a very large area which reflects the fact that over long periods of time they have occupied those areas in a particular way. There are much tighter agreements over other areas in which, particularly in recent decades, people have lived in a much more non–migratory way.

Therefore it seems to me the fee simple part of these agreements has to do with that. There are rights to wildlife management over large areas and more controlled rights the closer we get to the areas presently occupied by the native people.

Mr. Ian McClelland (Edmonton Southwest): Madam Speaker, I wonder if the member opposite would care to comment on the whole nature or the whole question of precedent. There are some very good things in this settlement and there are some things we are questioning.

While we recognize that these lands are exclusively under federal jurisdiction, I wonder if there is any notion of precedent. We will have further land claim settlements in provincial territory. There are pending land claim settlements in Albert with Metis, for instance. Would the member speak to the issue of precedence?

Mr. Adams: Madam Speaker, unlike many members of the House I am not a lawyer. In using the word precedence as a more general term, this is a precedent. It is an indication of the fact that the government and the people of Canada want to move on many of these settlements.

With regard to precedence in the more technical sense, it relates to the question I answered of the member from the Bloc previously, that when such negotiations are made in provincial jurisdictions provincial governments will be fully involved. To that extent the precedent of involving the NWT government is a very good and a very healthy one. It is very proper to involve provincial governments in their areas of jurisdiction.

• (1340)

Mr. David Chatters (Athabasca): Madam Speaker, thank you for the opportunity to participate in the debate on Bill C–16.

I have particular interest in the proposed legislation, having lived and worked among the people of this area. Perhaps I have a better understanding of this part of Canada and its people than someone living in suburban Ottawa, Toronto or Edmonton.

As I have repeatedly said, I strongly support the right of Canada's aboriginal peoples to self–determination and self–reliance. Therefore when representatives of the Sahtu Tribal Council first presented the agreement to me I was supportive. There are many elements of this proposal that moved the aboriginal people of the Mackenzie Valley toward the objectives I support. I am referring to the rejection of the objectionable apartheid principles of the reservation system of more southern parts of Canada.

The co–operative approach to resource management and free access to their traditional lands for traditional purposes is positive. The requirement to contribute to the tax system to help support their own government and the preservation of the social safety net system so essential to all Canadians including aboriginals is also a positive step. In my view the taxation provisions of the agreement are very complex and no doubt will be the subject of legal interpretation.

On these points and in the hope the cash payment and the share of the resource revenue would end the devastating cycle of welfare dependency which has robbed these once independent, hardy people of their self–esteem and initiative, unfortunately the closer I examined the agreement the more I came to realize these positive things would never be achieved through the agreement.

More and more I began to question the motivation and objectives of those negotiating on behalf of the people of Canada. When I contacted public affairs of the department of Indian affairs and Northern Development and inquired as to the objectives of this process, I was told it was to right the injustices of the past and to supplement rather than replace the provisions of treaty 11.

Immediately I have to ask what injustices are we trying to right. If one is familiar or cares to study the history of the area north of the 60th parallel, one would discover that there is a substantial difference from the history of more southern neighbours.

To begin with, life for aboriginals in the land north of 60 has traditionally been a subsistence existence, harsh and unforgiving. From the earliest encroachment into this land by European settlement, the federal government has recognized its responsibility to the people living there and made efforts in spite of the vast wilderness and harsh climate to provide, where possible, help through RCMP outposts and local missions.

I will not accept the popular myth spread by certain self–serving interests that the encroachment of European settlers constitutes an injustice against the aboriginal people here or anywhere else in Canada.

At the turn of the century western and northern Canada was a vast, mostly uninhabited land in real danger of being annexed to the United States. The aboriginal people living in this vast territory were eager for the technology which the Europeans brought with them, in spite of the problems that came with them.

It was under these circumstances that the then Government of Canada, through a series of grossly distorted and overly optimistic ads, invited Europeans from all parts of Europe to come to western Canada with the promise of 160 acres or a half square mile of land for the sum of $10 and a freer, richer lifestyle, but

all the time having the real objective of asserting sovereignty over western and northern Canada.

It was under these circumstances that my grandfather along with thousands of others came to Canada, not to perpetrate an injustice upon the aboriginal people but to accept the opportunity being offered.

In spite of the great disappointment upon arriving in a bush covered, swampy, fly and mosquito infested homestead in northern Alberta, my grandfather and grandmother built a home with the trees on the land, cleared the land with only an axe and a team of horses, and built a farm in spite of the injustices of hail, frost, depression, injury, disease and government misrepresentation. That is how to build self–esteem and self–worth.

• (1345)

I cannot and will not be held responsible for the actions of the past political leadership of this country any more than the aboriginal people can be held responsible for their past leadership. Therefore I will not accept the guilt or support compensation for my being here or my helping to develop industries which now support us in the best standard of living in the world. However I would support any agreement or effort to help the aboriginal people of this area to participate and enjoy the benefits of life enjoyed by all other Canadians.

I believe this agreement entrenches in the Constitution commitments on the Government of Canada that may not be in the best interest of all Canadians or responsibilities that Canada can no longer afford.

The richness of this package should shock even the most liberal Canadian. The agreement gives $100,000 in financial entitlement over 15 years plus title in fee simple to eight square miles of land per capita counting children, plus a share of resource revenue amounting to somewhere between $200,000 and $400,000 per year.

In my view the settlement would be acceptable if it would then cause to end the financial responsibility of the federal government to these people. The truth is far different. Clause 3.1.5 clearly states that the participants in the agreement shall have full access to all present and future programs for aboriginal people as well as programs available to all other Canadians.

These programs now include not only a share of the $4.5 billion budget of the department of Indian affairs and Northern Development but also a share of the proliferation of government programs for aboriginals provided by at least 29 specific programs in 15 other departments of government, costing at least another $5 billion. All this is being offered at a time when our country is bankrupt and our most treasured social safety net system is decomposing because of the financial restraints being imposed on it.

On top of the aforementioned benefits the agreement also calls for the establishment of no less than nine separate boards funded by federal money and a written commitment to negotiate a self–government agreement with the institution of this government agreement also presumably funded by Ottawa.

This brings me back to a question that I raised earlier. What could possibly be the motivation or justification of such an agreement? In my opinion there have been no great injustices perpetrated on the people of this area above those imposed on all our lives by the advancement of technology and our consuming lifestyle.

The government is already redistributing tax and resource dollars in a major way to help these people catch up. The Canadian government 73 years ago at the request of these aboriginal people entered into treaty No. 11 and has more than met its obligations. In fact the text of treaty No. 11 states: "The said Indians do hereby cede, release, surrender and yield up to the Government of the Dominion of Canada for His Majesty the King and his successors forever all their rights, titles and privileges whatsoever to the lands included within the following limits and also the said Indian rights, titles and privileges whatsoever to all other lands wherever situated in the Yukon Territory, the Northwest Territory or any other portion of the Dominion of Canada".

Where does this initiative for the land claim settlement come from? In my opinion the initiative comes from the real root of the aboriginal problem in Canada, the insidious parasitic Indian industry. That group of lawyers, consultants, bureaucrats and Indian leaders year after year swallow up the vast majority of money designated to solve the problems of poverty, illiteracy, substance abuse and suffering among our native people.

This agreement does nothing to solve that problem and in fact greatly reinforces it. Instead of continuing to feed this selfish parasitic monster, let us break the cycle by making available to aboriginal Canadians programs available to all Canadians and then providing an affordable amount of the $10 billion plus now spent on aboriginal services and programs to grassroots aboriginal people in the form of a guaranteed annual income.

We will then give the power to tax to the proposed aboriginal governments. These aboriginal governments will then be truly accountable to their people. The people will decide what programs they are willing and able to pay for. They will also decide if their tax dollars should pay for their chief or band administrator to spend in one year $130,000 on travel, as was the case of a band chief in Manitoba, the very birthplace of self–government proposed by the minister of aboriginal affairs. There would still be those selfish, greedy people who would try to exploit these people but at least it would provide a much greater accountability if combined with regular, fair, democratic elections than the system now provides.

• (1350)

In conclusion, I would urge hon. members to re–examine the whole agreement and its implications. I ask members to consider what it means, when in spite of the fact that only 73 years ago the Canadian government entered into treaty No. 11 and the fact that this land claim is in clear violation of the terms of this treaty, we are repeatedly reminded that the rights gained by aboriginals through these treaties is a binding contract on Canada forever.

I also ask members to consider whether we have the right to commit future generations of Canadians to this extremely generous package, considering Canada's financial situation and our doubtful ability to maintain our current social safety net system.

Last, I ask members to question the real motivation behind this agreement and who stands to benefit most. Look at the Indian bands in Canada that have accumulated great wealth through resource revenue and it is obvious that money will not solve the problems we are trying to solve. These problems can only be solved by the people regaining their self–esteem and self–worth. We are providing enough wealth that 982 adult aboriginals need never work or strive to meet goals again in their lifetime. However it will not accomplish this any more than it did for others.

I ask that members not buy into this guilt trip so skilfully put on us and not enter into another binding contract based solely on racial origin that is to last as long as the sun rises and the rivers flow.

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker,

[Editor's Note: Member spoke in Inuktitut]

Listening to the two members from the Reform Party one would think we were invading and taking over the land they have always occupied.

After listening to what they are saying it seems we are going in as aboriginal people and saying that they should excuse us but we are taking over the land. They never quite point out that the people they are talking about, the Sahtu, whose land claims we are discussing today, have been in that neighbourhood for 36,000 years.

One would think after listening to the previous speaker—I will get to the question—that the aboriginal people were just there to invite the Government of Canada to take over our land and say it is all yours. It was not quite like that. There were losses imposed whether it was renewable wildlife loss, or social loss like custom adoption or mission schools that were imposed on the aboriginal people.

We did not ask for any of that. We did not ask for a lot. Somebody told us that we could not hunt geese in the springtime which we have always done. We could not hunt muskox or whales any more because they were almost extinct because some hunters and whalers came along and hunted all the muskoxen, whales, and whatever else.

The member talked about mosquito infested areas and the hardships that his grandparents went through. We think it is a beautiful land. We do not talk about the mosquitoes infesting the land or cold and hardships. It is our land. We like it. It does not matter whether there are 10 million mosquitoes around. It is a beautiful land. We do not describe it as mosquito infested or cold and harsh.

• (1355)

The attitude of people like the member who just spoke and the other Reform member who spoke earlier, I repeat, is unbelievable. We are not asking him to accept the guilt. All we are doing through this legislation is trying to right the wrongs that were done to the aboriginal people of that area, in this case, the Sahtu. Words fail me because it is too unbelievable to even contemplate the attitude of the Reform Party.

I would ask a couple of questions. If we look back far enough, we will find that the lands that were occupied for the last 30,000 years were occupied by the Dene. If the member wants to trace his history in that area, he would go back no more than a couple hundred years, if that far.

Should there not be some justification in settling a claim with the people who have occupied that land and who can trace back their occupation in tens of thousands of years? Second, would he not agree that the right thing to do would be to recognize the aboriginal people's inherent right of self–government and that the aboriginal people deserve to have that recognition?

Mr. Chatters: Mr. Speaker, I am sorry that the member opposite drew such bizarre conclusions from what he heard myself and the other Reform Party member talk about. The fact is the Canadian government resisted entering into a treaty with the aboriginal people of this area for some time, choosing to leave them live a traditional lifestyle and to not disrupt that way of life.

If one examines the history of the area, one also notes that it was the aboriginal people who on a number of occasions requested that the Canadian government enter into treaty with them. In fact, the leadership of the very communities that we speak of in this agreement put their signatures to treaty No. 11.

Therefore we had the situation where the federal government had no responsibility to the aboriginal people. It was the choice of the aboriginal people themselves. They chose to enter that agreement.

The Speaker: It being two o'clock p.m. pursuant to Standing Order 35, the House will now proceed to Statements by Members pursuant to Standing Order 31.

S. O. 31

STATEMENTS BY MEMBERS

[*English*]

TRANSPORTATION

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, we hear today that Canada's recovery and renewal are based on the new electronic highway. That may be so but we cannot forget that Canada was built by our farmers, by our miners, by our fishermen, by our forestry workers and by our manufacturers mainly in the automobile business.

That is where the majority of jobs were, that is where the majority of jobs are today and that is where the majority of the jobs will be in the future.

This government can assist all of those industries by getting their products to the global market by a fast economical and Canadian transportation system.

Is it not time that we develop a transportation policy for Canada that will change these goals and get all Canadians back to work?

* * *

[*Translation*]

ABORIGINAL AFFAIRS

Mr. François Langlois (Bellechasse): Mr. Speaker, recently we heard that Mary Anne Kirkby accepted the position of director of communications with the Assembly of First Nations.

Although Mrs. Kirkby is to be commended for deciding to work in an area that is so rewarding, where she will be most useful in improving relations between aboriginal people and non–natives, I would like to draw the attention of this House to some problems around this appointment.

Mr. Speaker, Mrs. Kirkby's husband is the hon. member of Prince–Albert—Churchill River in this House and chairs the Standing Committee on Aboriginal Affairs, which is responsible for voting on government subsidies to the Assembly of First Nations.

To avoid a potential conflict of interest, I think the hon. member of Prince–Albert—Churchill River should step down as chairman of the Standing Committee on Aboriginal Affairs.

* * *

[*English*]

IRONMAN CANADA TRIATHLON

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Canada's own Ironman Triathlon takes place every August in the city of Penticton, British Columbia. This year's race is scheduled for the weekend of August 27 and 28.

It is the only sanctioned Ironman race on the North American continent. The competitors compete in a gruelling course which includes swimming, biking and a marathon run. The 1994 race will attract over 1,300 athletes from every corner of the world to the Okanagan valley.

The event is staged almost entirely by volunteers. On race day thousands of volunteers busily man race routes, transition zones, first aid stations and perform a myriad of other tasks. They do their jobs so well that virtually all the world's top triathletes come to compete in this world class event.

I call on all members of this House to recognize Penticton's Ironman Canada Triathlon for its contribution to placing Canada on the international sporting stage.

* * *

CANADIAN HERITAGE RIVER SYSTEM

Hon. Charles Caccia (Davenport): In Canada we have beautiful rivers which are the envy of the whole world. Among them are the Nahanni, the Alsek, the Kicking Horse, the Athabasca, the Churchill, the Mattawa, the Grand, the Jacques Cartier, the St. Croix, the Shelburne and the Main.

In January 1984 in order to protect these rivers and to retain their beauty for future generations, the Canadian heritage river system was formed under the auspices of Parks Canada. This is a national system of protected rivers from sea to sea to sea. It consists of 27 rivers totalling almost 6,000 kilometres. This number will hopefully grow in coming years.

The heritage river program deserves support. Canadians can generate it by writing to Parks Canada and to their federal elected representatives suggesting the names of additional rivers that require protection through this imaginative and unique initiative aimed at enriching our heritage.

* * *

NEW LISKEARD COLLEGE OF AGRICULTURAL TECHNOLOGY

Mr. Benoît Serré (Timiskaming—French River): The New Liskeard College of Agricultural Technology located in my riding of Timiskaming—French River is a state of the art agricultural learning institute. Unfortunately the Ontario government is bent on closing the college on May 1, 1994.

Over the past few months I have been working with the Coalition for NLCAT and CIDA to secure a block of students from eastern Europe to come and study at the college.

The idea is simple but the benefits are many: Canada would make better use of our foreign aid. The Canadian economy would benefit through all the spinoffs. It would enable foreign students to return to their homeland with the ability to feed their own people.

I want to thank the Minister of Human Resources Development for approving funding for a study into the feasibility of my idea. I call upon the Minister of Foreign Affairs to push forth this project. We have a chance to show the world what Canadians can do. It would be a shame to let this opportunity pass us by.

* * *

YOUTH EMPLOYMENT

Mr. Harold Culbert (Carleton—Charlotte): Mr. Speaker, during a recent public meeting a presentation was made regarding generation *x*, the lost generation, referring to young people between the ages of 20 and 30.

The message was that these young Canadians had done all they could to educate and promote themselves. After four or five years of university or college, graduation day arrives. The reality of visiting the local employment centre then sets in. They are told to check the job boards, check the computer for jobs and are given the telephone number for job lines.

• (1405)

This government and this House must continue to put the plight of these well–educated youth at the forefront of every decision. Instead of providing tax incentives for buying furniture, equipment and computers, let us look at tax breaks for hiring people.

Let us invest in humans and make these young people productive again. They are our future.

* * *

[*Translation*]

COPYRIGHT

Mr. Maurice Dumas (Argenteuil—Papineau): Mr. Speaker, the Société des auteurs et compositeurs du Québec appeared this morning before the Copyright Board to ask that royalties paid to songwriters whenever their works are performed be raised from 2 per cent to 5 per cent.

After reversing its position on this question, the Society of Composers, Authors and Music Publishers of Canada agreed with the Copyright Board on a very scant increase over five years.

We ask the Copyright Board to respond favourably to the request by the *Société*, and perhaps we may recall that in France and Italy, royalty rates are, respectively, 8.8 per cent and 10 per cent, while today in Canada, the rate is 2 per cent.

Mr. Speaker, it is high time that copyright and neighbouring rights were clearly and fully recognized in this country.

* * *

[*English*]

NAFTA ENVIRONMENTAL SECRETARIAT

Mr. Jim Silye (Calgary Centre): Mr. Speaker, on January 24 in this House the Minister of the Environment said that the site for the NAFTA environmental secretariat would be selected and I quote: "with no politics involved".

On Friday the minister changed her tune and admitted that the site of the environmental secretariat was chosen based on political criteria. Also on Friday ministers of the government defended not only the environment secretariat but also the Shawinigan patronage park, not on the basis of economic feasibility but on the basis of politics and patronage.

Perhaps the government can provide a list of the projects that are motivated by economic benefits and a list of those that are motivated by politics and patronage so that we can see which list is longer.

This is not a good government. This is an expedient government, a gutless government.

* * *

INFRASTRUCTURE PROGRAM

Mr. George Proud (Hillsborough): Mr. Speaker, the national infrastructure program which was promised by the Liberal Party in the election last fall promises to be a catalyst in the fight against unemployment. At the same time it will provide much needed improvements to our basic facilities and will prepare our towns and cities for a more prosperous future.

In many provinces of Canada, mine included, the municipalities, construction companies and the unemployed are eagerly awaiting the approval of projects so that planning and construction can begin. We must always be mindful of the fact that we live in a country which has a relatively short outdoor construction season. We must, to use an old farm term, make hay while the sun shines.

The infrastructure program which is just one component of the program to make Canada work again will surely give our economy a kickstart.

I am sure all hon. members look forward with great anticipation to the day in the not too distant future when the infrastructure projects are under way in every part of this country.

S. O. 31

IRVING WHALE

Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, today the hearings on the *Irving Whale* open in Charlottetown.

These hearings could not have happened without the combined efforts of the population of les Iles-de-la-Madeleine and P.E.I., and the Minister of Transport. In addition, I wish to single out my colleague, the hon. member for Malpeque, who played a pivotal role in bringing about today's hearings.

[*Translation*]

Mr. Speaker, we will finally eliminate the environmental threat represented by the *Irving Whale*. There is no doubt that the Gagnon-Easter committee played a major role in the decision to refloat that wreck. I want to tell this House that before taking action we consulted the public and listened carefully to the representations made, as is the custom with our government.

In conclusion, I thank the residents of the Magdalen Islands, as well as Prince Edward Island, for supporting the Gagnon-Easter committee in its efforts to solve the *Irving Whale* issue. This should be a lesson for the opposition.

* * *

[*English*]

AGRICULTURE

Mr. Glen McKinnon (Brandon—Souris): Mr. Speaker, I rise today to applaud the minister of agriculture for his commitment and resolve to protect the Canada agri-food industry in light of the recent request by the U.S. to renegotiate agricultural products under article XXVIII of the GATT.

• (1410)

The minister has assured the country the government will continue to negotiate in good faith but will not support a deal unless it is good for Canada. This means it must be a good deal for grains, food processing and the supply managed sectors.

I am confident although Canada regrets the U.S. intends to attempt to increase its tariffs on barley and wheat, that cooler heads will prevail and a good result for both countries will be reached.

* * *

[*Translation*]

SOUTH AFRICA

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, for the first time ever, South Africa will have a non racial election this week, four years after opposition political parties became legal. However, the democratic forces in South Africa are still the target of violent attacks. Bloc Quebecois members deplore the politically related attacks of the last few weeks, including those which took place this morning and the one which occurred yesterday, close to the ANC offices, in Johannesburg.

Members of this House, as well as several other observers from Quebec and Canada, are presently in that country to bring their support and ensure a smooth election process. For the millions of Black voters in South Africa, this is a first opportunity to participate in a democratic election.

I am sure that all members of this House will reiterate their strong support for a free and democratic election in South Africa.

* * *

[*English*]

YOUTH

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, Canadian youth today are faced with the prospect of an unhappy future. They recognize they are going to have to pay off the massive debt that weak governments have left them. Youth unemployment rates are higher than ever. Youth crime statistics are soaring.

Constituents tell me that on an average Friday or Saturday night numbers of young people can be found in the parking lots of my riding of Calgary Southeast partying and sometimes vandalising. There is little fear of being caught. Many know if they are caught the punishment will be easy to handle.

Members from all areas of society, including youth groups, have been calling for the government to make changes to the Young Offenders Act. Does this government have the strength to show Canadian youth it cares about them, that it is willing to make the tough decisions to guarantee their future?

The two big signals this government can send to Canadian youth to show it cares about them are to balance the budget and reform the Young Offenders Act.

* * *

TAXATION

Mr. Paul Szabo (Mississauga South): Mr. Speaker, fairness and equity within our tax system are not optional but necessary characteristics which we must strive to achieve. Accordingly, when inequities are identified Canadians should expect prompt attention from their elected representatives.

One such inequity has to do with child care expenses. Under the present income tax law one spouse cannot pay another spouse to provide direct parental care and receive a deduction for the expense. However, in the case of same sex couples who have custody of a child, one can pay the other for child care expenses and deduct the cost on their income tax return. This

effectively provides for income splitting not available to married couples.

In the full spirit of fairness and equity, we should extend the same tax benefit to mothers and fathers as is given to same sex couples. This serious inequity demands prompt attention.

* * *

LOBSTER FISHERY

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, the ice is gone from the Northumberland Strait. The lobster traps are neatly lined on every small wharf from Barachois to North Port and the fishermen are ready to begin the lobster season in Nova Scotia.

The fishermen look forward to a good season and have voluntarily agreed to increase the size of the lobster carapace to two and three–quarter inches, that is, a larger lobster. They will toss back the smaller lobster to grow to a more desirable size. What this means is better conservation of the lobster fishery and a long term sustainable lobster fishery.

For many years researchers and the Department of Fisheries and Oceans have recommended the increased carapace size. Now that our fishermen have voluntarily agreed to comply I implore the Minister of Fisheries and Oceans to legislate the increased size in lobster carapace to ensure conservation in the lobster fishery.

* * *

IMMIGRATION

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville): Mr. Speaker, Canada has an immigration system that is well respected throughout the world. However, mistakes are made by some officials on the application of the law and the result can be devastating.

One example is the application of 89 year old Mrs. Arora, who has been denied a visitors visa to visit Canada. She is the mother of one of my constituents, Paul Arora, whom she wants to visit. She was a landed immigrant in Canada, returned to her home country and now wants to visit her son for a few months.

• (1415)

Another example is Miss Matharu's application on behalf of her relatives who want to come to Canada to attend her wedding on May 7. They were refused because of their close ties to the family here.

To classify these examples as deceitful is an unfair assessment and application of the immigration law.

I request assurances from the government that the visa application process for honest applicants be given fair and just treatment.

* * *

GUN CONTROL

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, in June 1975 the following remarks appeared in an MP's report to constituents.

"Very strict regulations governing the sale and possession of handguns and automatic weapons and the prohibition of sawed off guns have not deterred the criminal element from obtaining them for use in the commission of crimes. The standard rifle or shotgun is sometimes used in murder, but a registration card would not save the victim. It would be a mistake to initiate legislation in this area which would impose unnecessary red tape upon law–abiding citizens. All governments are faced with the primary challenge of dealing with the root causes of violence, the disease rather than its symptoms".

These words were written by the Hon. Otto Lang, a prominent Liberal who actually believed in classic liberalism.

ORAL QUESTION PERIOD

[*Translation*]

SOCIAL PROGRAM REFORM

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister.

After referring to the unemployed as beer drinkers, the leader of the government also announced in Toronto that he would proceed with his reform of social programs, in spite of opposition and reticence from the provinces, which he qualified as turf wars, although, except in the case of unemployment insurance, these programs are a provincial responsibility.

In spite of his reputation as a constitutional bulldozer, will the Prime Minister acknowledge that by forcing his reform of social programs on the provinces he is acting irresponsibly, since this strategy will merely lead to sterile confrontations and unnecessary duplication?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I said that, like all governments, this government has a mandate to work on creating jobs, not to indulge in squabbles, constitutional or otherwise, that would adversely affect the economic climate in this country. In fact, in recent months we proved that we were able to conclude agreements with provincial governments. We signed an infrastructure agreement with the Government of Quebec, which is working very well, and also with the

other provincial governments; we managed to deal with the Sainte–Marguerite River project; and we have concluded similar arrangements.

Obviously, we cannot deal with all the problems, especially the more difficult ones, and especially when the Opposition is looking for a bone to pick and keeps trying to talk about the Constitution and jurisdictional matters instead of focussing on job creation. We were elected to create jobs, and that is why we are going to introduce reforms in our own jurisdiction that will create more jobs. We hope the provinces will be willing to do likewise, so that both levels of government will benefit and, above all, so that workers will get what they want: jobs that will provide them with an honest living.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I want to ask the Prime Minister whether he would agree that his government has already started "bulldozing" the provinces in the area of social programs, first through the training component of the federal adjustment plan for fishermen, and second, through its youth strategy, in both cases increasing the overlap he denies exists.

Right Hon. Jean Chrétien (Prime Minister): Regarding our strategy for the fishermen, the Government of Newfoundland, where 85 per cent of the target population comes from, has praised the reform which was developed in consultation with it and other governments.

As for youth job creation, that is a priority for this government. The federal government has always had such programs. It had them under the Conservative government when the Leader of the Opposition was a member and a minister on the government side. My point is that, today, the hon. member is hardly in a position to blame us for doing what he did himself, and we make no apologies for doing everything we can to create jobs, especially for young people.

● (1420)

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, is the Prime Minister following the callous approach he took in Quebec prior to the forced patriation of 1981, when he refuses to have an open and public discussion of these reforms of social programs with his provincial counterparts, as requested by Mr. Bob Rae of Ontario?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the Minister of Human Resources Development has had several meetings with his colleagues and was supposed to have another one last Monday. The provincial governments said they were not ready, and the minister postponed the meeting. That is exactly how we want to proceed. At the request of several provinces, the minister cancelled the meeting he was prepared to call at that time. We can hardly do more than talk to the provinces and, if they want us to postpone the talks, we say yes. Eventually, governments will have to agree, because the unemployed cannot wait while we squabble over constitutional matters. They want jobs, and we will do everything to satisfy them in that respect.

* * *

GOVERNMENT EXPENDITURES

Mr. Michel Gauthier (Roberval): Mr. Speaker, on April 13 last, in response to a question from my colleague from Saint–Hyacinthe—Bagot, the Prime Minister stated, and I quote: "— I am sure that all committee chairs will be very pleased to consider all recommendations for spending cuts and that will make the hon. members very happy. I asked our party to do so, because we want our members to be involved. There is no problem, then".

Well, Mr. Speaker, there is a problem. What explanation can the Prime Minister give for the fact that Liberal members have so far disregarded his undertaking and have systematically refused to carry out a comprehensive review of government expenditures, as the Prime Minister had promised?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the committees have work to do and they do the best they can. They have received a mandate from this House and, if the Opposition members want to submit a list of the programs they would like this government to cut, they can do so here, in this House. We will gladly accept it. However, with the Opposition, it is always the same old story when we ask them to identify the programs they would like us to cut. When we proceed to make cuts, they say we are targeting the wrong program. But they never let us know where they want the cuts to be made. When they themselves know, perhaps then they will tell us. Why all the fuss? Send me a letter! Deliver it to me here, in the House. What could be simpler!

Mr. Michel Gauthier (Roberval): Mr. Speaker, I would be happy to write a letter to the Prime Minister. I will send him as many letters as he wants, if that is what it takes. However, I was under the impression that he had made a commitment in this House that the committees would, on his orders, proceed to review government spending as requested. Is the Prime Minister leading his members? Does he have any leadership? Can he give us some assurance that his own members will do what he said? After all, he was the one who gave us his word.

[*English*]

Right Hon. Jean Chrétien (Prime Minister): It is very difficult, Mr. Speaker, to satisfy the opposition. When I decide to do something it blames me because I am moving too fast.

In this case I respect the good judgment of members of Parliament who have been elected and who work hard in their committee duties. They know that we cannot look at everything at the same time. But when we look at something the opposition wants to look at something else.

I will let my members decide. I know they have good judgment and I know that they are not afraid to look at all the expenditures of the government. They are like me, if they can give some good direction to the government about cuts they will be happy with that. At the same time they know they have to respect the rules of the committee. If the members opposite are never satisfied it will be very difficult to satisfy them. They have to be there and give the list that they have prepared, apparently, but which they never made public.

* * *

• (1425)

PEARSON INTERNATIONAL AIRPORT

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, my question is for the Minister of Transport.

This government was elected on a promise of jobs and infrastructure. Pearson airport is arguably the single most important piece of infrastructure in Canada and a huge creator of jobs.

All five regional chairpersons in the metro area agree that future growth and jobs are at risk. The review on Pearson by Mr. Robert Nixon recommended the same thing, that immediate construction begin.

Can the minister explain why he continues to ignore local leaders and the Nixon report by delaying action on this important project?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, I want to assure my hon. friend that I am not disregarding the advice from important political leaders in the greater metropolitan Toronto area.

I have met with the chairman of metro Toronto, Alan Tonks, with the mayor of Toronto and with the minister of transport for Ontario. We are carefully considering the future of Pearson airport because, as my hon. friend says, it is an important economic development tool for all of Canada, not just southeastern Ontario.

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, surely the minister must realize that Pearson expansion is not a local issue. In an earlier question he indicated it was being held up by some Toronto MPs.

It is an issue of national importance. National development and jobs across Canada are at stake. Perhaps the real question here is why has the minister abrogated his national responsibilities regarding Pearson? Why has he passed the matter off to a select group of Toronto members who will clearly have local rather than national interests at heart?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, with all due respect I do not consider it the role of the minister to abrogate the responsibilities of members of Parliament from any region of the country to determine how they wish to analyse a matter of great interest to them.

I do want to assure my hon. friend that we are looking at the situation at Pearson very closely. We are working very hard at trying to resolve it, but we are respecting our national obligations in making sure that the solution proposed for Pearson International Airport is consistent with what we will be setting in place to operate other airports across the country in the national airport system.

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, this project benefits all of Canada for economic and safety reasons. Pearson has been studied to death. When will this government take action on Pearson's job creating potential? Thousands are waiting.

Hon. Douglas Young (Minister of Transport): Mr. Speaker, there is no question, as the hon. member puts it. Pearson International Airport is a very important airport for Toronto, for Ontario and for all of Canada.

As I have indicated many times both in this place and outside the House, we will be moving expeditiously to do the right thing at Pearson in consultation with a wide spectrum of interested parties. We will make that decision known very soon.

* * *

[*Translation*]

HIBERNIA PROJECT

Mr. Louis Plamondon (Richelieu): Mr. Speaker, we learned last week that the Hibernia project will run $1 billion over budget. This megaproject, the profitability of which is unsure, has become a real money pit into which Ottawa blindly continues to pump Canadian taxpayers' money by the millions.

My question is for the Minister of Natural Resources. How can the government continue to pump more and more public money into this project without knowing how large the cost overrun will be and how far this huge farce will go?

[*English*]

Hon. Anne McLellan (Minister of Natural Resources): Mr. Speaker, let me thank my hon. friend for his question.

Let me say as was stated last week in the House that estimates of cost overruns are at a preliminary stage at this point. The owners, including the government, have requested a report which will outline the exact nature of expected cost overruns.

At that point the owners will be doing everything in their power to ensure that whatever cost effective measures can be taken will be taken.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, that was not an answer. It was a skating exercise, and I must say the minister skates very poorly. Unlike Patrick Roy, she must be suffering from a very acute case of appendicitis.

How can her government justify wasting the hundreds of millions of dollars she just referred to—but she does not know exactly how much yet—when this government is about to make cuts across the board in our social programs?

• (1430)

[*English*]

Hon. Anne McLellan (Minister of Natural Resources): Let me say, Mr. Speaker, that with a project of this size cost overruns are to be expected.

We are doing that which any responsible owner would do in conjunction with other owners to get a handle on the exact amount of cost overruns. Once we know that we will take whatever steps we can to ensure cost efficiency.

Let me assure the House that the responsibility of the Government of Canada as equity owner—we own 8.5 per cent of the project—for cost overruns will be limited to that 8.5 per cent.

* * *

TRADE

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, my question is for the Prime Minister. It concerns remarks made in the House by the Minister of the Environment on January 24.

At that time she said with regard to the selection of a site for the environmental secretariat of NAFTA:

> The selection will be made based on the environmental performance of those cities.

She also said:

> The selection would be made with no politics involved.

On Friday the same minister told the House that the reality was that politics was about making difficult decisions in the best interest of the country.

Since the independent consultant's report was submitted on one day and the decision to award the secretariat to Montreal was made the very next day, what actual criteria came into play? Was it environmental? Was it political? Or, was it federal pork barrelling?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, if I recall, the report was not translated until the Monday but a copy in English had been available before. There was a minimum of five cities that qualified. Every one of the cities had some advantages or disadvantages and the minister recommended the city of Montreal.

We cannot go everywhere. I do not know why people make such a fuss about it. One factor that was not in the criteria but always impressed me a lot was that of the five cities Montreal was the one with the highest unemployment level. That was not one of the criteria. There were five cities that were basically equal. Eventually we had to decide. The minister made that recommendation and we accepted it.

We could have decided in November to name one city. We gave the opportunity to a lot of cities to make application but we could select only one. Montreal was selected based on the criteria of cities that were equal. For me, anyway, the fact that Montreal had the highest level of unemployment was an important factor.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, the reason many people are making such a fuss over this is that many Canadians feel they were led down the garden path in the selection criteria for this environmental secretariat. Had the decision been made to award it either to Montreal or Toronto and that had been done up front, it would not have been a problem.

In any event, the Deputy Prime Minister also told the House on January 24: "Montrealers like all Canadians want a process free of politics which is precisely what the federal government is providing".

This is why my question is so important. When will the government stop insulting Quebecers by offering such transparent bribes when what Montrealers, like all Canadians, really want and expect from the government is a government free of political expediency and a government that would put principle ahead of politics?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, that is an accusation that has no grounds. If we had selected Edmonton it probably would have been unfair to Vancouver, Toronto, Winnipeg and Montreal. However there was a problem with Edmonton in that air connections were not the best. It was negative. We had to decide the month before; we had to select. We had to decide if we were to cut Edmonton or Calgary.

It was decided that it was unfortunately better, probably because you never said thank you, not to cut in Edmonton and cut more in Calgary. It was not pleasant. Why did you not complain at that time and say that we should have cut in Edmonton—

• (1435)

The Speaker: Order, please. I would remind all hon. members to address the Chair.

* * *

[*Translation*]

IMMIGRATION

Mrs. Christiane Gagnon (Quebec): Mr. Speaker, my question is for the Minister of Citizenship and Immigration. Last Friday, the CBC reported rather disturbing conduct on the part of immigration officers. For example, some of them were said to have administered a sedative to a pregnant woman before deporting her to Zaire. Also, a two–year old child with pneumonia was apparently deported to Ghana. Such practices are unacceptable and unfitting of a civilized nation such as ours.

Is the minister of immigration aware of these allegations and does he condone practices which, insofar as the Zairian woman was treated, are inhuman as well as medically unethical?

[*English*]

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, I thank the hon. member for raising a very sensitive question. This gives me an opportunity to address it based on the facts.

First, it is general policy of this government, as it was in previous governments, that people on medication who are asked to be removed should continue to receive the prescription through a regular practitioner.

Second, under no circumstances is it policy for the purpose of removal to simply sedate individuals.

Third, last year there were approximately 9,000 removals. My department informed me this morning there were under 12 individuals who required medical attention.

In the case of the woman from Zaire I caution the member because no immigration officials are permitted to administer any kind of medicine whatsoever. In this case the woman had a medical condition which I am not permitted to get into because of privacy laws. There was medical attention recommended and administered by a practising physician under provincial jurisdiction.

[*Translation*]

Mrs. Christiane Gagnon (Quebec): Mr. Speaker, can the minister tell us if he has intervened to rectify this unacceptable situation and condemn the behaviour of immigration officers who inflict physical abuse to foreign nationals being deported or expelled?

[*English*]

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, I said very clearly and as completely as I could under the guise of question period that no immigration official is permitted to administer any medicine, injection or sedation at all.

The 12 cases last year out of 9,000 were done on the orders of doctors usually practising in the provincial field for the benefit of the individual who was being asked to be removed because of his or her condition.

I will certainly make every effort to ensure that the policy be observed and respected from one coast of this country to the other.

THEME PARK

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, my question is for the Prime Minister.

The government is planning to spend 4.5 million taxpayer dollars on a patronage theme park in the Prime Minister's home riding in spite of a report commissioned by the government warning that the project was doomed to fail.

According to the Deputy Prime Minister the government reduced its contribution to the park by more than half because of the concerns raised in the Legault report.

If the government was concerned enough to cut funding to this patronage park in half because it will fail, why did the government not do the logical thing and cut the funding altogether?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, it is a project that has been in the mill for many years. A lot of people have worked on it. The request at the beginning was bigger and it was reduced.

When the private sector put up $12 million and the provincial government $4 million, the federal government put up $4 million. Even if it had been an infrastructure program, according to the criteria it would have been one–third. This is only 20 per cent.

It was approved by the provincial government and it was in the mill. When I was in the opposition I asked some questions about it. Eventually when I became the Prime Minister the contribution was cut in half. I will not talk too much because the people in Shawinigan wil be mad at me.

• (1440)

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, it seems the Prime Minister is telling taxpayers that instead of wasting all their money he will only waste half their money.

According to the February 15 edition of the *Globe and Mail* during the election campaign the Prime Minister promised to fork out the pork in his riding. He said:

> I have the impression that when files from Saint–Maurice cross the desk of a minister—I needn't say more.

Will the Prime Minister rise above patronage politics and tell his ministers not to give preferential treatment to his own riding?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I just said that I do not have to talk to anybody. They will look at all the projects.

When the minister responsible cut my program by half I did not even protest. Maybe I should have. When the private sector provides $12 million to a project, is it willing to lose $12 million? I do not think so.

I think they have looked into it. The site was the first hydroelectric project in North America. It was the first aluminium project in America. Rather than celebrating in our country only wars of the past, it is good to celebrate some of the firsts in North America. If it happens to be in Shawinigan I think I have no choice but to support it.

* * *

[*Translation*]

INTERNATIONAL TRADE

Mr. Laurent Lavigne (Beauharnois—Salaberry): Mr. Speaker, my question is for the Prime Minister. I would especially want to draw his attention to the anxiety now felt by Canadian farmers.

We know that last week, the U.S. government warned GATT of its intention to restrict Canadian durum wheat and barley imports starting July 1. If no agreement is reached, the conflict could well extend to other agricultural products such as milk and poultry.

Given the importance of these products for the Canadian market and a statement made by the Minister for International Trade on the possibility of Canadian retaliation, can the Prime Minister tell us how Canada intends to protect the interests of Canadian producers and consumers?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, when the GATT agreement was signed, we said that the move towards tariffs was inevitable, but that very high tariffs would be protected by GATT, and our position has not changed.

We do not want it to be attacked, and our legal advisers tell us that there is no danger. The GATT rules will apply in the coming years, even if the Americans do not like it.

Mr. Laurent Lavigne (Beauharnois—Salaberry): I would like to ask a supplementary question. The Minister of Foreign Affairs said in February that he hoped Canada's conciliatory attitude would help resolve the trade problems with the United States.

Does the Prime Minister not agree that this new attack confirms the failure of negotiating strategies between Canada and the U.S.?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, since 80 per cent of our trade is with the U.S., it is not surprising that we encounter a few problems from time to time.

As for milk and the products controlled by marketing boards, we think our position is well protected by GATT.

Regarding the situation of Western farmers, our fight is not over yet—

[*English*]

They have 90 days. I talked to the President of the United States on Friday before he made his announcement to tell him that we were not happy with that and that the problem had to be revisited. He told me that over the period of 90 days there would be some time to discuss with the administration. I hope we will come to a reasonable level of export to the United States.

We are doing our best, but the problems in relation to the size of our trade with the United States are not very numerous at this time.

* * *

• (1445)

CANADA CUSTOMS

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle): Mr. Speaker, an Ottawa *Sun* article of April 21 states that although 350 new full–time customs staff members were promised for the government's anti–smuggling initiative, only one person has been hired.

Can the Parliamentary Secretary for the Minister of National Revenue inform the House if this is in fact the situation?

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I am very pleased to inform the hon. member that the statement quoted in the *Sun* has no basis in fact.

Everything that was promised in the anti–smuggling initiative is now fully operational. Numerous part–time officers have become full–time officers. Furthermore we have hired 30 new full–time officers as of April 13. Our 25 per cent increase in enforcement is a fact.

* * *

IMMIGRATION

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

I brought to the attention of the House the fact that Canada does not require HIV testing of its applicants for immigration. The minister accused me of having faulty research but then amazingly proceeded to admit that Canada does not screen its immigrants for HIV.

This is double–talk. There is some question of exactly how many immigrants have come to Canada who are infected with HIV. Why test for communicable, infectious diseases like syphilis, hepatitis B, tuberculosis but not for HIV?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, when he asked me that question he said he was amazed to have discovered at committee the day before that we did not automatically test.

When I said he had faulty research it was in the sense that he had not known that to be the case as opposed to being amazed and surprised.

Some hon. members: Oh, oh.

Mr. Marchi: You can hem and haw all you want. You can look at truth right in the face.

Then I went on to say that as part of the review in immigration there is a review of the class of medical inadmissibility. I mentioned that it is appropriate for the department and for the country to consider that things do evolve. As the member mentioned there are a number of diseases that we automatically check.

I also mentioned that where our doctors, our practitioners, see evidence of HIV positive they are permitted clearly on their judgment to test and subsequently refuse people admittance.

The question that I raise which will be part of the review is ought this test to be an automatic part of the medical check, yes or no. We are happy to look into that question and no one is hiding anything.

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, my supplementary question is for the minister.

As he pointed out a week ago last Friday the minister stated that mandatory testing does not take place but if individuals exhibit traces of HIV they are asked to be tested and if HIV is found then most of these individuals are not permitted into the country.

How can the minister possibly know that most HIV positive immigrants do not get into Canada when his department does not even do the test? Just what is the situation here? How many immigrants are refused?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, what I mentioned was that if our doctors currently detect symptoms of HIV, they order a test. The test is based on two questions, one in terms of public health, safety to the country and, second, the whole question of the tax that the disease would put on the medical infrastructure. The judgment of the doctor is then rendered.

I said then and I repeat today that based on the tests done, our doctors currently reject most of those individuals from coming into the country, not based on general public safety but on the whole question of how taxing the disease would be on the medical infrastructure.

I have also said that we are reviewing this situation so as to update ourselves with respect to HIV and AIDS. These diseases are a growing concern that has consumed the attention of many individuals. Third, in terms of tracking the number of cases across the country I do not think my department or any department keeps those kinds of numbers.

• (1450)

[*Translation*]

ELECTRONIC HIGHWAY

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, my question is for the Minister of Industry. The federal government is getting ready to set up an agency called Access Canada to define a national strategy for the electronic highway. The federal government will control 50 per cent of this agency and the other half will be held by the private sector.

Given the major impact that the electronic highway will have on the whole cultural community, how can the minister justify the lack of representatives from this community on the committee that will define the government's strategy for the electronic highway? Has the government not learned a lesson from the Ginn Publishing affair?

Hon. John Manley (Minister of Industry): Mr. Speaker, I am very glad that we finally have a question on the electronic highway. On the advisory committee set up a week ago are people who will inform us about all aspects of the electronic highway.

[*English*]

We have representatives from all regions of the country. We have representatives from all of the different types of users as well as those who will be designing and providing material for the eventual construction of the information highway.

I am looking forward to the work that this committee will do and the assistance it will provide the government in building the regulatory and policy framework in which the electronic highway will operate.

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, this did not confirm the exclusion of the cultural community from the strategy.

How can the government think of defining a national strategy for the electronic highway without directly involving the provinces in Access Canada?

Hon. John Manley (Minister of Industry): As I just said, Mr. Speaker, we have representatives from all regions and also from all provinces of Canada. This committee has members who deal with cultural issues every day.

[*English*]

HEALTH CARE

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, there are precious few moments in this House when the government's answers to questions are complete, specific and focused.

Having said that, my question is for the Minister of Health. Breast cancer has reached epidemic proportions in our country. Currently there are two cases of fraudulent breast cancer research. There are ongoing allegations of improprieties in the medical auditing process and the American medical community has withheld information for three years that was important to Canadian research.

Will the Minister of Health tell the House how the Department of Health will guarantee the integrity of breast cancer research in Canada.

Hon. Diane Marleau (Minister of Health): Mr. Speaker, first of all, breast cancer has reached epidemic proportions and it has been that way for many years. It is not recent. It concerns me very much that more has not been done for women with breast cancer in terms of research and the outcome of treatment.

In the cases the hon. member is referring to, American dollars went to fund those studies in Canada. The Canadian government did not fund those particular research studies.

• (1455)

As a result of what happened with these cases, I met with the Medical Research Council to assure myself and to speak with them to make sure that we always address these cases as completely and as effectively as possible.

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I do appreciate the minister's response but it was not specific to my question. I have a supplementary question.

I would like to know what progress has been made in the investigation that the minister committed to on March 17 regarding those fraudulent cases of breast cancer treatments in Montreal. Could she be specific to that question.

Hon. Diane Marleau (Minister of Health): Mr. Speaker, specific to that question I answered that this was an American study.

Let me reassure hon. members and all Canadians that even though these studies were not the way they should have been, many other studies have validated the findings. They have been tested and their validity has been looked at, as have all the other problems that have been encountered with the one case in Montreal.

ROYAL CANADIAN MOUNTED POLICE

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Solicitor General.

Two weeks ago it came to light that the RCMP were not only spying on black civil rights leaders in Nova Scotia in the 1960s and 1970s, including one Wayne Adams who today is a minister of the provincial crown, but that internal reports of the RCMP were laced with racially insensitive and overtly racist comments about blacks.

Last Thursday before a House of Commons standing committee, RCMP commissioner Norm Inkster was given an opportunity to apologize for these statements but refused. Given the seriousness of these incidents, what actions is he contemplating to address these very disturbing incidents?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I certainly understand the hon. member's concern about this troubling matter.

I looked at the committee transcript. I note that at the committee, Commissioner Inkster did say that "we all regret what occurred". He also said he would take the matter "under consideration".

In view of the concerns expressed today in the question by the hon. member and which were also expressed to me by the Parliamentary Secretary to the Minister of Justice, I will be speaking further to the commissioner about it.

* * *

[*Translation*]

TOBACCO PRODUCTS

Mrs. Pauline Picard (Drummond): Mr. Speaker, my question is for the Minister of Health. On April 21, the Minister of Health confirmed in this House that the anti–smoking media campaign to inform and educate the public, particularly young people, about the risks linked to tobacco use, was a flop. The minister also said, and I quote: "I must say that I have indeed inherited the ad campaign —launched by the previous government".

How can the minister put the blame on the previous government, since she is the one who, last February 8, decided to waste an extra $3 million on a campaign which never gave any result?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, first I want to say that the ad campaign was effective when it was first implemented. But it is now time to change that campaign. We know how we must spend our money. We are working with the provinces and the anti–smoking groups to ensure that the next campaign will focus on the current problems and on young people, because they are the ones we want to convince to stop smoking or to avoid developing that habit.

Mrs. Pauline Picard (Drummond): Mr. Speaker, I ask the Minister of Health: Why change the campaign if it is effective? What guarantee does the minister have that she will not once again waste millions of dollars in a California–type of campaign? What guarantee can she give us?

[*English*]

Hon. Diane Marleau (Minister of Health): Mr. Speaker, any campaign that will convince anyone to give up smoking or not to start in the first place is a terrific campaign.

• (1500)

The hon. member mentions the California campaign. That campaign has been particularly effective in discouraging people from smoking. I want to assure the hon. member that any campaign we embark upon will be extremely well focused, well targeted to ensure that we get every bang that we can for our buck.

* * *

DRINKING WATER

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, my question is inspired by my constituents and is for the Minister of Health.

Many Canadians are purchasing bottled water or using purification systems on their chlorine treated drinking water supply and there are continued health warnings against the use of chlorine or chloramine.

Is the minister aware of the reported health risks involved with the continued use of chlorine and chloramine?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, yes, I am aware.

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, I would like to thank the Minister of Health but in view of the seriousness of this potential threat I would like it to be taken seriously. It is a serious threat to the health of Canadians resulting in increased cost to our health care system.

Will the minister launch a public investigation into the continued use of chlorine and chloramine in our drinking water in Canada?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I am concerned with this issue. I have been on top of this issue now for a number of months. I have asked officials in my department to bring forward recommendations so that we can do something as quickly as possible.

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the Government's response to petitions.

* * *

[*English*]

MIGRATORY BIRDS CONVENTION ACT, 1994

Hon. Diane Marleau (for the Minister of the Environment) moved for leave to introduce Bill C–23, an act to implement a convention for the protection of migratory birds in Canada and the United States.

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

* * *

• (1505)

[*Translation*]

CANADA WILDLIFE ACT

Hon. Diane Marleau (for the Minister of the Environment) moved for leave to introduce Bill C–24, An Act to amend the Canada Wildlife Act and to make a consequential amendment to another Act.

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

* * *

[*English*]

PETITIONS

LIBRARY BOOK POSTAL SUBSIDY

Mr. Bernie Collins (Souris—Moose Mountain): Mr. Speaker, pursuant to Standing Order 36, I am presenting a petition signed by 1,486 people in the constituency of Souris—Moose Mountain.

We, the undersigned residents of the province of Saskatchewan and the users of Saskatchewan's public libraries, draw to the attention of the House the following: That the library book postal subsidy is necessary for the continued operation of inter–lending services among libraries and plays a vital role in the distribution of cultural materials; that the cancellation of the subsidy or changes in the amount of the subsidy would result in severely hampering the public's access to information housed in

the libraries outside of residents' immediate area; and that maintaining the subsidy is a more efficient use of public funds than any other alternative.

Therefore, your petitioners call upon Parliament to continue the library book postal subsidy and to ensure that there will be no further erosion of the resulting library book postal rate.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, I would ask that all questions be allowed to stand.

The Acting Speaker (Mr. Kilger): Shall all questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SAHTU DENE AND METIS LAND CLAIM SETTLEMENT ACT

The House resumed consideration of the motion that Bill C–16, an act to approve, give effect to and declare valid an agreement between Her Majesty the Queen in right of Canada and the Dene of Colville Lake, Déline, Fort Good Hope and Fort Norman and the Metis of Fort Good Hope, Fort Norman and Norman Wells, as represented by the Sahtu Tribal Council, and to make related amendments to another act, be read the second time and referred to a committee.

The Acting Speaker (Mr. Kilger): As I understand it there are still a few minutes left for questions and answers for the hon. member for Athabasca. The hon. member for Dauphin—Swan River.

Mrs. Marlene Cowling (Dauphin—Swan River): Mr. Speaker, I rise to address the House on Bill C–16, the Sahtu Dene and Metis Land Claim Settlement Act.

The government is committed to the conclusion of equitable land claim settlements with the aboriginal peoples. Since taking office we have made great strides in streamlining the process of settling claims. The negotiation of comprehensive land claims is a result of a policy introduced by the Liberal government in 1973 as a response to views expressed by representatives of the aboriginal peoples and in recognition of the Calder decision handed down by the Supreme Court of Canada.

• (1510)

The intent of this government is to achieve through negotiations appropriate and formal changes to the structure of the relationships between First Nations and the federal and provincial governments. The objective of a comprehensive claims settlement is to exchange undefined aboriginal rights for defined rights with constitutional protection. The resulting certainty benefits all.

A number of achievements, especially recent accomplishments, demonstrate the success of the comprehensive claims negotiation process. To date 10 comprehensive land claims have been settled and 11 claims are being negotiated. As well, the British Columbia Treaty Commission has received statements of intent to negotiate from 44 First Nations and aboriginal organizations.

The James Bay and northern Quebec agreement and the northeastern Quebec agreement represent Canada's first modern treaties. They were signed in 1975 and 1978 respectively. The two agreements are very similar. The Inuvialuit agreement, signed in 1984, sets out the rights and benefits of the 2,500 Inuvialuit of the western Arctic. The next agreements concluded with the Gwich'in in 1992 and the Tungavik Federation of Nunavut in 1993 contained many provisions similar to the Inuvialuit final agreement. They also include additional items such as resource revenue sharing.

In April 1990 negotiators for the Dene and Metis, Canada and the Northwest Territories initialled a final agreement for that group's overall claim. However, in July 1990 a motion of the joint Dene and Metis assembly called for the renegotiation of fundamental elements of the initial agreement, effectively rejecting the agreement as negotiated.

The legislation before the House is the result of intensive negotiations over several years which led to regional claims agreements with the Dene Metis. They are based on the April 1990 agreement. The Gwich'in of the Mackenzie Delta region were the first Dene and Metis group to negotiate a regional comprehensive claim. The Sahtu Dene and the Metis agreement is the next regional claim settlement to be concluded. The restoration of a land and resource base to sustain this aboriginal society is key to the cultural and economic viability of the communities concerned.

This government remains committed to the negotiation of comprehensive land claims settlements. As a step to fulfil our commitment to other aboriginal people without standing claims, we announced on December 20, 1993 that the Government of Canada would return immediately to the claims negotiations table with the Labrador Inuit Association without any preconditions.

As a parallel commitment to support regional self–government agreements, our government mandated the conduct of Labrador Inuit self–government negotiations concurrently with the comprehensive land claim negotiations. We are looking forward to receiving a proposal from the Labrador Inuit over the

next few weeks and we expect that tripartite discussions on that proposal, which will include the government of Newfoundland and Labrador, will begin very soon. I am optimistic that we will reach an agreement with the Labrador Inuit within a reasonable time.

Similar progress is being made with other aboriginal claimant groups. As members are aware, offshore water is the primary source of Inuit subsistence activities. This is no different for the Inuit of northern Quebec. The 1975 James Bay and northern Quebec agreement dealt with aboriginal rights to lands in the province of Quebec only. It did not address Quebec Inuit claims to islands offshore Quebec which are in the jurisdiction of the Northwest Territories and the northeast coast of Labrador.

• (1515)

Negotiations began in 1992 and already a framework agreement which is the first step to these negotiations has been signed by Canada, the Northwest Territories and the Quebec Inuit.

All of us have been aware of the government's various initiatives to improve the social and economic circumstances of the Innu nation in Davis Inlet in Labrador. Concurrent with these initiatives we are also negotiating the Innu nation land claim.

Negotiations toward a framework agreement began in July 1991. Substantial progress has been realized in those negotiations. There has been equally encouraging progress on the potential interim measures related to the environmental impacts of proposed development projects.

We expect the discussions which are tripartite in nature and involve participation of the Government of Newfoundland and Labrador will result in a settlement with the Labrador Inuit and the Innu nation to provide a land and resource base, one which will promote regional development and self–sufficiency in those communities.

The government also intends to introduce settlement legislation for the Council of Yukon Indians over the next few weeks. This will complete a lengthy negotiation process, one which was begun some 20 years ago.

Negotiators for the Government of Canada, the Yukon government and the Council for Yukon Indians signed an umbrella final agreement in 1993. It establishes the basis for the negotiation of individual settlements with each of the 14 Yukon First Nations. Final land claims agreements and self–government agreements have been signed with four Yukon First Nations. Settlement and self–government legislation for these agreements will be introduced soon.

One may well ask why all of these land claims agreements are so important. The answer is both elementary and profound. These agreements are the basis on which we can provide land and resources to aboriginal people along with guaranteed participation in land and resource management in a way that provides for them their rightful place in Canadian society.

These modern treaties are the means for guaranteed participation of aboriginal peoples in effective governing structures dealing with renewable resources, land use planning, environmental impact assessment and review, and land and water regulation. In addition they provide the financial means to allow aboriginal people to develop an economic base which will sustain their futures.

It is only by clearing away the uncertainty over title to the land that we are able to assure equitable access to the development over land and resources. This becomes critical in negotiating claims south of the 60th parallel, claims which we are undertaking.

In addition to finalizing the claims in the north and beginning negotiations in Labrador we are negotiating along with the government of Quebec, the Conseil des Atikamekw et des Montagnais, CAM, claim in Quebec.

Recently the Quebec government reappointed its negotiators in another effort to accelerate the negotiations. General side tables have been established to negotiate matters such as lands and traditional activities, self–government and economic development. The parties are aiming to complete the agreement in principle by June 1995.

Negotiations with the Nisga'a are also under way in the province of British Columbia. We have approached the numerous land claims in British Columbia through a unique process.

The governments of Canada and British Columbia and representatives of First Nations have established a treaty commission to facilitate and monitor negotiations, allocate negotiation funding, and assist in dispute resolution. A further function of the commission is to make public the reports on the progress of the negotiations.

• (1520)

The British Columbia Treaty Commission is an impartial arm's length body designed to facilitate negotiations. Commissioners are appointed by the governments of Canada and British Columbia and by the British Columbia Summit of First Nations.

We intend that the negotiations in the province will include both comprehensive claims and self–government matters in a combined process. This will help to establish appropriate linkages between claims, structures and self–government institutions in various jurisdictional areas.

Given the importance of land and resource development in British Columbia, a joint third party consultation process has been established to address the interests of the third parties.

I have sketched for hon. members the very promising situation surrounding the comprehensive claims process in Canada today. I am proud to be able to urge them to consider favourably the Sahtu Dene and Metis land claims settlement which is before them.

Mr. John Duncan (North Island—Powell River): Mr. Speaker, my first question relates to the B.C. Treaty Commission which was referred to as an impartial body. Three groups are involved in those negotiations, represented by the federal and provincial governments and the First Nations.

My first question is why are third party interests and most especially the municipality or local governments that are elected and influenced by local negotiations not represented in that so–called impartial treaty commission?

My second question relates to the whole question of fee simple land transfer. Is the hon. member familiar with the recent B.C. Court of Appeal decision on the Gitksan–Wet'suwet'en case? Does the member concur that the fee simple transfer this bill talks about goes far beyond any legal precedence as expressed very well in that B.C. Court of Appeal decision?

Mrs. Cowling: Mr. Speaker, I thank the hon. member for his questions. I know hon. members on the other side of the House really like the colour red just as I do. I would like to quote a portion of the red book which I carried with me in October: "The priority of a Liberal government will be to assist aboriginal communities in their efforts to address the obstacles to their development and to help them marshal the human and physical resources necessary to build and sustain vibrant communities".

The hon. member has asked a question which I will take under advisement and my answer to his second question is no.

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, I thank the hon. member for her speech. I would like her to comment on a few observations I have.

The original treaty signed by the treaty Indian people with the agents of the crown were in part land settlements. They have never worked out, not that they could not have because in some areas there has been an enormous amount of wealth generated from Indian lands.

The reason they have not worked out is because of the power and control the department of Indian affairs has over the Indian people. They cannot sell their grain without approval from the superintendent of the department of Indian affairs and so on. It is all there in the history of the treaties and the treaty research many of the bands have conducted.

• (1525)

Our party is supportive of the fair, equitable and rapid settlement of these land claims so that the aboriginal people can form a base upon which they can become economically independent.

My concern about this agreement is that we are creating another bureaucracy. It seems to be a fairly formidable one according to what I have read.

Does the hon. member see the economic viability of this agreement? In other words, will we see a time when the people of Canada will no longer have to provide support through the various programs for this particular group of Indian people? I think there would be a lot of support from the people of Canada if that is the case, if that is what we can see within this agreement.

Mrs. Cowling: Mr. Speaker, with respect to the hon. member's first question, one of the reasons they never did work is because they were never honoured. They were left out in limbo.

I am very optimistic about this process we are doing today. I want to quote some information for the hon. member. The agreement guarantees the participation of the Sahtu Dene and Metis. They will be able to manage their own renewable resources within their settlement area; land use planning within the settlement area; environmental impact assessment and review within the Mackenzie Valley; and regulation of land and water use within the settlement area.

I believe this is the road to take for the dismantling of Indian affairs. This is the road to take to initiate self–government.

Mr. John Duncan (North Island—Powell River): Mr. Speaker, I have one more question.

There was some discussion about the history of these kinds of negotiations in the member's statement. I just wondered whether the member was familiar with the comprehensive western Arctic Dene–Metis agreement. It was signed in 1990 and included a larger settlement area, but it included this specific area within it. Would the hon. member comment as to why the fee simple transfer of ownership in that period of time to this group of people has approximately doubled in size since 1990?

Mrs. Cowling: Mr. Speaker, in 1990 there was some disagreement between the Sahtu and the Metis. Why we are here today is so that they can take on their own initiatives and their own mandate, so that they can do this themselves.

I encourage hon. members across the way to support us in this venture. I believe we must work together on this venture.

Mr. Charlie Penson (Peace River): Mr. Speaker, I am going to give the member for Dauphin—Swan River a break.

I wonder if she might not agree that the degree of compensation seems to be setting a very high precedent in terms of what the compensation level is.

• (1530)

Mrs. Cowling: Mr. Speaker, perhaps the hon. member did not hear what I had said earlier. I would hope that we could be very positive and take a look at the positive side of this matter.

I am going to mention again that the agreement guarantees the participation of the Sahtu Dene and the Metis. They can control their own destiny. They can be managers of their own resources, land use planning, environmental impact assessment and review within the Mackenzie Valley, and regulation of land and water use within that settlement area.

I encourage hon. members on the other side of the House to accept our philosophy. Let us get on with self–government. Let us allow the aboriginal peoples of the country to have some dignity.

[*Translation*]

Mr. Maurice Godin (Châteauguay): Mr. Speaker, I welcome the opportunity this afternoon to speak in the debate on second reading of the bill tabled by the Minister of Indian Affairs and Northern Development, the purpose of which is to approve, give effect and declare valid the agreement signed on September 6, 1993, with the Dene and the Metis. This agreement was concluded following land claims made by these peoples, which must be considered by this House in accordance with the provisions of the Constitution Act, 1982.

I am the elected representative for the riding of Châteauguay and, as such, I am particularly aware of and concerned by all matters connected with aboriginal affairs. The riding provides a good example of the Amerindian problem or, should I say, the problem of co–habitation between our peoples. The facts are clear: sharing the lands of this continent first meant living with them, then it meant hostility, then pushing some into the back country and then creating reserves after a conquest in which they lost everything. We cannot deny and we cannot get around this historical truth, since we are faced with it every day. The proud descendants of these peoples are only too willing to remind us, each in their own way, of the cost of being neighbours on such a fragile basis.

The most troubling challenge to us today is to find the right way to deal with the problems we have created. There is the silence of the young suicide victims in Davis Inlet. This is our own third world, within our borders, the result of wanting to share this land without respecting the aboriginal culture and way of life.

The most troubling image is that of this anonymous Algonquin in the subway, crowded all sides by the ultimate cultural mosaic, and no one else realizes that his ancestors were there first. Another troubling image: two faces staring impassively at each other, their silence an eloquent metaphor. With the reserve of Khanawake within its boundaries, Châteauguay knows all about that, and that is why it placed its trust in the Bloc Quebecois.

The Bloc Quebecois recognizes aboriginal peoples as distinct nations, as it recognizes the two founding peoples of this Canadian federation. Mutual understanding will depend on our ability to share the same sphere of economic, political, legal and commercial activities, as opposed to the present situation, where we live in parallel worlds.

• (1535)

This partnership must succeed and, with them like with the people of Quebec, the best way to achieve mutual co–operation is by recognizing first of all their existence as partners, as neighbours, in their integrity, with all their rights and obligations. The days when one nation exercised trusteeship over another should be over.

In that context, the Bloc Quebecois welcomes Bill C–16 as a form of recognition of the Sahtu Dene and Metis as nations. Major exclusive territorial rights are being recognized to a group of 2,000 people living on 41,437 squre kilometres in the Mackenzie Valley, in the Northwest Territories, including subsurface rights on an area covering 1,813 square kilometres, some $75 million over 15 years and an annual share of the royalties on the valley's natural resources.

Sahtu lands will be neither public property nor reserves. Trough this agreement, the Dene and the Metis are guaranteed private lands, which will enable them to be involved in land use planning, protect their exclusive hunting rights, and determine their economic development prospects as well as their future.

This is one more step toward self–government. That is exactly what we are wishing for all peoples: the capacity to take in their hands and have a say with regard to the management of their natural resources, heritage conservation and regulations concerning their lands and waters.

One point of particular interest to me is the impact of this agreement on the land holding system. Since the Colonial era, we had known two main types of property: private property and public property. The former was a vested right of lords, settlers and inhabitants, and today, it is a privilege enjoyed by citizens, corporations and speculators alike. The latter was a prerogative of the Crown, the clergy, the Colonial administration, and today, the state, our governments.

The mid–19th century saw another type of property be established, namely Indian reserves. It was then, and still is, a special status granted to lands, a status nonetheless ambiguous. We are dealing here with collectively owned lands which are neither public, since they are not accessible to everyone, nor private, since they are not controlled by individuals, but rather by a tribal council which is responsible for administering the reserve.

I have some difficulty understanding why, in 1994, we have yet to clear up this ambiguity. I think back to a time full of promise when, in 1969, the government of Pierre Elliott Trudeau promised action to bring about the full participation of native communities. Even then, the Minister of Indian and Northern Affairs, today the honourable the Prime Minister, said that the legislative and constitutional basis of discrimination must be removed. The government of the day was adamant that services must come through the same channels and from the same government agencies for all Canadians. The lawful obligations of natives must be recognized and, to this end, responsibility for administering native lands must be transferred to native communities.

Despite the Trudeau era and his minister, 25 years later, the problem of native self–government has yet to be resolved. Why is this? Because the promised action was never taken, despite the fact that, on June 25, 1969, the Minister of Indian Affairs made a commitment to this House to act so as to give natives control over and title to their lands. Listen to what was said at the time. The minister promised to transfer to the provinces federal funds normally provided for native programs so that the provinces could take over the same responsibilities for natives that they had for other citizens in their provinces. He was committed to dismantling the department of Indian affairs and giving its mandate to other federal departments.

• (1540)

What was this minister talking about? He was talking of transferring jurisdictions to the provinces, according to the Trudeau government; of eliminating costly and unproductive duplication and overlap. What did he actually do? The department is still in place. It will spend over $5 billion. As for transferring jurisdictions, in today's federal arena, only the Bloc Quebecois maintains that it is necessary.

The Sahtu agreement paves the way to something other than reserves for Natives. The Sahtu lands will fall under two categories: those covered by the regulations and municipal lands.

In the case of regulated lands, certain special conditions will ensure the Dene and Metis' title to the lands. These lands cannot be sold, mortgaged, seized or expropriated without being replaced. Municipal lands, on the other hand, can be sold or ceded, but if it is to an individual, they will no longer belong to the Sahtu. The Sahtu's improved municipal lands will be taxable, but those that are not improved will be tax–exempt.

This issue of ownership raises several questions, especially since the Native crisis of the summer of 1990. This crisis arose from claims for territorial autonomy and self–government. The claims made at that time almost amounted to an offense affecting urban areas inhabited by thousands of people with deep roots in their community.

In my mind, the Bloc Quebecois' support of the agreement with the Sahtu Dene and Metis does not mean opening the door to all land claims from a distant past. Neither the Bloc Quebecois nor any other political party can recognize the rights of one people at the expense of another. That is why negotiations on self–government are so sensitive. We must consider these negotiations in the light of today's realities, without forgetting the past, of course, but by acknowledging that lasting relations are based on mutual respect.

As the member for Châteauguay where the Kahnawake reserve is located, I know that this agreement is good. I salute the Mackenzie Valley agreement; I hope that it is only recognizing today's reality, above all, and that it does not discriminate against anyone.

[*English*]

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):

[*Editor's Note: Member spoke in Inuktituk.*]

[*English*]

I rise to address the House on Bill C–16, the Sahtu Dene and Metis Land Claim Settlement Act.

I am extremely pleased to speak in support of the legislation. Bill C–16 fulfils one of the most important commitments made in the red book, a commitment to resolve outstanding land claims. As has been stated on a number of occasions this is a priority for the government.

In the speech from the throne the government made a more specific commitment to put before Parliament legislation to further the implementation of northern claim settlements. Bill C–16 is such legislation. It is an action to back up our words.

• (1545)

Bill C–16 completes some unfinished business. It is a result of governments and aboriginal people working together in a new partnership of trust and mutual respect to ensure more certain and prosperous futures for all northerners.

As hon. members are aware, Bill C–16 implements the land claims agreement signed last September by Canada and the Sahtu Tribal Council, which represents some 2,000 Dene and Metis in the Sahtu settlement area of the Northwest Territories.

In the ratification vote held last July, 87 per cent of the Dene and 99 per cent of the Metis were in favour of the agreement. Voter turnout was very high.

As the Minister of Indian Affairs and Northern Development has stated, the House is now being asked to support the wishes of the Sahtu Dene and Metis as expressed in their ratification vote. I should say that the interests of the non–aboriginal people, northerners and all Canadians are amply protected in the agreement. The certainty of land ownership and rights provided

through the agreement will allow the major resource development projects to proceed. The moratorium on oil and gas exploration will be lifted. I remind hon. members that the government is committed to putting Canadians to work. This agreement will help us do that.

Because of the many benefits it will bring to the settlement area, the Government of the Northwest Territories is also a strong supporter of Bill C–16.

The opening sentence of the preamble in the Sahtu land claim agreement states:

> The Slavey, Hare and Mountain Dene of the Sahtu region have traditionally used and occupied lands in the Northwest Territories from time immemorial.

The location of that statement as the first sentence in the preamble is significant. It is the reason we are here today.

The land claim agreement and the bill before us recognized that the Slavey, Hare and Mountain Dene as the original inhabitants of the Sahtu region have aboriginal and treaty rights. These rights have been translated and affirmed through negotiation into the rights contained in the land claim agreement before us. It is a fact that the rights of the original inhabitants of the Sahtu have not been adequately dealt with in the past. The agreement returns to the Sahtu some measure of control over what happens to land and resources in their homeland.

I draw the attention of hon. members to the objectives of the land claim agreement. The objectives stress the cultural and economic relationships which the Sahtu Dene and Metis have with the land. The preservation and the strengthening of these links, along with the clarification of land and resource rights contained in the agreement, provide the basis for a renewed partnership in a very important region of the western Arctic.

The Sahtu settlement area encompasses some 280,000 square kilometres of land in the Mackenzie Valley. Under the land claim agreement the Dene and Metis will own more than 41,000 square kilometres of that area, including the mineral rights of about 1,800 square kilometres. The Sahtu Dene and Metis will also own a wide range of specified substances under settlement land. These include carving and construction stone, gravel, gypsum, peat, sand and other substances.

Under the agreement there will be two categories of Sahtu land. The first category is settlement land, which will be outside municipal boundaries. Sahtu municipal land, the second category, will be those lands located within municipal boundaries. Certain special conditions will apply to settlement land to ensure that it is never lost to the Sahtu Dene and Metis.

For example, these lands may never be sold, mortgaged or seized under court order. They will enjoy special tax treatment. If any of the land is expropriated, the government guarantees that it will be replaced so that the initial amount of settlement land is never reduced. Sahtu municipal land will be treated like other privately owned municipal land in that it may be sold or mortgaged. However, if Sahtu municipal land is sold or granted to an individual, it will no longer be considered Sahtu land and the provisions of the agreement will not apply to it.

• (1550)

In this agreement third party interests will be protected and will continue. As I mentioned earlier, the certainty of ownership and rights this agreement will bring about are important for the non–aboriginal people of the Northwest Territories, as well as the aboriginal beneficiaries.

The settlement agreement should lead very quickly to new investments in the oil and gas sector, which in turn will mean employment and business opportunities for all northerners. Before any oil and gas developments can proceed, however, Canada must provide the Sahtu Tribal Council with an opportunity to present its views on the matter. This is a key principle of the land claim agreement.

As well, any operator proposing such activities must consult with the beneficiaries on such issues as environmental impact, potential impacts on wildlife harvesting, and Sahtu Dene and Metis employment opportunities. Similar consultations will also be required prior to the development or production of other types of minerals.

The settlement agreement also provides a fair and equitable financial settlement to the beneficiaries. Over the next 15 years the Sahtu Dene and Metis will receive payments totalling *15* million in 1990 dollars. They will also receive a share of the resource royalties from projects in the Mackenzie Valley. This will amount to 7.5 per cent of the first $2 million of resource royalties received by the government and 1.5 per cent of additional royalties.

Special efforts will be made to strengthen the traditional economies and economic self–sufficiency of the Sahtu Dene and Metis.

As the minister has already stated, governments are committed under the agreement to providing economic opportunities related to guiding, lodges, naturalist activities and commercial fishing.

These and other provisions will enable the five Sahtu communities in the settlement area to improve their social and economic opportunities to control their own destiny. It is they who will make the decisions. Promoting self–determination by aboriginal communities is a goal that is shared by all Canadians.

The settlement agreement accommodates the government's objective of increasing the participation of aboriginal peoples in the decision making process.

The Sahtu Dene and Metis will be full and equal partners in a renewable resources board that will be created to manage wildlife harvesting in the settlement area.

The board will also have the power to establish policies and propose regulations for all aspects of wildlife harvesting and commercial activities relating to wildlife.

The Sahtu Dene and Metis will also participate fully on boards responsible for land use planning, environmental reviews and the regulation of land and water use in the settlement areas. These boards will be institutions of public governments within the settlement area. The agreement will also provide constitutional protection of the special wildlife harvesting rights the Sahtu Dene and Metis will have in that settlement area, including the exclusive right to trap.

If for conservation reasons harvesting quotas must be set on certain wildlife species or populations or in certain areas, the harvesting needs of the Sahtu Dene and Metis will have first priority.

The wildlife harvesting provisions of the agreement are extremely important to the Sahtu Dene and Metis and other northerners. Each Sahtu community will establish a renewable resources council to manage the harvesting rights provided under land claim agreements.

I am pleased that Bill C–16 provides for the negotiation of self–government agreements with the Sahtu Dene and Metis. It guarantees them a role in any process to reform the constitution of the Northwest Territories.

I assure my hon. colleagues the agreement that will be put into force by Bill C–16 does not affect any aboriginal rights the Sahtu Dene and Metis may have to self–government.

A great deal of effort has been devoted to ensuring full and proper implementation of the Sahtu Dene and Metis land claim settlement agreement. In mid–1992, when the terms of the agreement were taking effect, a special working group was established to develop a 10–year implementation plan. This plan, which was signed at the same time as the land claim agreement, identifies all the obligations contained in the agreement, the activities required to fulfil those obligations and various other responsibilities, time frames and resource requirements.

• (1555)

The implementation plan however is an accord among the parties to the land claim settlement. It is not part of the settlement agreement and therefore will not receive constitutional protection. Nevertheless it is a vital document because the land claim settlement must be properly implemented in order to fulfil its aims.

The implementation plan is extremely detailed. It reflects the commitment of all parties to ensure that the letter and the spirit of the agreement are fulfilled. It sets out more than 100 separate obligations, some of which may involve up to 20 distinct activities. All parties to the plan have responsibilities to fulfil many of these obligations. This underlines the fact that the Sahtu Dene and Metis land claim settlement imposes obligations not just on Canada but on the aboriginal beneficiaries and the Government of the Northwest Territories. It also emphasizes the need for all parties to work together in implementing the agreement.

A key focus of the implementation plan is to give substance to the commitments in the land claim agreement that the Sahtu Dene and Metis will have genuine and meaningful participation in the institutions of government.

To further the goal of successful implementation of the agreement an implementation committee will be formed comprising representatives of Canada, the territorial government and the Sahtu Tribal Council. The committee will guide the implementation process for at least the first 10 years, monitor the status of the implementation plan and, if necessary, amend the plan. It will also report each year on the implementation of the Sahtu agreement.

One of the first orders of business will be to establish an enrolment board which will determine eligibility for benefits under the agreement. Eligible Dene and Metis living within or outside the settlement area may also enrol with the board as beneficiaries of the agreement. To be eligible they must be Canadian citizens and Sahtu Dene or Sahtu Metis as defined in the agreement.

An aboriginal person who is not Sahtu Dene or Metis but lives in the settlement area and is a Canadian citizen may also be eligible to enrol after the settlement is in effect. This will be achieved through a community acceptance procedure which will be decided by the Sahtu Dene and Metis.

The Sahtu claim is the second regional Dene and Metis claim to be settled. The first settlement with the Gwich'in in the Mackenzie Delta came into force in December 1992. This agreement is now being implemented.

With the co–operation of hon. members on both sides of the House we can ensure the Sahtu Dene and Metis will also soon be benefiting from their own land claim agreement.

I urge my hon. colleagues to support Bill C–16. This claim will benefit all Canadians.

Mr. John Duncan (North Island—Powell River): Mr. Speaker, it seems a bit like the further we get away from the first presentations the more murky some of the debate becomes.

I would like to make a couple of points and then ask a couple of related questions. We are really looking for open debate. We are talking about an area three–quarters the size of Nova Scotia to be set out in fee simple and constitutionally entrenched. We wanted to create a circumstance in which we could get input from members interested in inputting into the process. There will be a diversity of opinion. There is no doubt about that. We are certainly not looking to be obstructive in any way, shape or fashion.

I am reminded of a current example in British Columbia where we have quite a raging debate right now on the Kemano project. That project was signed by two levels of government in 1951 originally and in the ensuing 40–some years many societal values and other things have changed. That agreement was not constitutionally entrenched, but we have a very complicated agreement here that is planned for constitutional entrenchment.

My first question for the member who just spoke would be: Is there not some sympathy with the argument that constitutionally entrenching this level of detail has some inherent dangers?

• (1600)

My second question relates to a statement the hon. member made relating to the Sahtu Dene and Metis co–operating on amending the constitution of the Northwest Territories. I would like clarification on that because that statement is something I am certainly not clear on.

Mr. Anawak: Mr. Speaker, my answer to the first question is no.

In 1999 there is an agreement to divide the Northwest Territories into two. One part will be Nunavut which is the area I presently represent and hope to continue to represent after 1999. The western Arctic will be the area the Sahtu Dene and Metis land claims fall under.

I suspect there will be a lot of discussion on the constitution of the western Arctic portion of the Northwest Territories. It is pretty well settled as to who will define the constitution of the Nunavut area and that is us, the Inuit.

I think all the land claims groups in the western Arctic portion of the Northwest Territories will have a great role in defining the constitution of that western Arctic territory prior to 1999 in order to ensure proper implementation of the western Arctic territory.

Presently all the claimant groups in that western Arctic area are about equal to the non–aboriginal people in that area as well. Therefore I think the groups will have a large role in defining the constitution of the Government of the Northwest Territories in the western part.

Mr. Werner Schmidt (Okanagan Centre): Mr. Speaker, in what sense is the hon. member using the word constitution? Is he using the word constitution in the sense of what constitutes the western Arctic lands, or is he using it in the sense of the British North America Act, which is really a legal provision that determines how government shall function and so on? Could he clarify that, please.

Mr. Anawak: Mr. Speaker, in the Northwest Territories we are basically colour blind. The proposal in the Northwest Territories is to have two new territories which are public government concepts. However a large role is played by the aboriginal people in that area.

I answered the question on the basis that the hon. member asked it in terms of the constitution of the Government of the Northwest Territories as it relates to the British North America Act. I was using it in those terms because all the aboriginal people will have a large role in a public government as well as the self–government again because of their sheer numbers.

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, I have a follow–up question on the hon. member's response.

If the territories are going to create their own constitution, then I would be interested in knowing whether or not the aboriginal individuals will continue to have the protection of the Charter of Rights and Freedoms as guaranteed to all Canadians within the Constitution of Canada.

• (1605)

Mr. Anawak: I am sorry I did not get that very important question.

The Acting Speaker (Mr. Kilger): If I could be of assistance, I might ask the hon. member for Crowfoot to repeat his question to the parliamentary secretary.

Mr. Ramsay: Mr. Speaker, inasmuch as the hon. member's response to the last question indicated there is going to be the creation of a constitution for the Northwest Territories, my question and concern is whether the aboriginal people involved will continue to enjoy the protection of the Charter of Rights and Freedoms within the Constitution of Canada as all Canadians now do.

Mr. Anawak: As I said, we are basically colour blind in the Northwest Territories. All the residents will continue to enjoy that privilege.

Mr. Jay Hill (Prince George—Peace River): Mr. Speaker, I rise today in opposition to Bill C–16. Although there are many positive things in this agreement, there are also many problems with it.

I wish to direct my comments to the compensation package given to the Sahtu Dene and Metis in this land claim agreement. I have many concerns about the precedent this agreement sets for land claim settlements and other negotiations in the rest of the country.

With every right there comes a corresponding responsibility and obligation. I see many rights in this agreement. The Sahtu are receiving a generous compensation package of land and money, rights to resource royalties, rights to restrict public access over large tracts of land and water, rights to participation in resource management decisions and environmental assessment, and rights to review economic plans and resource development initiatives.

Where are the responsibilities outlined? Where are the obligations summarized? With this agreement the government has lost certain rights by handing them over to the Sahtu peoples, but what is the diminishment in government responsibilities? These are questions which need to be answered.

The monetary compensation package in this agreement is generous. The Sahtu have been awarded a non–taxable $75 million cash settlement to be paid out over a 15–year period with accrued interest. This will add up to approximately $130 million for the current population of 1,755 people.

The agreement does not explicitly state why this money is being awarded. If it were compensation for not having had the use of the land they were entitled to under treaty, they are receiving $1 million for every year the government failed to fulfil the treaty land entitlement provisions of 128 acres per person. But there are few fences in the Northwest Territories so they have had the use of the land for traditional purposes.

In the recent Saskatchewan Treaty Land Entitlement Framework Agreement funds have been set aside to enable the First Nations to purchase the shortfall in treaty land themselves. Hundreds of millions of dollars have been set aside for this purpose, but they will not be able to buy anywhere near the amount of land the Sahtu have been given in addition to their cash compensation.

Apparently this money was just part of the settlement. Does this mean that the government would have given them even more land if they had not received the $75 million? This is extremely generous.

What is the responsibility that goes with the awarding of the cash payment and these royalties? If the Sahtu Dene and Metis have not lost any of the privileges which accrue to them under the Indian Act, then what does this mean? Does the crown have a fiduciary obligation with respect to Sahtu monetary decisions? On the face of this agreement it would appear that it does.

Settlement dollars and land title are vested in Sahtu organizations, not individuals. If five or ten years down the road the Sahtu people from a community charge that one of these organizations have mismanaged their money or land, who will be responsible? If, as the former Indian affairs minister implied, this settlement has given the Sahtu the necessary land and resources for a brighter future, do the Sahtu also have the obligation to actively pursue that goal for future generations?

• (1610)

This agreement also provides the Sahtu Dene and Metis with resource royalties. As previously stated they will receive 7.5 per cent of the first $2 million of resource royalties received by the Government of Canada in any given year and then 1.5 per cent of any additional royalties. These royalty shares will be from the entire Mackenzie valley. What is the explanation for this? How can the government justify this royalty deal to the Canadian people?

The Sahtu are given fee simple title to more than 41,000 square kilometres with subsurface rights on 1,800. This agreement gives them traditional use rights and significant input on resource development decisions on over 280,000 square kilometres. Now they will receive a share of government royalties over 900,000 square kilometres of the Mackenzie valley.

All resource royalties are calculated on a different basis. Oil and gas royalties tend to be based on production. Mineral royalties are based on profit. Exploration for diamonds and other minerals is on the increase in the Mackenzie valley. We do not know what our proven resource potential is north of 60.

Just exactly how much money are we talking about here? It appears the Sahtu do not know, the government does not know, no one knows. Only the taxpayers of Canada will know when they have to make up for the royalty shortfall out of their pockets.

As each northern comprehensive claim is settled more groups will receive a share of the government royalties. The Gwich'in are already a part of this deal as was stated earlier. As each group is added on, the government share of royalties decreases proportionately. What precedent does this set for claims settlements in the rest of Canada?

If the government gives up most of its resource royalties based on these precedents north of 60 other taxes will clearly have to go up. The Canadian people are already overtaxed. As a result of this agreement obviously they will have to pay more in the future.

Is this government being responsible? Is it giving hope to future generations of Canadians?

This new right to resource royalties the government has given the Sahtu people does not appear to have any responsibilities attached. The minister talks about giving them some control over resources so they can control their own economic destiny. That is certainly a worthwhile objective, but where does it say any of this money will be used to further the aspirations of the Sahtu people? They continue to rely on the federal government to provide special programs and funding.

The government may suggest Sahtu responsibility for all of these functions will come later after self–government agreements are reached. However this government is taking great pains to point out that no one knows what the eventual form of self–government will be. This government has no idea what

responsibilities the Sahtu or other aboriginal groups will assume under their specific self–government formulas.

We are talking about the rights and responsibilities that arise out of this particular agreement. The Sahtu are receiving many monetary rights without the attachment of any significant fiscal responsibilities. They are receiving a land base and royalties without an obligation to use them to further the economic and self–sufficiency objectives outlined in the agreement. I am very concerned that it sets a bad precedent for fiscal responsibility in future self–government negotiations.

This agreement also establishes a number of boards for resource management and environmental assessment. In some ways this is a positive development. The Sahtu have recognized that many of the board activities, functions and decisions are technical and not political.

Opening up the appointment process allows the Sahtu to nominate technically competent people to represent their views and interests at the table. If those people are not doing their jobs in the future, they can be removed easily without the repercussions removal of a political nominee would create.

Increasing the number of boards also adds to an existing problem. In 1992 one Toronto paper said there were already 6,200 bureaucrats and 800 boards and agencies in Yellowknife. There are fewer than 60,000 people living in the Northwest Territories in 62 communities. That is more than one bureaucrat for every 10 people and one board or agency for every 70. Surely that is enough. Imagine the chaos if we tried to run the rest of the country as inefficiently.

• (1615)

Yet this bill proposes more boards and with one or two exceptions does not propose to eliminate parallel boards at other levels of government. All stakeholders should have the right to have input into resource management decisions and these boards provide the Sahtu people with a mechanism for that participation.

Will these boards provide a more informed and cost effective way for northern residents to ensure that environmentally and economically sustainable decisions are made in the best interests of all Canadians? Will they take the responsibility to represent all interests seriously? I hope that is the purpose of these boards. I hope that this was not just a Tory job creation scheme for the north. Only time will tell.

The Sahtu, Dene and Metis received title to more than 41,000 square kilometres. The settlement lands of the Sahtu peoples fall within the treaty 11 territory. In 1921 treaty 11 was signed by the crown and the ancestors of the Sahtu Dene who are now signatories to this land claim agreement.

Among other things treaty 11 provided for the establishment of reserve lands. It is obvious now and it was obvious then that the whole reserve system envisioned by Ottawa bureaucrats was unworkable.

It was even more irrelevant for the people living under completely different conditions in the Northwest Territories. Reserves do not make sense to people who must follow the caribou to survive. One only has to look at the tragedies of substance abuse and suicides in communities like Davis Inlet to see the end results of past misguided policies of clumping people who traditionally ranged much further afield into small groups.

It is because the crown never upheld its promise in 1921 to provide treaty lands that we find ourselves discussing this agreement here today. The government did not have to make reserves out of this land entitlement. It could have spread the entitlement out as land in severalty in traditional camps or along family trap lines. This should have been a specific claim settlement because it lies within treaty 11, not a comprehensive claim settlement.

During the 1970s the Dene and Metis people took the position that they had never surrendered their rights to all of the land. It appears that the government chose to agree with this position rather than uphold or slightly modify the provisions of the treaty.

Under treaty 11 people were entitled to 128 acres per person. If the government had fulfilled its lawful obligation under the terms of the treaty even at this late date far less land would have been transferred. Although the Metis would not have received land under the old treaty, including them now means that the Sahtu Dene and Metis beneficiaries would have received just over 900 square kilometres of land with subsurface rights.

In this agreement the government doubled the treaty land entitlement to 1,800 square kilometres. Then it stepped completely outside of the treaty and beyond its lawful obligations and added another 39,000 square kilometres without accompanying subsurface rights. Instead of 128 acres per person the Sahtu have received 20 square kilometres per person. I would call this quite generous.

After doubling the treaty land entitlement and after guaranteeing traditional use rights over the entire settlement area of 280,000 square kilometres, why did the government give the Sahtu fee simple title to 39,000 more kilometres? I would ask the question is this fair and is it a just settlement?

Recent court decisions in Canada have recognized aboriginal rights to the land. In the Delgamuukw Court of Appeal decision last June the court clearly distinguished between land ownership and land use. The traditional use rights are to be determined on a case by case basis. The aboriginal rights referred to are for the use and enjoyment of the land according to tradition and culture while recognizing there are other third party interests which also require use of the land base.

The courts do not currently hold that the aboriginal right to the land is a right of ownership but of use. This agreement goes far beyond that. Not only have fewer than 1,800 Sahtu Dene and Metis retained the right to hunt, trap and fish throughout the settlement area, but they have a share of resource royalties in perpetuity, a generous cash compensation and a significant land and resource base.

• (1620)

For all the rights the Sahtu have received, what are their accompanying responsibilities and obligations? Despite the generosity of this agreement, the crown retains responsibility for program delivery and for special economic development programs to encourage self–sufficiency. These programs are in addition to the many government programs the Sahtu and other Canadians are eligible for.

Where is the incentive or the responsibility to become economically self–sufficient if the government is committed to providing programs indefinitely?

The crown has gone far beyond its lawful obligations and is not getting any diminishment of its responsibilities in return. Although the agreement states that government is not liable for damages or losses due to the failure of a Sahtu organization to comply with its administrative obligations, what does this really mean?

If the government does not get any concessions from the signatories regarding their assumption of program funding and delivery in this settlement then it is certainly not going to get it from south of 60 where governments cannot afford to be quite so generous.

The continuation of government's involvement will incur increasing fiduciary obligations despite the fact the Sahtu now have the land and money to begin to take responsibility for these functions themselves.

This agreement is setting a precedent for self–government negotiations down the road. Where First Nations in the future may have a tax base and the economic means to provide for their own programs, will they choose to rely on government funding? Instead of downsizing with the devolution of programs and authority away from Indian affairs, we seem to be encouraging greater bureaucracy with little fiscal responsibility at the local level.

What precedent is the crown setting for negotiators in other treaty territories and in comprehensive claim areas throughout Canada? There is a clause which extinguishes all future Sahtu claims to additional land and water, but treaty 11 also had an extinguishment clause. The government chose to renegotiate the land entitlement provisions and resource royalties even though it takes the position that the Sahtu did surrender title to the land in 1921. The extinguishment clause in this agreement apparently provides greater certainty to the government, but extinguishment is extinguishment.

Modern day treaties are far more complex and it is hoped more equitable, but will they be any more binding on the parties?

The Indian Act was created in an era when paternalistic government believed that the Indian and Inuit peoples of Canada needed protection from unscrupulous land speculators and others, but it evolved into the misguided monster we see today.

The Indian Act created dependencies where none existed before. Government assumed responsibility for all decisions regarding monetary or land transactions and removed all responsibility and decision making authority from the people it sought to protect.

It is time that government got out of the business of making decisions for people. Government must restore the dignity of the Indian, Inuit and Metis people by letting them make their own decisions and allow them to be responsible for the consequences of those decisions.

Government has given the Sahtu a settlement with extensive rights. Now it must ensure that the Sahtu assume the responsibilities that go with those rights.

The government of the day has the right to negotiate fair and just settlements with aboriginal peoples who have outstanding claims, but the government also has the responsibility to ensure that those settlements are fair for all Canadians.

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):

[*Editor's Note: Member spoke in Inuktitut*]

Mr. Speaker, the attitude of the Reform Party reminds me of the story of Rip Van Winkle who slept for so many years that when he woke up things had changed drastically. I think Reformers are still sleeping with the attitude they have.

• (1625)

Their attitude is surprising when they say how generous the government is. I think the Sahtu Dene and Metis have been pretty generous by giving up 240,000 square kilometres of land to the Government of Canada and only retaining 41,000 square kilometres and 1,800 of subsurface and surface rights. I think that is pretty generous.

I would like to think that the Reform Party can see reason. However, that might be impossible to ask of such outdated thinking.

To the three speakers from the Reform Party, how would they feel if they woke up one morning and somebody said they can live on their land but laws are going to be proposed which they have to obey on how to live, where to live, outlawing their beliefs, taking away their dignity, taking away their hunting rights, not allowing them to vote, putting in a new justice system

that is totally foreign to them, and in the process infecting them with smallpox, tuberculosis and other communicable diseases?

How can they be so dense that they cannot understand that the Government of Canada and the people of Canada are now trying to correct a situation, an injustice that has been around for a few hundred years?

I will repeat my remarks from earlier. The Reform Party members talk as if the aboriginal people are invading their land. It is as if we are taking land away from them. They can record their history in hundreds of years. We can record ours in thousands and tens of thousands of years. The sheer audacity of this group—I am at a loss for words.

How would they feel if they woke up one morning and suddenly found themselves subject to a totally different kind of life than they had been used to for years and years?

Some of them make statements that they are all for aboriginal self–government, self–determination. Strip away that veneer and I think all we see is paternalistic statements from the Reform Party. It is like saying some of my best friends are Indians. It is good to say it but it does not really mean much, because the respect and the support have to be there from within rather than just saying it on the surface.

Mr. Hill (Prince George—Peace River): Mr. Speaker, I thank the member for his comments. I do not think that anyone would deny that there have been injustices done. I detailed some examples of that, how that has taken place down through the history of our country.

I think also that what I was trying to get at in my presentation is that when rights are granted to individuals or to groups there are corresponding responsibilities that go with those rights. I do not see in this agreement where that is taking place within the confines of the agreement. I see all sorts of things being granted to this group of Canadians, and I think we have to distinguish here that we are all Canadians and we have all benefited from this great land of ours in different ways. Even the native people, the aboriginal people, have clearly benefited from Canada. My comment is that they also have to take responsibility. If they are going to go down the road toward self–government—there clearly does not seem to be any definition of that forthcoming from the opposite side of the House—then obviously there should be this devolution of power, to the Sahtu people in this particular case, to the aboriginal people in Canada, but also they should be seeking to give up any further rights to aboriginal programs.

• (1630)

My hope always was that once we came to a reasonable and fair settlement and self–government for the aboriginal people that at some point we would all be treated equally. There would not be any programs specifically based on race any more.

I see that this agreement does not accomplish that, even though the monetary compensation is paid, even though the land use is guaranteed, even though the fee simple land is given over, even though subsurface mineral rights are given to these people from the Government of Canada. The bottom line still appears to be that they do not give up any future access to aboriginal programs, either existing ones or ones in the future. That was the thrust of my speech. That is my concern.

Mr. Julian Reed (Halton—Peel): Mr. Speaker, I listened to the hon. member and I have a hard time coming to grips with the root of his reasoning.

He suggests somehow that Canada is giving them something. In his speech he even goes on to suggest that other agreements would have given them less. I cannot really comprehend it. Then the hon. member goes on to say we are going to give them these things but what are their obligations. In other words he wants to pay homage or lip service to self–government but then turns around and says we should be making the rules for them and tell them what their obligations are. That is what I hear in the speech.

We are not giving the natives anything. It is already theirs. We are simply arriving at a suitable accommodation so that the country can forge ahead.

I saw a cartoon once where two Indians are standing on Mount Royal watching Jacques Cartier land. The soldiers are about to get off the boat and come ashore and one Indian is saying to the other: "Let them land. What harm can they do?"

Does the hon. member really believe that we are giving them something by these agreements? I have really failed to understand what direction he is coming from. We have already taken. It is already theirs.

Mr. Hill (Prince George—Peace River): Mr. Speaker, I thank the member for his question and comments regarding my presentation.

What I was referring to was that the ancestors of the Sahtu Dene did sign treaty No. 11. As signatories to that treaty certain things were decided on, one of which was that there should be 128 acres granted per person under the treaty. What we see under this new agreement goes far beyond that.

I believe that as a people and a country we are giving up something. If we are not then I would ask the member in return where is the $75 million coming from? It is coming from

somewhere. Someone is giving that money and it is we as a nation, which includes all the aboriginal people, all of us are giving that. I am not saying we as a race or we as a party or we as a government. I am saying we as a nation are giving up some of the things that are in this agreement. I dispute his point.

• (1635)

The Acting Speaker (Mr. Kilger): Given the nature of the debate today, if any one of you should be watching the clock very carefully you will notice that I am going to extend the period of questions and comments because I want to hear from the Secretary of State for Training and Youth.

I think all of us in the House would recognize her interest in this issue and that of others. But in this instance I would like to give the floor to hon. Secretary of State for Training and Youth.

Hon. Ethel Blondin–Andrew (Secretary of State (Training and Youth)): Mr. Speaker, I would like to thank the hon. member. I know that he has had intense briefing this very day and put forward quite a few ideas concerning this claim.

I just want to say that some of the things I am hearing in this debate are very disturbing. It is a very ethnocentric view that is being perpetrated, but then I suppose that is the reason why we have different political ideologies. We totally support the land claims process. In fact as a government we want to make that process fairer and more equitable for the aboriginal people.

It is unfortunate that this particular claim is receiving all of the concerns that the Reform Party has. It is not specifically the Sahtu claim that is being dealt with here. It is the Reform Party's political agenda regarding aboriginal issues: self–government, compensation. However there are a number of things I want to hit on.

Talking about treating all Canadians the same I think is very misguided and misdirected through this claims debate because talking about treating aboriginal people the same is not treating them fairly necessarily.

If you know the language of constitutional debates and of aboriginal justice you will know that treating people who are poor, who are probably one of the poorest groups in the country, who have the highest unemployment, who have the highest rate of suicide—in Big Cove one a month—if you think about the social statistics, the under representation of aboriginal people in the financial institutions, the political institutions and when you think about the over representation of those people in terms of incarceration, poor health, poverty, suicide and a number of other social malaise, you will know that treating the people the same is not treating them fairly. Maybe we can eradicate that view.

Second, I would like to say that you are talking about the finality of the claim. It was my grandfather, Chief George Zault Blondin who signed treaty 11. It was with the good intent of holding in trust those things that we hold dear to us. I know from the history of my people that it was not to forfeit anything. It was signed to secure and hold close the things that mean something to aboriginal people.

This is a peculiar arrangement, a very difficult process, which for the last 20 or 24 years these people have undergone. They voted for it. They want it. We recognize that as a government. By taking the debate one step further, the hon. member alleges that if we have a deal there has to be finality, there has to be an element of certainty, that if we reach an agreement the people have to be responsible and must not ask for anything else.

My question to the hon. member is this. Is he alleging that once provinces become provinces they should not ask for any more transfer payments? Is he alleging that once municipal governments are formed they should not look for any subsidies in terms of tax benefits or anything like that? Is he alleging that any form of government that is established outside of the federal government should have that same finality as well? If we are going to treat people the same, so should governments be treated the same.

The Acting Speaker (Mr. Kilger): I will certainly give the hon. member for Prince George—Peace River the same generosity of time to respond.

• (1640)

Mr. Hill (Prince George—Peace River): Mr. Speaker, I will address my comments to the last question first. That is not what I am advocating. When the municipalities of the Sahtu Dene are formed I would think and hope they would be eligible for the same programs and the same benefits as any municipality in Canada.

What I was referring to were programs specific to one group based on race, in other words, specific aboriginal programs. That is what I was referring to. Certainly, once they form their municipalities and have self–government, they should be eligible for the same programs as any other municipality in any province.

I have a couple of other quick points because I know time is of the essence. I agree with the hon. member. The system has failed and part of the reason it has failed in the past is that they have not been treated equally. People were segregated and shoved on to reserves and they had to live there.

That is where the system failed in the past. They were not treated equally. Therefore I still hold on to the long–term goal that gradually we can reach a point where all Canadian citizens will be treated equally. I noticed that the hon. member used the term that she was interested in a fair and equitable settlement for the aboriginal people. Certainly that is my concern and I think the concern of my colleagues in the Reform Party as well.

We go a bit beyond that. I would say to the hon. member that we are concerned about a fair and equitable settlement not just for the aboriginal people but for all the people of Canada. We feel we do not just represent one group. We represent all Canadians and we are speaking on behalf of all Canadians when we raise these issues.

She also mentioned that she had concerns about the Reform Party's position, that we were using this debate and it was not specific to this agreement. I agree with her. Obviously we are trying to bring other issues concerning the aboriginal people to light using the format of the debate here today.

We are very concerned about the precedent that one agreement will set. It might be used in future agreements throughout the country and we are using the debate to bring forward some of these other issues. I thank the hon. member for her comments and her questions.

[*Translation*]

The Acting Speaker (Mr. Kilger): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Beauport—Montmorency—Orléans, MIL Davie shipbuilding; the hon. member for Portneuf, bilingualism; the hon. member for Frontenac, job creation.

[*English*]

Mr. Elijah Harper (Churchill): Mr. Speaker, I have spoken here a few times. I have made some statements but this is my first speech in the House. I am very honoured to be sent to the Parliament of Canada to represent my constituents, not only the aboriginal people in my area but also many non–aboriginal people.

As an aboriginal person and First Nations member, I have been involved in this discussion for many years both as a chief in my reserve, Red Sucker Lake Band, and also as a member of the Legislative Assembly in Manitoba for well over 11 years. I have committed myself to this process for a very long time. What I find is that I have to repeat myself over and over again many times to get my point across.

When we talk about the aboriginal people we have been here for thousands and thousands of years. We have had governments for thousands of years. We had societies. We had political structures, social structures. We had our own languages. We traded with other nations. In that way we have existed as a nation, as a government in this country. When the first European people or the settlers arrived they were met by the First Nations in this country. They welcomed these people on to the shores of what we call Canada today. Whether it was on the west coast or on the St. Lawrence River we were here; even through Hudson Bay, which I am very familiar with, down to the Nelson River to Winnipeg we welcomed these people.

• (1645)

If it had not been for the kindness and the generosity of our people many of those people would have perished. If the Lord Selkirk settlers had not been helped by Chief Peguis, many of these people would have perished.

What surprises me in this country is the lack of understanding or the ignorance of the history of this country. We see the Canadian Constitution being proposed as supreme law in this country, entrenching in the law of this land the recognition of two founding nations, the French and the English. We know very well that the first people here were the First Nations. Yet your Constitution is based upon the supremacy of God and the rule of law.

There is a myth concerning the Canadian Constitution and the truth. Any constitution should be able to tell the truth, built upon strong foundations that will not crumble but will stand the test of time. The Canadian Constitution never did that. That is why it crumbled, it did not acknowledge the truth and reality in this country.

It was the First Nations that contributed so much to this country by signing treaties. What does it mean when you sign treaties? It means that you enter into an agreement with another nation, in this case the settler people represented by the Queen with our representatives of the First Nations.

There were many pre–Confederation treaties and a number of treaties made in Manitoba and today what are called modern day treaties. Treaties are about establishing relationships. That is what it is all about. As a matter of fact, when we say inherent right to self–government, we are exercising the very authority to sign the treaties. We did not need Parliament to tell us we have treaties. As a matter of fact, there should be a formal recognition by Parliament that we always had the inherent right to self–government. It is not something that can be granted by Parliament or by Canada, because we came to the table as equals. That is what the treaty making process is all about, establishing that.

In that process we shared the land and resources of this country from which many people have benefited all over the world. How generous and how kind we have been to the rest of this country. What kind of benefits have we received so far? Look at the situation in Davis Inlet or in my home at Red Sucker Lake. We have poor housing conditions. We do not have running water. We do have unemployment rates higher than in the cities. I am sure that if unemployment reaches 20 per cent it is a national disaster across the country, but it is 90 per cent in many of these communities. Nobody cries about those kinds of conditions.

All we want is governments to honour and respect the treaties they have signed with us. We do not expect anything more or anything less because we have contributed so much to this great country and we have not benefited at all.

• (1650)

We talk about the special relationships. I know we have a special relationship, but I do not mean special in the way that we are better off than anyone. We have a unique relationship which no other group has in this country. We want governments to honour that.

This government has proceeded to do what has not been done, and that is to settle and implement inherent right to self–government. We are not asking it to give us self–government. It has never been anyone else's concern to give us anything. It is a matter of acknowledging that we have always had that.

We talk about the Fathers of Confederation in Charlottetown. What about our forefathers who signed the treaties? Can they not be mentioned in history as contributing to the well–being of everybody else in this country? There is no formal recognition of our people. All we are asking for is to settle the outstanding issues, the treaty obligations. The spirit and intent of the treaties should be honoured.

Many people have risen and spoken here but all we asked for, compared with what money has been spent, has been very little. Consider how much land and resources have been generated in this country and shared by the aboriginal people. I am sure billions and billions of dollars have been made off this great country. Yet when we ask for money we are not asking in the sense that we are begging for it, we have been asking governments to honour their treaty obligations, if only a small portion allocated under the control of First Nations.

If we look at the treaty making process, government officials went back and developed the wording. They never really understood what the native people were saying. First, our way of life and our philosophy is to share what we have so we shared the land and the resources so that we would have respect for each other, that we would live side by side with each and that we would co–exist with each other and help each other. That was the spirit and intent.

It was never our intention to be governed by a government. We have never extinguished or surrendered the right to govern ourselves. It has never been that. When we signed the treaties they were signed nation to nation. As a matter of fact, it was a recognition when we signed treaties that we were nations. As a nation we expect governments not to act unilaterally in the way history has shown us and in which they created the Indian Act which has total control over our lives. It even defines who we are today. This has to be done away with and we have to have a renewed partnership. That is the challenge that faces us today. How can we honour that? I know we have honoured our bargain. We expect the government with the support of the opposition to honour the promises of its forefathers, those they made to us. We do not expect anything more or anything less. That is all we ask for, we do not ask for very much. We have been very patient for a very long time and it is time the government honour those treaties.

• (1655)

That is why I am very honoured to speak on Bill C–16. It is a very small part. We want to be part of this country and we have contributed so much to this country as well, but no one seems to talk about it or at least acknowledge it. If they acknowledge it somehow they seem to be obligated that they have to provide more things or more benefits.

If the governments alone were to provide for their treaty obligations there would really be no need to ask for more funding. We talk about finality. In the treaties it says as long as the sun shines and the rivers flow and the grass grows. That is the terminology used. It is forever, the relationship that we have.

We are very committed to this country. We want Canada to be wealthy. We want Canada to be united. We love this country. We love this land. We love everybody. I often say jokingly that our immigration policy was wide open, and it has been to show what kind of people we have been. We have been very kind but it has been the governments here that have always dictated and put restrictions on. It seems like within our own homeland we are treated like foreigners, we are treated like outside citizens, second class citizens.

The first order of business should be the First Nations business in this country. We should settle the treaties and settle land claims. I speak in favour of this bill. I hope members will support this bill.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I want to congratulate the hon. member for Churchill on his first participation in debate. I think we were very appreciative of the words he spoke, his commitment to Canada, and the warmth and conviction with which he speaks.

I have spoken to many Canadians and I am sure I speak for millions of Canadians who would like to express appreciation to the hon. member for Churchill for the part he played in the debate over the Meech Lake accord. I have had many people express to me their appreciation for the fact that the hon. member for Churchill played a major and a significant role in defeating the Meech Lake accord and preventing it from being imposed upon Canadians.

I also want to congratulate the hon. member on his concern over Canada as being a country built on two founding races. I know that my Reform colleagues and I for many years now have shared the view that as a false conception of Canada it is not relevant in very many parts of the country and certainly does not recognize the role played by the true founding race of Canada, the aboriginal people.

I do have a question. On our side of the House and in our caucus we have asked the minister of Indian affairs, we have asked the Prime Minister and we have asked many influential members on the government side to provide us with a definition of aboriginal self–government. I heard the hon. member for Churchill speak about aboriginal self–government today. It is very difficult for us to fulfil our role as an opposition until we have the terms of aboriginal self–government defined for us so we can determine whether they are good and just and will make us a better country and will enhance the role of aboriginal people within the nation, whether it may be divisive and negative on the country. I plead with the hon. member for Churchill. Would he at least be so considerate as to give us his definition of what aboriginal self–government is.

• (1700)

Mr. Harper (Churchill): Mr. Speaker, self–government simply put is to administer our own affairs, to be able to make our own decisions and to determine our own future. It is a very simple statement but very complicated to implement. Self–government entails many things. It means to start developing our own institutions, language, culture, education and our own First Nations government structures.

In negotiations self–government is based upon what kind of agreement is reached. My position has always been that the fundamental basis and foundation from which we negotiate are the treaties. When the first governments met we sat down together and came up with a treaty. That formed a basis for our relationship with the government. In return we were to have certain benefits.

However we have never extinguished the right to self–government. It has never been surrendered. To me the treaty making process has never come to an end. What needs to happen is the government needs to sit down with the First Nations in this country.

One of the reasons the constitutional process failed is that the very question the hon. member asked was raised at the constitutional table. All the first ministers and the Prime Minister asked the same question. They were the ones really to say what kind of structure we have. It was not based on equality. We were not being invited as equals; we were just invitees at the first ministers conferences. It failed because we were not equal in the negotiations.

Sometimes we get invited equally on a level playing field. However often when we are on that level playing field or let us say we are in a skating arena we find we have no ice skates or equipment, yet we play according to their rules. That is the kind of process we have been involved in. We are not being treated equally.

It should be based on the treaties, nation to nation. Once that is recognized instead of trying to determine what is best for us, we should sit down as equals, equal to First Nations. I think that would resolve a lot of the questions.

Self–government is not something which is defined in a paper. It has to be negotiated with the First Nations. It may vary from the Micmacs to the Haida people because they have different cultures and a different way of doing things.

There is the potlatch system. Potlatch is a system of government. We have the clan system which is another traditional form of government. There is Iroquois confederacy. These different systems of government have been here for a long time, whether they will be modified or not. Those are things we go through.

When the hon. member asks for a definition of self–government, it is a matter defining it in the negotiation process or through a treaty process. It is not black and white but it is a process that hopefully the governments are going to be undertaking so we can resolve it.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, we are competing with each other to be recognized by you.

First of all I would like to congratulate the member for his speech today and the straightforwardness with which he expresses his point of view.

• (1705)

I for one am in this House to help resolve this problem. I definitely would like to see as much consultation and work as possible with the aboriginal peoples, the Indians, the Metis and the Inuit so we can resolve these long term outstanding settlements and agreements.

I know the settler people are here. I know the white man took over, those immigrants when they first landed. Perhaps the hon. member for Churchill would appreciate the current 1 per cent rule the Liberal government has and he would have maintained control.

Repetition is important; it is a fact of life. If he has to give a similar speech again and if he has to repeat it five or six times, I would encourage him to do that.

There have been a lot of wrongs committed. A lot of injustices to the native peoples have been perpetrated over the years. We in this House are not the ones who have perpetrated this crime nor made these mistakes. We are here to learn from these mistakes and we are here to try to make it better.

It is in this light and in this vein I wish to address the hon. member and let him know that what we are concerned about is the consultative process. Will he agree with us or put forward the next time he speaks the type of self–government the native people or the aboriginal people want will comply with the current law? He has his problems with the other tribes and other

nations. There is a problem with that interfacing with the laws of the land as they are today. It is a fact of life that the Government of Canada is here and it has to be negotiated with.

Will the hon. member try to put an answer in the context that what they are seeking for in terms of self–government will in fact comply with the laws we have today? How can we get over that hurdle? What would his response be on that basis?

Mr. Harper (Churchill): Mr. Speaker, certainly the problem we are wrestling with is not as a result of our laws. It is as a result of the laws that were passed here a long, long time ago, well over 100 years ago.

Many of our people have been put outside of their communities as a result of laws that were passed here. If we had exercised our own laws many of our people would still be enjoying the benefits of our societies. When we are concerned about leaving out people or people not being represented or losing their rights, the principles of that will be maintained by our people.

Certainly, when we are talking about self–government structures we cannot operate with the kind of laws that have been put in place. If we did that all we would be doing would be implementing the colonial oppressive policies on ourselves. Therefore, a new kind of system would have to be recognized and a level of government would have to be established in which we would be able to exercise jurisdiction within our own territory.

When talking about justice, whose justice are we talking about? Usually the dominant society has the upper hand in dispelling justice which is quite different from ours in terms of value systems. We could get into a big debate about that, but I certainly think the aboriginal people in their own traditions have maintained the kind of structures that would provide all kinds of rights and benefits to our communities.

I do not see any kind of loss of rights if we were to administer our own jurisdiction in our own territory. I have no hesitation in saying that.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I am very pleased to have the opportunity to rise and respond to the hon. member for Churchill.

This really is what Parliament is all about. I am personally very honoured to have been here for the hon. member's first intervention and to have heard him speak so passionately and honestly about his life, his experiences, dreams and aspirations. Obviously it came from the heart. It is not something I could live; I cannot be in the hon. member's skin. We can learn a tremendous amount from each other.

I want to assure the hon. member, other members in this House and others in our land that our role here is to oppose the government, to challenge its program and to try to ensure that by a spirited and healthy debate we end up with a better solution than we would have had without that debate.

• (1710)

I thank the hon. member for his intervention. I look forward to more in the future.

What would the member do faced with this situation? The situation is that all across the land on reservations there are all of the social ills and the unemployment the hon. member described. How do we go about changing that, not just on reservations but for urban Indians as well?

Mr. Harper (Churchill): Mr. Speaker, first of all we would like to be in a position to make our own decisions. We would like to exercise our own jurisdiction in respect of our territories. At the same time we would expect the government to honour its treaties so that we would have the resources and the financial wherewithal to address and alleviate some of those problems that are so apparent in our communities such as unemployment, the high suicide rates and the economic conditions.

We are not asking for any special funding or to consider anything special. All we are asking is that the government honour its treaty obligations. Housing, medicare and education are under the treaties, just to give an example of what we are talking about.

What is important is that the government tends to make decisions for us and that has to stop. By not supporting this bill I think what is being said is that the hon. member is agreeing to the policy which exists today. What is being said to me is that he is not agreeing with the government's policy and legislation to allow us to make those decisions.

With respect, the amount of dollars we are talking about is very small compared to the spending government has had. As I said, we have been very generous. We are not asking for billions of dollars in this package. We are asking for a very small amount of money compared to the kind of money spent overall.

My first answer is, allow us to control it and honour your commitment by supporting this bill. Actions speaker louder than words.

Mr. Anawak: Mr. Speaker, just a point of order to correct what I believe is a small error. In Canada we have reserves, not reservations.

The Acting Speaker (Mr. Kilger): I am not sure that was a point of order. However, the point has been made and I thank the parliamentary secretary for his intervention.

Let me add also my own remarks that I feel honoured to have been in the Chair on the occasion of the member for Churchill's first intervention and debate on the floor of the House of Commons.

Let me also compliment all members in the House, particularly those who have participated in the debate and even those who did not participate through this intervention but who listened very attentively. The tone was most encouraging and the sensitivity in respect of the debate is much appreciated by the Chair. I compliment all members present.

[*Translation*]

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, I would like first to thank the hon. member for Churchill who gave us a lesson in history. He spoke from his heart and also with great wisdom, and I can only hope that his speech will help improve our relations with aboriginal nations, as well as our understanding of those people.

This having been said, we have before us a bill to approve, give effect and declare valid the comprehensive land claim agreement of the Sahtu Dene and Metis, which was signed on September 6, 1993. The region covered is a territory of 280,000 square kilometres, in which live some 2,000 people representing five communities. The Bloc Quebecois supports this legislation.

• (1715)

At this point, I would like, for the benefit of those who are listening here and across the country, to give a chronology of the events which have led to the tabling of this bill today.

In 1976, the federal government started negotiating under a land claim process with the Dene and the Metis of the Mackenzie Valley. In 1981, these negotiations led to a final agreement which was concluded in April of 1990. On September 6, 1993, the agreement was signed by the Queen and the Sahtu Tribal Council, in Fort Norman, Northwest Territories.

A plebiscite was held from July 5 to July 8, 1993, to ratify the agreement. The agreement was approved by 85 per cent of the Dene and by 99 per cent of the Metis. On January 13 and February 11, 1994, the tribal council approved certain amendments to the agreement. Just what is this agreement all about?

First, its purpose is to achieve certainty and clarity of rights with respect to ownership and use of some lands and their natural resources. The agreement is divided in two parts. The first one deals with issues such as self–government, royalties on resources, taxation, financial and economic measures, rights over water, as well as wildlife harvesting and management.

Financial compensations totalling $75 million, in dollars of 1990, are to be provided over a period of about 15 years. An annual proportion of royalties collected on resources from the Mackenzie Valley is also covered by the agreement. As well, an annual proportion of royalties collected on resources from the Norman Wells oil and gas development is also covered. Indeed, 7.5 per cent of the first two million dollars collected by the government during a given year and 1.5 per cent of any additional amount will be used as royalties.

The agreement also includes participation in land use planning, renewable resources management, water and land control, as well as preservation of the Sahtu heritage in the region covered. Federal, territorial and municipal laws will continue to apply to Sahtu Dene and Metis, and also to the land.

A Renewable Resources Board is created. This board is a legal entity, which means that it can take legal action and can itself be sued. It can also set policies and propose regulations on the commercial harvesting of wild animals and on commercial activities related to wildlife. It will be the main wildlife management organization in the region. It is composed of seven members appointed jointly by the federal government and the territorial government, with at least three members chosen from a list submitted by the Sahtu Tribal Council.

I said that this agreement was in two parts. The second part concerns land and distinguishes between areas with rights to underground resources and areas with only surface rights. Property rights cover 41,437 square kilometres in the Mackenzie Valley region, with mining rights for 1,813 square kilometres.

At this time, I think it is appropriate to talk about the aboriginal question in a broader way, going beyond the specific subject before us now and putting it in the larger context in which it belongs anyway and on which the rest must necessarily be based. Perhaps we could begin with the native issue in Quebec.

I remember a song heard fairly often on radio and television in the 1970s, which told the story of what our colleague from Nunatsiaq was talking about earlier, I believe.

• (1720)

In the beginning, in his tent, a very easygoing native man received a white man, who asked permission to plant a stake, just a single little stake. The reaction was, "Well, my God, it is just a single stake, so why object, it is so simple and easy; it is not much, go ahead, plant your stake". Some days passed and he was asked permission for a second stake; a few more days went by and a request came for a third stake. Several months later, after a series of stakes had been installed across the forest, he was asked to let a wire go through. Every time, the native had always agreed in good faith and complied with great pleasure.

Once the wire was installed, he found himself with concrete, highways, houses, buildings and he finally had to move his teepee. The song goes on for about three minutes, but I have to shorten it. However, I believe that it expressed a certain inescapable reality.

Many people have asked me, and I am sure that many of my colleagues in the Bloc have been asked the same question, Mr. Speaker, "What will Quebec do about the native people?" That is the wrong question. Not only is it the wrong question, but it is one which should not be asked in the first place.

First, we are not doing anything about the native people. If something is to be done, it will be done together, as equals. It is not up to us or anyone else to decide what must be done about native issues. This is a matter that must be negotiated and covered by agreements between equal nations. The question arises how this translates in Quebec and how our perspectives on the matter have developed since the sixties.

I may recall that on April 8, 1963, the Government of Quebec resumed contact, administratively speaking, with the aboriginal peoples within Quebec territory. Until then, the federal government's responsibility was paramount and it still is today. The Government of Quebec at the time established the *Ministère des richesses naturelles et de la Direction générale du Nouveau Québec*. Within New Quebec, the department was responsible, with the exception of those areas that were already administered by Quebec, for the administration of justice, provincial police services and the services of the department of lands and forests. At the time, the purpose was to develop natural resources.

Not until federal responsibility for community and municipal services was transferred to the province 17 years later, in February 1981, was the *direction générale du Nouveau Québec* able to start concentrating on education, although it had, as in 1963, stated its desire to respect the Inuit language and culture.

By the way, I would like to commend the hon. member for Nunatsiaq on using his mother tongue. I don't understand when he speaks in his own language, but we must realize that language communicates culture. When I speak French, I am able to express ideas in a certain way, and I would be unable to do so in English because language is a reflection of culture. When the hon. member speaks in his native tongue, we don't understand, and I think that is his message to us. We don't understand. And when we realize that we don't understand, perhaps then we will start showing respect, and he has my respect.

To continue this short history, in the early seventies, the federal government published a White Paper on native policy. Quebec established the *Commission de négociation des affaires indiennes*, whose purpose was to work together with the department of intergovernmental affairs and other departments involved in negotiations with the Confederation of Indians of Quebec, and with the federal department of Indian affairs and Northern Development regarding Quebec's responsibilities vis–à–vis the Indians of Quebec or Indian affairs.

• (1725)

The *Commission de négociation des affaires indiennes* was also supposed to make recommendations on an integrated policy on Indian affairs and to propose measures to be taken in order to implement the policies concerning Indian affairs.

On November 11, 1975, the Quebec government signed the James Bay and Northern Quebec Agreement with the Crees and the Inuit. On January 31, 1978, it signed the Northeastern Quebec Agreement with the Naskapis of Quebec.

We were then facing a new reality in Quebec government departments: the aboriginal reality. And the whole of the Quebec policy on aboriginal people was summed up in two agreements only. Therefore, we had to give ourselves a more comprehensive policy; that is why on January 18, 1978, the *Secrétariat des activités gouvernementales en milieu amérindien et inuit* was created and the *Direction générale du Nouveau–Québec* and the *Bureau de coordination de l'entente* were abolished.

Then came the eighties. In January 1987, the secrétariat was given a new name, *Secrétariat aux affaires autochtones*, and its new mandate was to negotiate global agreements in co–operation with the various departments involved. Let me remind you that the preamble of the Charter of the French Language says that "the National Assembly of Québec recognizes the right of the Amerinds and the Inuit of Québec, the first inhabitants of this land, to preserve and develop their original language and culture".

And self–government is certainly the focus of discussions between aboriginal people and governments. It was the subject of four constitutional conferences held in Ottawa between 1983 and 1987. There again, they talked about the principle of the inherent right to self–government, but unfortunately that right was not entrenched in the Canadian Constitution. Natives have to get some political leverage if they want to really exercise that self–government because this is the way to their economic self–sufficiency.

Self–government means giving aboriginal people complete jurisdiction over health, education and social services they receive. It means giving them full jurisdiction also over the administration of justice, environment, public safety and land and forest management.

I would now like to present this House with some statistics that should give it some food for thought. It should interest as well those who are watching this debate at home.

In 1991, there were, in Quebec, 39,590 Indians living either on reserves, in establishments or on treaty lands, whereas 15,794 Indians lived off their reserves. On top of that, there were 6,400 Inuit living in northern settlements in the Hudson and Ungava Bay area.

We are therefore dealing with a native population of 61,754 according to the 1991 Census, which represents one per cent of the total population in Quebec. The lands set aside for them amount to 14,770 square kilometres. The main native peoples or nations are the Mohawks, with close to 16,000 members; the Montagnais, with more than 11,000; the Crees, with a little more than 10,000; and the Algonquins, with more than 6,000.

Nations vary in size from 242 for the Malecites to more than 15,000, very close to 16,000 for the Mohawks. Fifty per cent of these communities have less than 500 members. Their annual birth rate is 2.4 compared to 1.4 for other Quebecers. Seventy per cent of Indians living on reserves do not have a high school diploma. Their suicide rate is three times that of Quebecers. The native infant mortality rate is three and a half times higher than in the general population. Life expectancy for Indians on reserves is 8.6 years shorter than for the rest of the population. Indians account for 2.74 per cent of inmates.

Here are now a few statistics for Canada as a whole, again as food for thought. Twenty–five per cent of natives are unemployed, whereas Montreal, with 19 per cent, has the highest unemployment rate in the country.

• (1730)

The average income is 33 per cent lower. The unemployment rate for native people on reserves is 33 per cent, and 16 per cent of natives say that their race is a barrier to employment, which proves that racism and discrimination are probably fairly prevalent.

In 1990, 13 per cent of native adults did not have any income, compared to 9 per cent for the general Canadian population. Only 5 per cent of natives had an income in excess of $40,000 in 1990, compared to 15 per cent among Canadians in general. Seventeen per cent had an income of less that $2,000 and 29 per cent were on welfare. Forty–two per cent of native welfare recipients lived on reserves.

The main problems encountered by natives are, in descending order of importance: chronic unemployment, alcoholism, family violence, suicide, sexual abuse, rape. Six per cent of natives have diabetes compared to two per cent in the general population, even though this disease was unknown among native people in the 1940s.

Forty–five per cent of Indians on reserves claim that their absence of mobility is a problem. Twenty per cent of native housing is in need of major repairs against eight per cent for all dwellings in Quebec. Ten per cent of native dwellings did not have toilets, less than half were heated with electricity. Nevertheless, the average rent was $410 in 1991.

Crib death among native infants is 4.7 times higher that the national rate, and deaths in the 15 to 44 age group resulting from drowning, fire, shooting and vehicle accidents, can often be linked to alcohol abuse. The suicide rate among young adults is 22 per 100,000, twice the national average.

The only way to give back their dignity to the First Nations is to treat them as equals. Nobody has a secret formula for reaching the results which must be obtained before the next century, but everyone should keep an open mind and a fair attitude. We could thus negotiate on an equal basis and come to suitable agreements like the one signed with the Dene, which is before us tonight.

[*English*]

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I would first like to congratulate the Sahtu Dene for the very professional manner in which they have pursued this agreement and the help they have been to me and to others in trying to get a handle on this debate and exactly what is in the bill.

It is my view that in Bill C–16 the majority of what is written is innovative, imaginative and very worth while.

At the outset I want to point out that I will be raising some points while speaking about the bill. The intent is to make it better and to understand what we are talking about. This is probably one of the very first times that there has ever been a debate in the House of Commons over such an important issue. These issues come before the House and because they are politically sensitive or motherhood issues they never end up being debated honestly. It is this lack of honest, vigorous debate which may have allowed us to arrive in the position we are at today.

It is our job, our function, our responsibility not to automatically assume that everything the government presents is right and holy and good. Our job is to assume that everything the government presents is exactly the opposite.

An hon. member: And can be improved.

• (1735)

Mr. McClelland: And can be improved. It is in that spirit I make my comments today and I know my hon. colleagues do as well.

We are all aware that Bill C–16 will pass eventually. It will pass intact or with moderate or very little change. The question then is this: Why am I and my colleagues so impassioned about this debate? That is the question. Why would we even bother?

The other question is: This is a debate of incredible importance, at least in our view, to the nation, and yet how much ink does it get? Where are the priorities in the nation? We are talking about the First Nations, the first people in our country. They have traditionally, we know and acknowledge, been the recipi-

ents of something less than the kind of treatment of which we should be proud. Yet for the very first time it is being debated. Unfortunately it will probably get very little interest outside the House.

Why then do I think this is the most important speech I have given in the House thus far, and why do I care so deeply that what we do is right? It is because the relationship between the first people and the immigrants, that is all of us that they welcomed to this continent, has largely been one of paternalism, of manipulation, of neglect and of isolation.

We acknowledge that there are two sides to every story. While we—I am speaking essentially as a white person in this country—have not much to be proud about, neither do our native brothers have very much to be proud about either. We have to recognize that there are two sides to this story and responsibilities on both sides. We must accept responsibility, but so must the aboriginal people accept responsibility for their lot in life.

That is not to say there have not been examples of inspiration and achievement. But in general, especially on the prairies where I am from, we have nothing to be proud of. By using that as a starting point and as a base, what can we do, where do we go from here?

As in everything we have to recognize the situation as it is, not as we would wish it to be. We have to recognize both sides of the issue; those who will receive the benefits of this agreement, and also those who are going to be paying the bills. Because we are all, as it was mentioned earlier by an hon. colleague, and we have to make it work. If it is not good for both sides it will not be good for either.

Aboriginal Canadians comprise about 5 per cent of the population, and yet aboriginal Canadians are over–represented in every statistic that speaks to failure in our society and they are under represented in most statistics that represent success. This was so eloquently put across to all of us by the hon. member for Churchill when he talked about his experiences. We know this, it is not something we are debating at all.

How did this unholy circumstance happen? Did it happen by accident? I submit it did not. It happened because our forefathers chose not to accept the aboriginals as brother human beings, equal in every respect, in human rights and in dignity. Instead, aboriginal Canadians were treated as innocents, they were in need of the benevolent protection of the state. Aboriginal Canadians were herded on to reserves, isolated from the world, out of sight and out of mind. That has largely been the situation for many years, one of benevolent ignorance, "let's not pay attention to it and it won't be a problem".

It does not matter whether the intention was good or evil. The result today is the circumstance that aboriginal people largely endure, a circumstance in many respects no better than South Africa's discredited system of apartheid, so deservedly denounced in all the civilized world. Aas we debate today, free elections are under way in South Africa. Another nail is being driven into the coffin of the marginalization of indigenous peoples around the world. South Africans should and must be congratulated for this giant leap forward and that indeed is a giant leap forward for mankind.

• (1740)

However, I must get back to Bill C–16, the comprehensive land claims settlement of the Sahtu Dene and Metis. How would the bill lead to a better way of life for those involved and will this settlement lead to self–sufficiency, pride, self–respect and self–confidence of the Sahtu Dene as a people? That is the question. If what we are talking about would lead to self–respect, pride, self–confidence and self–sufficiency, then it would be a very small price to pay. It is what we all want to achieve. It is where we want to be at the end of the day.

Unfortunately I think the answer is a qualified no. I do not know if it is going to achieve the noble objectives which are envisioned for it. While there are aspects of the bill my colleagues have already questioned, I need to point out that 16,000 square miles is an awful lot of land for just 2,200 people, not to mention $130 million over 15 years.

Why do the Sahtu Dene need so much land and why does the government pay them so much money, while at the same time they are still entitled to all the benefits all other status Indians have today or may receive in the future?

Sixteen thousand square miles is a lot of land. However keep in mind that over much of the year it is covered with ice and snow. Also keep in mind there really are not a whole lot of people up there and the traditional way of life for the Sahtu Dene is trapping, hunting and fishing. Not a whole lot of people are trying to get into that land either, except to explore and get at the resources and we still have that opportunity.

As I understand it the Sahtu Dene will be the custodians of the land. We should not make any mistake. The land will be theirs in fee simple. However, except for about 700 square miles all Canadians will have access, with permission where possible, provided they do not harm the land or destroy the environment.

We can look at the immense amount of land and look at the Sahtu Dene and Metis because there will not be any reserves. This is all settlement land. We can look at it as a big national park but the park rangers are the traditional inhabitants, the Sahtu Dene and Metis. While they will be getting the land in fee simple, they do not own the resources of the vast majority of the land. They own the resources of about 700 square miles. That is an important consideration.

However, if resources are found in any of that land, they will via royalties be able to participate in the profit. The money, $75 million to be paid out over 15 years, is intended to help develop a commercial infrastructure and is paid to the band council. With the money they can set up hunting lodges—if handguns or rifles are not banned—and with fishing and guiding try to get some tourist trade going.

The idea of the Sahtu Dene is to participate, to be doing something, rather than sitting back and for this they are to be recognized and congratulated.

The reality is that we, the Government of Canada, are going to pay out $75 million over 15 years. The money is not going to disappear. It will be recycled through the band to the community. I think that financial commitment may turn out to be a mistake and this is the primary reason why I have a problem with the bill. Remember it is in addition to any existing entitlements.

In my opinion the Sahtu Dene would be well served if their commercial activities had to undergo the same checks and balances as any other commercial venture anywhere else in Canada. The band council could consider a system of guarantees but the focus should be to develop entrepreneurs who would repay their stake and be accountable for use of the money. However the most important consideration is: Will the agreement lead to self–sufficiency? Will this get people off social assistance and into the mainstream of Canadian life?

• (1745)

Unless the entrepreneurs in the Sahtu Dene nation have obligations, they are not going to be able to develop skills as entrepreneurs that will allow them to become part of mainstream life. All of us exist in a competitive society and we cannot take ourselves out of it. If we are going to get into business, we are into business. We cannot be half in and half out. Otherwise it will be a black hole in which we will be throwing more and more money.

I think, though, it could be but only if the land settlement and cash payment are one–time deals. That is why the agreement is so very important. In my opinion the agreement will set the stage for future agreements to be negotiated across the country in the months and years ahead.

Most Canadians want to do the right thing by our aboriginal brothers. Most Canadians feel a collective sense of embarrassment over the condition and situation of many aboriginal Canadians. We will not improve their situation by creating still more dependence and throwing still more money at the problem. Therefore this would be a much better agreement if the Sahtu Dene and Metis were to receive the benefit of the agreement or their traditional entitlements as agreed, but not both.

That is a fairly major change. They would receive the benefits of the agreement or their traditional entitlements, but not both. The way it is set up today, they would receive all their traditional benefits plus all the benefits that accrue to them under the agreement.

There are only 982 people to participate in this. How will that do anything to promote self–sufficiency? We must remember that when the settlement is done the Sahtu Dene will get the benefit of the royalties of resources on the land. Those royalties would today give them $200,000. How does anyone know what might be found there in the future?

By accepting this land settlement and the royalties that come with it as well as the cash settlements, the Sahtu Dene should also accept the same rights, freedoms and obligations of any other Canadian in any other part of the country. That is the only road that leads to self–sufficiency, self–respect and dignity.

Continued dependence generation after generation leads to exactly what we do not want whether the recipients are aboriginal or not. This settlement offers at the very minimum hope of a better future for the Sahtu Dene and Metis. I am concerned that the agreement sets a bad precedence because it does not regulate the use of the cash payment. The land settlement is absolutely enormous. It is not clear if there is a provision to make changes in the agreement if it is subsequently seen to be in need of correction. The agreement is entrenched in the Constitution under section 35 because the Sahtu Dene are already covered under treaty 11.

Another consideration has to be the implementation of aboriginal self–government. It is my opinion the Sahtu Dene will be responsible in implementing a combination of band council and municipal government. We have to face it that in this circumstance there are only about 2,800 people in the entire 16,000 square kilometres and they are mostly concentrated in a few communities.

Finally the agreement will be entrenched in the Constitution. Therefore I am of the opinion that the charter rights would prevail as the law of the land despite any future self–government negotiations.

Mr. John Duncan (North Island—Powell River): Mr. Speaker, the member who just spoke was a businessman in his previous life. Has he looked at the agreement from the standpoint of the new bureaucracy, how it would affect doing future business and how it would affect existing businesses within the settlement area?

• (1750)

Mr. McClelland: Mr. Speaker, no, I have not looked at it carefully from that perspective. I contacted Mr. George Cleary, president of the Sahtu Tribal Council, and talked to him about this settlement. He seemed in conversation to be very concerned that whatever was done on both sides of the table be done right and be done in a responsible manner.

There are provisions in the agreement to set up an enormous level of bureaucracy. I believe there are seven, eight or as many as nine other bureaucracies. He was very clear in saying they understand the potential for problem there and would be very cautious to ensure that did not happen by perhaps having people wearing two or three different hats at one time.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, I have a question for my caucus colleague from Edmonton. I appreciate and understand his concern about the size of the grant of funds.

What about inherent self–government and how that will interface? Perhaps he has an idea of how inherent self–government could be negotiated on the reserves within this large land area and how that would interface with the laws of the rest of Canada. Does he see any potential conflicts there? Should this be negotiated now before we do the land settlements?

He talked about precedent. That is something they did not mention. I would like to know as a businessman how he would be negotiating this deal from that point of view.

Mr. McClelland: Mr. Speaker, I thank my colleague for that entirely unexpected question.

The implementation of self–government in this particular circumstance will be very different from the implementation of self–government in other circumstances. This is an enormous area with relatively few people who are by and large involved in a traditional lifestyle, with the exception that they particularly want to get more involved in oil and gas exploration. Self–government in this particular model would be one that would be more municipal; it is envisioned as being more municipal than it would be federal.

Something we would want to keep in mind in this whole self–government consideration is that if 5 per cent of Canadians are of aboriginal ancestry, and yet something like 40 or 50 per cent of Canadians in jail are of aboriginal ancestry, then somewhere along the line we have gone horribly wrong. If we need to make a leap of faith to try to right that wrong then it is incumbent on us to do exactly that.

Mr. Ted McWhinney (Vancouver Quadra): Mr. Speaker, would the hon. member make a distinction between land use control, oil and gas development and self–government as such? Does he see an intrinsic difference between them?

Obviously oil and gas development would not be compatible with the structure and powers of a municipal set of governments.

Mr. McClelland: Mr. Speaker, on the whole question of mineral exploration or exploration for anything the self–government model would have to go to a provincial model. In this particular case the people involved have indicated they would be flexible to do whatever is necessary and to do whatever is right. It is a learning process for everyone involved.

The important thing in the whole aspect of self–government as I envision it is not to replace one with another but is to say: "Give us the opportunity to earn and to have our dignity by making our own laws. This is our land. We know our land. We know how to look after our land a lot better than you do. Give us the power to do so".

I think particularly in this agreement the Sahtu Dene have not tried to say this was their land exclusively. It is very clearly laid out in the agreement that with the exception of about 700 kilometres it is open to anyone on permission. The caveat is not to destroy the environment or harm the land. In answer to the direct question it would not work as a municipal but it might be a combination of municipal and provincial. Who knows?

• (1755)

Mr. John Finlay (Oxford): Mr. Speaker, I listened with great interest to my hon. colleague's speech. He raised some questions that I might like to refer to and ask him one in return.

He asked: "Is this agreement fair?" If this agreement were arrived at by an equal number of participants who wanted to make an agreement that would stand and serve their interests, those of Canada and those of the aboriginal people, it is probably fair.

He said that 16,000 square kilometres was a whole lot of land I agree but we do have a lot of land in the country. Then he said they were custodians. I suggest aboriginal people made less impression on this land in 36,000 years than we immigrants made in the past 200. In fact in the past 50 years we have done a pretty good job of changing the face of this land.

It might be a good thing to return some custodianship to those who believe that the land suckles us all and that it is here for our children and grandchildren and not for our exploitation.

He said that the Dene wanted to participate but that the money may turn out to be mistake. He asked: "Will this agreement lead to self–sufficiency?" All members of the House would like to say they hope very much that it will. Certainly what we have been doing up to now has not led to self–sufficiency. Maybe we had better try another approach to see whether it will work.

Mr. McClelland: Mr. Speaker, I did not really hear much of a question in the comments, but I would pretty much echo virtually everything he said. We are basically on the same wavelength.

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, I will admit that I am not an expert on native affairs, land claim settlements or treaties that were signed years ago. However because I am the only Reform member from Manitoba, and Manitoba being probably a model of self–government for the rest of Canada, I would like to point out a few things that could have some effect on self–government for Manitoba which are

kind of laid down in the guidelines in the Sahtu Dene and Metis bill.

Through the agreement the government, as far as I am concerned, has shirked the wider public interest in dealing with aboriginal land claims. North of 60, which is the Northwest Territories and Yukon, comprises 40 per cent of the land mass of Canada. Ownership up to now has been with the federal government, which should control it in the best interest of all Canadians. It would appear however that the government like the one before it is more concerned with being perceived as politically correct than it is in administering the land in the best interest of all.

The people in this part of the country have seen four major territorial agreements. There have been four massive land claim agreements since 1984. The Inuvialuit agreement covered the western Arctic. The Gwich'in agreement dealt with the Mackenzie River Delta and the Nunavut agreement covered the eastern Arctic. Now we have before us the Sahtu Dene and Metis agreement which covers the Great Bear Lake region. These agreements typically give vast amounts of land to a relatively small number of people. The land settlement agreement to Sahtu Dene and the Metis includes land equal to 28,000 square kilometres or about five times the area of Nova Scotia.

• (1800)

There are, however, only about 1,755 beneficiaries. This works out to approximately 160 square kilometres per person, an area 10 kilometres by 16 kilometres per individual. If you take that into miles it is 6 by 10 miles which is 60 sections per individual, 36 sections in a township. Each individual will receive approximately two townships of property.

These agreements give generous concessions to the recipients, including the constitutionally entrenched rights for aboriginal fishing, trapping and hunting forever. If any outside group wants to use this area in the future for something like forestry or the development of oil and gas it would have to go through several complex layers of regulations including native negotiations. This could seriously deter any potential investors from setting up shop in these areas.

This bill will also provide cash payments of $130 million over 15 years. This works out to approximately $74,000 per person. Also included in this agreement is a percentage of resource royalties from any gas, oil and mineral development. No indication is given as to how much money this would include.

When combined with the agreements that preceded it we have an area of over half a million square kilometres. That is half the size of Ontario and it is granted to a population of 23,800 individuals. These actions have taken this land with its untold resources out of the hands of all Canadians and put it into the hands of a few.

This bill has special significance to me because I am the only Reform member of Parliament from Manitoba. The hon. Minister of Indian Affairs and Northern Development has indicated that Manitoba will be a test case for aboriginal self–government. I am very concerned that this Sahtu Dene and Metis agreement sets a precedent for future Manitoba agreements. Manitoba has a native population of about 84,000, four times the amount that these four agreements include.

I am not sure that this government can define everything that would be included in self–government but to put it in perspective, if the agreement that C–16 deals with is used as a model and the same concessions are eventually given to Manitoba's 84,000 natives, the government would have to agree to land claims of about 13.4 million square kilometres.

Since Manitoba covers about 650,000 square kilometres this is obviously impossible. This would mean that the federal government would have to purchase another 20 Manitobas somewhere to settle the land claims. Maybe this would be a way of selling my farm land which I am told is very valuable, although it is hard to get the money out of it.

Based on the funds that are given under the Sahtu Dene and Metis deal, about $6.2 billion is going to be handed over to the 84,000 Metis. Where will the federal government get that type of money to settle all the land claims? What is the figure eventually going to be for the rest of the native people in Canada?

One week after the Charlottetown accord referendum was defeated a leaked government document indicated that the government had few answers as to what self–government would entail. It had no idea of how much it would cost, where it would get the money or how many aboriginal groups would want to be a part of this.

I am simply not confident that this present government has a better grasp on these matters. Yet, through the Sahtu Dene and Metis agreement the government will enter into a future agreement for self–government.

• (1805)

As I stated, the model for self–government is not clear. Thee is a reference in appendix B of the land claims settlement agreement for local law making on a range of powers that are normally exercised federally or provincially. I would hope that the government could assure Canadians that this does not mean a new legislative law making body would be set up with a new judicial system all for the benefit of fewer than 2,000 people.

As I mentioned, huge questions surround how Manitoba will become a testing ground for aboriginal self–government. The number of acres of land that will be set aside for Manitoba natives and the amount of money involved are two more of the

obvious questions, but there are no answers because they do not make sense in this agreement.

What will the related costs add up to, for example the cost of policing a judicial system? In appendix B of the Sahtu Dene and Metis agreement there is a framework that considers transferring not only administrative responsibilities but also legislative powers. The extent to which this applies in any self–government initiative remains to be determined in future negotiations.

This leads to a number of questions. Would this include a special and separate native police force? Who will be responsible for the hiring and training of such a police force? Who would be responsible for the incredible costs involved?

There is also the question of whether the Charter of Rights and Freedoms would apply to any self–government arrangement negotiated in accordance with this agreement. That is a question that is not answered in this agreement.

A very questionable aspect to this agreement is the additional layer of bureaucracy it creates to administer the land, the water, the resource and the wildlife provisions. Renewable resource councils will be established by each community. A renewable resource board will be created by the government. Sahtu Dene and Metis will make up half the membership on this board. An arbitration panel will be formed to settle disputes relating to this agreement without going to court. A land use planning board and a land and water board will each be set up, with 50 per cent membership for the Sahtu Dene and Metis.

There will also be an environmental impact review board and a surface rights board. Together with an expected act on the Mackenzie Valley resource management, this agreement will give rise to a whole new layer of bureaucracy.

Who will pay the salaries and expenses of the members on this new layer of government? Are we just training the Sahtu Dene and the Metis to become bureaucrats? Currently all of these functions are performed by either the department of Indian and northern affairs or the government of the Northwest Territories. I see no commitment to phase out these current boards. I wonder if they will continue to exist even though their jobs have been taken over by someone else.

The department of Indian affairs has a budget of about $5 billion and has a staff of 3,400 people. In this year's estimates salaries and contributions to employee plans amount to $134.4 million. This works out to an average salary of approximately $40,000. Will this department with a huge budget and a large staff continue to exist as we set up another bureaucracy?

This land of course will have roads, bridges and similar infrastructure that will have to be built and maintained. Presumably this will be the responsibility of the new native administration. Will it still be federal funds that will be applied for?

I think it is worth mentioning that health care under this agreement will remain unchanged. It will still be administered by the federal government. As I can expect that self–government will be introduced into Manitoba, this is of concern to my constituents. In the report to the Manitoba standing committee on medical manpower concerning the year 1991–92, I learned that the total health care service expenditure per capita for natives was much higher than for the rest of the province. In my own area of the province, which includes Morden and Steinbach, the average cost was about $140 per person. In Winnipeg it was about $200 per person. The Manitoba average was $185 but on the southern native reserve it was $260 per person. One doctor told me that half the people on the native reserve are afflicted with diabetes—how sad. It is of real concern to the other people in that area that these problems get corrected and how that will be accomplished.

• (1810)

It is similar when we look at the average expenditure for each hospital visit. For towns like Winkler and Steinbach the cost was about $23 per visit which was about the same as the Winnipeg and Manitoba average, but for the reserve natives, the average cost was $50, more than twice as much.

Clearly this indicates that there are special health care requirements for Manitoba's native population. It is a social issue because we should be looking at ways to improve their overall health but it is also a financial issue and I think it is important to realize that these costs will remain after these land claims are settled.

Will there be any provision under self–government for natives to assume their own health care or will they depend on the federal system forever?

The government has also announced its commitment to continue the northern food mail program which I think is a very important program. This program will cost about $14.1 million in 1994–95. I think it is important for Canadians to realize that these programs continue even after these agreements have been achieved. The Canadian taxpayer's responsibility to fund these programs does not disappear just because natives are being given new land rights and more control over their affairs.

I wonder when the time comes for self–government in Manitoba what the government will do in the way of initiatives to improve the health of this segment of the population. I hope it will not ignore the problem and just agree to another wholesale giveaway of land and resources as it has done in the Sahtu Dene and Metis agreement.

I think it is very important that we realize that not just the Metis and the native people but the white are responsible to correct some of these problems and they have to be dealt with and there have to be funds for it. Huge land claims will not deal with these health problems.

In closing, I hope I have served to air some concerns and raise some very important questions regarding Bill C–16. The implications are very far reaching and it is very troubling that some of the more important questions seem to be without answers.

As a Manitoba member of Parliament I hope that when the time comes for any self–government or land claim agreement in my own province it is more well thought out than this one is. The current concept of self–government is so ill–defined and open minded there are serious implications to everyone involved, not the least of whom is the Canadian taxpayer.

A large percentage of native bands in Manitoba are millions of dollars in debt because of mismanagement and corruption. By moving toward self–government are we going to clear ourselves out of this indescribable mess created by Indian and Northern Affairs, or will it simply make the situation worse?

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, it always amazes me when members talk, as the previous speaker just did, about giving away land. It seems to me incredibly naive to say that the government gives away land. After all, I cannot describe well enough what has happened to the land that we now call crown land or Her Majesty's land or whatever the case may be.

• (1815)

The member talks about the large size of the land that has been given. He compares it to how Manitoba would fare if it had a similar type of land claim in that regard.

We have to remember that the boundaries were not set down by the aboriginal people. As far as the aboriginal people are concerned those are artificial boundaries when they talk about their land.

The aboriginal people, the Dene and the Inuit of the Northwest Territories, the Denesuline from Manitoba and the people from Prince Albert did not sit down and say: "Okay, here is Manitoba, here is Saskatchewan and here is the Northwest Territories". It was imposed on them. As far as they were concerned they had some boundaries but not necessarily defined when they hunted and survived around that area.

When the member talks about how large the land is in ratio to if they tried to do that with Manitoba, that is not an applicable question.

The hon member talks about how self–government is undefined. I go back to a response I made some weeks ago about self–government.

When the British parliamentary system was being set up here who asked the aboriginal people of Canada? "We are going to set up a government. We are going to set up the Parliament of Canada, but you do not have a choice. You are just going to have to go along with it". That is basically what happened. We did not have a role in defining how the system of government was going to be set up in our land.

There has to be some understanding and I am sure the understanding is there. It is just being chosen to be ignored.

We talk about the bureaucracy which is going to be set up. In the Nunavut area I hope that the bureaucracy is going to be comprised of a large number of Inuit in our area. Hopefully the same will be true in the western Arctic, and there will be a large number of Dene within the bureaucracy.

In order to save time and money in dealing with issues we want a bureaucracy and a government sensitive to the people being served. After all the bureaucracy is there to serve the people. Even though sometimes the bureaucrats seem to think it is the other way around, that is the way it is supposed to be.

Does the hon. member not understand that this is setting up a system or settling claims which are long overdue? The hon. member asks whether the aboriginal people will be paying for their own medical care and so on. He talks about the food–mail program which he says is a good one and I agree. However that subsidy cannot be taken away from the people it presently serves when in large part those people have the least earning power.

• (1820)

In some cases they are paying $4 for a loaf of bread, $4 for a dozen eggs, $5 for a litre of milk. They regard apples and oranges and other fruit as treats rather than a nutritional part of their diet.

Does the hon. member not think this is the settling of some claims which has been long overdue?

Mr. Hoeppner: Mr. Speaker, I appreciate those comments from the hon. member.

As I said, I am not that familiar with the history of the native people but when I read the history books, it seems to me the native people were immigrants at one time too. They did come to Canada from the Soviet Union across the Bering Strait. North America was settled to some extent by them. I do not know who was replaced.

I can also tell the hon. member that I stood on the ruins of Chichén Itza. That was a Mayan civilization which totally disappeared from North America before there was any white man around. It was because agriculture failed in that area.

I can also tell the hon. member that my forefathers came to this country and bought a quarter of land for $10. After 100 years and having cut down every tree to provide food for this nation, they have lost everything. I buried three of my neighbours who committed suicide just like the hon. member explains because the system we have today took away from them what they had worked for, just like their people have done.

This land has been given to us by our creator. We should use it for the benefit of all people. We cannot totally disengage ourselves from the kind of situation where we want to try to grab more for this person or more for that person.

We have to realize that problems were here before the white man came. I am just wondering what the natives would be like today if it had not been white men who defended these borders against the communist regime in the Soviet Union.

I had the opportunity to talk to some of the native people at Flin Flon or Pine Falls recently. I listened to their problems. We have made a lot of problems but we have also done some good for this country. I wish that was acknowledged once in a while.

Mr. Anawak: Mr. Speaker, I do not think we are here to debate hypothetical questions. That is a totally hypothetical question.

I suspect if Christopher Columbus had not come over, North America would be a lot more cleaner place to live. I would hate to think if not the aboriginal people but the people whose forefathers came first, what state of affairs the aboriginal people would be in. I cannot imagine the despair we would be in.

However I acknowledge what the hon. member has stated, that he is ignorant about the aboriginal issue. I accept part of his comments. Ignorance is bliss.

Mr. Hoeppner: Mr. Speaker, I am just wondering. Do we then say that our history books are full of lies and there is no truth in that when I read about the 1400s and 1500s of how native people in this area were fighting among themselves? Whole nations were wiped out. People starved to death because of famines. Is that all a myth? Did the white man create that in Europe before he was even here? Is our history that false? Should we rewrite our history books?

What would the hon. member suggest? Does the hon. member want to take the facts or do we want to work on as he said, hypothetical questions, solutions or answers? We have to be honest about this issue. We have to try to resolve that, not just for the native issues or their grievances but there are also grievances on the other side.

• (1825)

I think if we want this country to survive we have to come to a realization that this is a joint problem and we have to work together to solve it or else we will destroy ourselves.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, I would like to ask my colleague what he thinks of the land tenure system that has been put in place from the beginning with the earlier settlers, those who settled this land and stayed put versus what those settlers may have found here as a group of people not necessarily staying on the land, and did that actually help develop this country?

Mr. Hoeppner: Mr. Speaker, after hearing the hon. member speak, I do not know how to respond to that. I always thought that we as a people who developed a country should have some respect or some benefits from it.

My forefathers were driven from Prussia to the Soviet Union. They lost all their land and came over to Canada and started over again. Maybe it is just natural for us to be on the losing side all the time. Maybe it is the other side that should always win. I also have feelings and needs.

Mr. Philip Mayfield (Cariboo—Chilcotin): Mr. Speaker, I would like to preface my comments by saying that there is a legitimacy about the comments that the Reform Party members are making in this debate.

I am honoured to be here. I am honoured to participate in this debate and express concerns and questions of my constituents.

Far too many aboriginal people struggle daily with the economic and social conditions that are overwhelming and tragic. Few Canadians would argue that their standard of living is acceptable. For far too long aboriginal people and the state of their affairs were out of sight of most Canadians. However, as Canadian people become increasingly aware of what life on reserves has meant in terms of humiliation and loss, there is a justifiable reaction. Let us remedy the situation. Let us make it right. There is a will for this to happen.

Some people are saying there is no way that we can move too quickly or do too much to remedy the unacceptable state of aboriginal affairs. I have heard non–aboriginal people in their enthusiasm and guilt say things like it is the white man's turn to live on the reserves with no vote and do what the department of Indian affairs tells him.

In my mind, however, what we must accomplish is somewhat less reactionary. I believe that what we should be doing is bringing down the barriers and co–operatively opening up the way for aboriginal people to come as far into the mainstream of Canadian life as they individually choose to come.

I have heard aboriginal people respond to this guilt of the white man. In very natural human terms aboriginal people are prepared to take whatever the government will give up; money, land, special rights. Aboriginal leaders are justifiably proud that they have learned how to get money out of the government, as one western chief described it. They have learned that in the present climate of political correctness the government has little if any will to deny aboriginal demands.

As an example of this the media reported recently that the minister of aboriginal affairs was handed a memorandum of understanding by Chief Phil Fontaine and after quickly reading the memorandum, without a word of clarification or consultation and to the surprise of everyone in the room, the minister took out his pen and signed it. All involved were so surprised at the minister's action, to quote the reporter, you could have heard a pin drop.

I see the Sahtu Dene and Metis comprehensive land claim agreement that we are debating today in much the same light; a willingness to give to the Sahtu Dene and Metis whatever is demanded. Once again there is a willingness to relinquish large tracts of land, water, surface and subsurface rights with little public consultation south of 60. There is also the unanswered question of the federal government's legal ability to enter into such an agreement without at least consulting the provincial governments.

• (1830)

I am not suggesting that past wrongs and present day inequities should not be addressed. They must be addressed. But inasmuch as there are now no secrets about what happened on the reserves and in the residential schools, by the same token neither should there be any secrets about what the government of the day does behind closed doors.

So far the Sahtu Dene and Metis agreement has been made behind closed doors with little public consultation. When the facts become known, as surely they will, what will be the reaction of mainstream Canadians? They will feel they have been deceived by the government. Will their reaction stall and delay and even prevent the kind of programs that fair–minded aboriginals and non–aboriginals alike have been struggling to achieve? Will the reaction move against and stifle the agreement?

Bridges can and should be built between aboriginal and non–aboriginal people. These bridges need to be built for two–way traffic. Cultural enrichment can cross these bridges in both directions for the benefit of all Canadians.

In the mosaic of cultures that is being created in Canada, every culture can receive as well as contribute to the Canadian mosaic. I am not confusing this concept with that of the melting pot of cultures. What I am insisting on is that we have as an ultimate objective a unity within Canada that dynamically includes all cultures with no benefit or loss of benefit based on cultures—

The Acting Speaker (Mr. Kilger): Hindsight is 20–20, as we all know. I suppose that at 6.25 when the member for Cariboo—Chilcotin began his intervention I could have asked the House if it wished me to see the clock as being 6.30. However, I did not.

I wonder if there would be unanimous consent to allow the member to complete his intervention. We would not have questions or comments. Maybe the member could give us some indication of how much longer he would require because I hate to cut people off half way through.

I am in the hands of the House. The hon. member could help us possibly.

Mr. Mayfield: I would need about another 15 minutes to complete my intervention, Mr. Speaker.

The Acting Speaker (Mr. Kilger): Would there be unanimous consent or should we go to the late show and the member will have to complete his intervention when we resume debate on the bill?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): I must proceed then to the orders of the House.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

MIL DAVIE SHIPBUILDING

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, on April 12, I informed the Speaker of the House that the Minister of Industry had still not recommended to the government to make decisions on two issues affecting the MIL Davie shipyard in Lauzon, namely the Magdalen Islands ferry and the multifunctional smart ship project.

I added that, if the government still believed in employment, it had no reason not to make an immediate decision on the future of this shipyard. I also informed the House that, with every passing day, government inaction threatened the survival of the biggest private business in the Quebec City region.

The employers, employees and people concerned are not at all satisfied with the answers then given by the Minister of Industry to these two questions. We cannot be satisfied with a stock answer such as the one we received. We agree that, as the custodian of public funds, the government must make decisions that are in the best interest of taxpayers, but it must still make them.

In the last election campaign, all local stakeholders told the parties now forming the government and the Opposition how important it was to react rapidly in the MIL Davie case because failure to do so could lead to economic disaster, namely the closure of the MIL Davie shipyard. The shipyard is now in a state of panic as no contract has been or is waiting to be signed.

• (1835)

At this time last year, 3,000 employees were working. There are now 2,000 workers but this number will go down to 300 in December if the government does not assume its responsibilities right away.

As you can appreciate, people are ready to use any means to ensure their survival. They do not intend to wait for the provincial election to be called without the federal government taking a firm stand. All too often, campaigning politicians promised the shipyard it would be awarded contracts that never materialized after the election.

Today I am asking the Parliamentary Secretary to Minister of Industry to give me a definite answer on the government position in this case, not on a whim but because the situation is serious and urgent. That is also the reason why, Mr. Speaker, you allowed me to address this House tonight pursuant to Standing Order 37(3).

People on both shores of the Quebec City region who work in the private sector are dependent on two major industries: pulp and paper and shipbuilding.

The pulp and paper industry is already facing serious difficulties in trying to apply certain federal environmental standards but, Mr. Speaker, if you allow me, I will bring this thorny problem to the attention of the House a little later.

The other industry supporting 3,000 employees has no contracts left and is about to close its doors. I would like the government to be aware of the major problems that would be created by its failure to take immediate action. Three thousand families represent about 10,000 people who will live on unemployment insurance for a while. The following year, these 10,000 people will be forced to live on welfare with all the psychological problems brought on by this situation. These psychological problems will lead to a significant increase in health–care costs paid in part by the federal government.

The government, I am sure, analyzed all these repercussions and I fervently hope that my colleague, the Parliamentary Secretary to Minister of Industry, is now in a position to give us the good news right now, namely that MIL Davie of Lauzon has been awarded the contract for building the Magdalen Islands ferry as well as the smart ship prototype so that it can survive for the next few years.

[*English*]

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs): Mr. Speaker, the Parliamentary Secretary to the Minister of Industry has asked me to comment on the issue raised by the hon. member for Beauport—Montmorency—Orleans on April 12 and I am sure he will get a clear answer as he requested.

The future of MIL Davie and its ability to generate meaningful long–term employment is of great importance to this government and I know how important it is for the population of the Quebec region.

With the completion later this year of the Canadian patrol frigate and trump contracts at MIL Davie the government will discuss the future of the shipyard with its owner, the province of Quebec. As a basis for the discussion, the province of Quebec is assessing a corporate business plan identifying the direction the company will take to ensure its future success.

I understand that the provincial government has not approved the draft plan and the MIL Davie business plan has not been presented to the federal government at this time.

Unsolicited proposals have been made by MIL Davie for two federal construction contracts. The first is a contract for the replacement of the *Lucy Maud Montgomery* ferry operating between the Magdalen Islands and P.E.I. The second is for a multifunctional vessel or smart ship for the Department of National Defence.

In the case of the ferry my colleague, the Minister of Transport, is evaluating the options available to him in the context of limited budget resources, other Canadian shipyards and the provision of timely and effective ferry service.

Regarding construction of the smart ship, the Minister of National Defence will be able to assess future naval requirements following the completion of the defence policy review that the member knows is going on at present.

In conclusion the long term future of MIL Davie and the well–being of its workers and the community is important to this government. As my colleague the Minister of Industry has said many times, we are committed to working with the yard's owner, the province of Quebec in a co–operative fashion.

* * *

[*Translation*]

BILINGUALISM

Mr. Pierre de Savoye (Portneuf): On April 13 last, I had the opportunity to put two questions to the Prime Minister concerning bilingualism.

• (1840)

Part of his response to one of the questions was as follows, and I quote:

> It seeks to protect its rights.

The Prime Minister was referring to Canada's francophone and Acadian community.

> However, it also deplores the fact that some francophones like the Parti Quebecois and Bloc Quebecois members are the ones who create the most serious problems for it.

Mr. Speaker, statements like this call for an apology or, at the very least, some serious explanations. Here is how I see these statements and why I find them exceedingly disagreeable. To begin with, the rights of Canada's francophone and Acadian communities are not dependent on Quebec. These communities enjoy them outright. They enjoy these rights because of what they are. Moreover, these rights are entrenched in the Constitution and in the Charter.

Whether Quebec is or is not part of the Canadian confederation does not take anything away from the fact that these rights are legitimately theirs. The Prime Minister seemed to be saying that, if Quebec were no longer around, either the Liberal government could not be counted on to ensure compliance with the Constitution or the Charter, or Canadians would not normally be inclined to uphold their Constitution and Charter.

Are we to understand then that the government wants to hold Quebec accountable for the future to which Canada's francophone and Acadian communities are entitled? Are we to understand that the government wants to hold Quebec accountable for the way in which other Canadians from coast to coast will treat their francophone and Acadian communities?

I hope that this was not what the Prime Minister was hinting at. Therefore, I think some explanations are in order. In short, either the Prime Minister, as Leader of the Liberal government, has no intention, in Quebec's absence, of ensuring compliance with the Constitution or, the Prime Minister believes that, in Quebec's absence, Canadians from coast to coast will not have the will, determination or sense of fair–play to ensure compliance with the Constitution and the Charter.

Which is it? Or should these words never have been spoken in the first place?

Not only am I waiting for an answer, Mr. Speaker, so too, I have no doubt, are tens of thousands of other people. There are 900,000 anglophones in Quebec and that province has never once said that it would treat them any other way but very fairly. There are 960,000 francophones in the rest of the country, 60,000 more than there are anglophones in Quebec, and they are waiting for an answer now.

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Mr. Speaker, the fact is that nearly a million francophones in Canada live outside Quebec and their number has increased by 50,000 since 1971. While the proportion of francophones outside Quebec has diminished during the same period, this is mainly due to the growing proportion of Canadians of diverse origins who came to our country during that period.

Nevertheless, the government recognizes the particular challenges facing francophones outside Quebec.

• (1845)

The hon. member opposite uses statistics on the situation of francophone communities outside Quebec to make this House believe that these people will soon disappear and that their disappearance would end our policy on official languages throughout Canada.

[*English*]

French speaking Canadians living outside Quebec represent about 20 per cent of the total francophone population of Canada. Through government action there has been notable progress in recent years, particularly in terms of greater access in all provinces to French language schooling.

For example, there are now over 185,000 young Canadians in 700 French language elementary and secondary schools outside Quebec and in 45 colleges and universities which give instruction fully or partially in French.

[*Translation*]

The hon. member should keep in mind that a community's vitality is measured by its entrepreneurship spirit and its sense of identity and not only by statistics.

JOB CREATION

Mr. Jean–Guy Chrétien (Frontenac): Mr. Speaker, on March 25 last, I rose in this House to put a question to the Minister of Finance on the Sainte–Marguerite project.

At that time, all was set for construction to start, except that one permit was missing. It so happens that it was to be issued by the federal government. Already struggling with unemployment, the Sept–Îles region, in Quebec, was faced with job creation efforts being paralysed by the federal government's dilatoriness.

To a question as to when the federal government was going to allow Hydro–Québec to go ahead with this project, the Parliamentary Secretary to the Minister of Transport replied that the environment had to be protected. I agree. However, that is putting a bit too much on the back of the environment, seeing that the BAPE report was accepted on February 24. If the idea is to harmonize federal and provincial standards, why is the Quebec report not enough?

As for the Minister of Intergovernmental Affairs, he took that opportunity to emphasize what a great achievement this agreement between his government and the Quebec government was. He explained that the permit in question was a complex and was detailed document and that a few more pieces of information were needed before it could be issued, indicating in passing that

the missing information was to be supplied by Quebec. In other words, it was Quebec's fault if the federal government could not issue the permit. So much for the great example of co–operation!

In the end, all that time was wasted for nothing because the government allowed construction to start without the famous permit. I am happy that it got under way so that the people from the Sept–Îles region can work. Let me elaborate on that. It is clear as day that the federal government allowed construction to start without permit just to score points with the electorate.

It is clear and it reeks of electioneering when the Prime Minister of Canada tells the Premier of Quebec that he does not need his authorization. This whole thing is clearly ridiculous. It is clear, in particular, that no one is falling for the little game the Premier and the Prime Minister are playing.

And they call this an excellent example of federal–provincial co–operation. The fact that the federal and provincial environmental standards are different has put a wrench in the works for Hydro–Quebec.

We get along fine on paper, but when the time comes to take positive action, we hit a wall. When well–intentioned people try to find out where the blockage is, the process gets so cumbersome that they can hardly find an answer. My point, Mr. Speaker, is that the Sainte–Marguerite project incident is proof, once again, that the federal system is dead. For the people of Quebec, there is one level of government too many and the sooner we get rid of that one the better. Then Quebec will be able to develop to its full potential because all the tools it needs will be in its hands alone and Quebec will be the master of its destiny.

[*English*]

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs): Mr. Speaker, the Parliamentary Secretary to the Minister of Transport has asked me to address the concerns expressed in the House over perceived delays in the granting of the necessary federal approval for Ste. Marguerite 3 hydro electric project.

The construction of the project requires a permit under the Navigable Waters Protection Act, which is administered by the Department of Transport.

The scope of the work required an environmental assessment. To that end the federal and provincial governments agreed to conduct a joint public panel.

On March 28, 1994 the Department of Transport, on behalf of the federal government, made public the federal response to the Bureau d'audiences publique sur l'environnement, BAPE, panel report.

The Department of Transport is moving expeditiously to complete its statutory responsibilities. Following the minister's February 24 announcement, departmental officials contacted the province and Hydro Quebec to explain the requirements for Navigable Waters Protection Act approval.

In order to finalize the approval documents the Department of Transport will have to receive and approve the final detailed plans and drawings of the project. In accordance with the Navigable Waters Protection Act, Hydro Quebec must deposit these plans in a land registry office and advertise their project intentions in two local newspapers and the *Canada Gazette* and await 30 days prior to commencing any work which may interfere with navigation.

To close, Hydro Quebec can and has, I believe, begun the road work for the project. There is certainly work that is not associated with the Navigable Waters Protection Act process with which they can proceed. Contrary to the comments of the hon. member for Frontenac, I believe the government commitment to both the protection of the environment and to job creation have been met.

I might also remind the hon. member that not long ago the United Nations declared Canada the number one place on the planet where to live, measured against certain criteria and thanks to the co–operation of all provinces, territories and the federal government. He should take that to bed and sleep on it.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted.

The House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.52 p.m.)

HOUSE OF COMMONS

Tuesday, April 26, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to certain petitions.

* * *

MILITARY TRAINING

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I rise in this House today to provide information to my hon. colleagues on a subject we all care about, and that is the opportunities the Department of National Defence will provide young Canadians to receive officer training in the Canadian forces, in a fully bilingual Canadian military college.

[*English*]

I promised the hon. member for Roberval some weeks ago, when there was topical questioning as a result of the budget and the closing of the Collège militaire in St. Jean, Quebec, that within a number of weeks I would make a progress report to the House to let members know what the Department of National Defence is doing to ensure the bilingual nature of the military college system once there is consolidation at Kingston.

Tomorrow I shall be appearing before the Senate finance committee. I understand the prime focus for the questioning on that date has to do with the collège militaire and its closing. I felt it was only courteous to members of the House that I make a statement in my own Chamber to let the House know how our thinking has evolved before I went to the Senate committee.

The amalgamation of our three military colleges into a single institution has been dictated by both budgetary constraints and the operational requirements of the Canadian forces. Since 1989 the strength of the officer corps of the regular force has been declining. As a result of the 1994 budget the number of officers will continue to decrease until 1998. Thus the number of cadets in military colleges will obviously be reduced from the current level of about 1,600 to about 900. A single college will therefore be sufficient to meet our needs.

Once we have one military college it will have to be fully bilingual for two reasons. First, our college must accommodate young Canadians from all regions of Canada, whatever their first official language. Not only must these young Canadians know they are welcome in their military college; they must feel at home there. Second, the principle of equality of the status of the official languages as well as the spirit of the Official Languages Act require us to ensure that the training of officers is carried out in both official languages.

Bilingual training is also important because our officer corps must be able to command personnel from both linguistic groups. It was therefore recently decided that beginning in academic year 1996–97 all graduates of the Canadian military college must be functionally bilingual. I shall return to this point in a few moments.

[*Translation*]

The establishment of a fully bilingual military college is typical of the challenges we face in Canada. Among our goals is to promote relationships based on respect for differences as well as harmony and co–operation in the name of a common cause: to serve and protect Canada. The Department of National Defence has taken on this challenge willingly. My department has developed both a transition plan for the period from 1994 to 1997 and a plan to make the Royal Military College in Kingston fully bilingual.

As part of the transition plan measures will be put in place to ensure the replacement of the programs currently offered by the three military colleges by the end of the 1996–97 academic year. We are also considering several options to replace, starting in 1995–96, the qualifying year offered by the Collège militaire royal de Saint–Jean, in Quebec.

• (1010)

At the same time, the Department of National Defence is developing a plan to make the Royal Military College fully bilingual. Here is an outline of this plan. The Royal Military College is already partially bilingual, the science and engineering curriculum having been taught in both official languages for

many years. Both French and English have also been used for a long time in daily activities, alternating from week to week.

The plan national defence officials are presently working on is geared toward making the Royal Military College fully bilingual and creating an environment where young francophones and anglophones will be motivated to study to become bilingual officers of the Canadian Armed Forces.

This plan will have an impact on the four pillars of the Canadian military college system, namely academic training, the military training plan, sports and physical fitness, as well as second language skills. It will apply to the directing staff and the officer cadets and affect administrative support and all aspects of the daily operations of the college.

[*English*]

As part of the rationalization of our military college system all academic programs that are retained will be offered to new entrants in both official languages. To meet this objective college commandants and principals are currently assessing francophone and anglophone staffing requirements, both military and civilian.

Because the level of bilingualism demanded of the Royal Military College graduates has been raised, increased emphasis will be placed on the day to day use of both French and English at the college. Cadets who need to upgrade their second language skills will take summer language training in an appropriate linguistic setting.

The bilingual nature of the college will be enhanced by the simple fact that the cadet population at RMC will soon be 30 per cent francophone and 70 per cent anglophone, as compared to the current breakdown of 17 per cent and 83 per cent respectively.

As for the military staff, the commandant is already working with personnel staff in Ottawa to ensure that the staff composition of the college reflects its requirements.

[*Translation*]

It must be pointed out that in July Brigadier General Charles Émond, who is the current commanding officer of the Collège militaire royal de Saint–Jean, will be taking on his new duties as commanding officer of our new centralized military college.

[*English*]

In other words the commandant at the Collège militaire de Saint–Jean, Québec, Brigadier General Charles Émond, will move to the Royal Military College in Kingston to ensure the smooth transition to one college system and that the bilingual presence will be maintained.

I draw this to the attention of members on the other side of the House, especially my friends in the Bloc Quebecois because they were most concerned about the consolidation into one college at Kingston. I have great confidence that General Émond, the commandant now at CMR, will be able to realize our goals in making the Royal Military College in Kingston a truly proud bilingual institution all of us will admire.

[*Translation*]

Brigadier General Émond graduated from the Collège militaire royal and received a diploma from the RMC. We are counting on him to make our new college continue to reflect the National Defence vision of bilingualism among Canadian Forces officers.

I will now outline in greater detail the bilingual officer corps concept within the Canadian forces. This concept was adopted by the Armed Forces Council on June 28, 1988. It met the senior officers' need to lead their subordinates in both official languages.

This concept is now being studied by a special joint task force made up of representatives of National Defence and of the Commissioner of Official Languages. We intend to refine this concept and resolve the issues raised by the Commissioner during our consultations.

• (1015)

Our goal is to establish the following policy: effective January 1, 1998, all officers promoted to the rank of Lieutenant–Colonel will normally have to be bilingual. I already mentioned this fact during oral question period in this House.

The steps taken to offer second–language training to francophone and anglophone officers are part of the Official Languages Program of the Department of National Defence. This program is based in part on the 1988 Official Languages Act and contains the following elements: language of work, equitable participation, communications with the public, service delivery and language training.

[*English*]

First, with regard to language of work, we have adopted a special model that takes into account our unique environment and the organizational arrangements needed to achieve bilingualism within the Department of National Defence and Canadian forces. The second element is equitable participation.

In 1992 a detailed review of the linguistic designation of every unit and every position revealed that much still has to be done to increase the number of bilingual anglophones in the military.

[*Translation*]

To examine the participation rate of francophones within the Canadian Forces, we undertook a comprehensive analysis of

recruitment, enrolment, promotion and attrition rates of officers and non–commissioned members in the last 15 to 20 years.

This review of all ranks and military occupations ended in December 1992. It found that, by and large, the goal of equitable participation was reached except in three out of 135 military occupations.

The third element of the Official Languages Program deals with communications with and service to the public. Our personnel co–operate on a continuing basis with Treasury Board Secretariat officials to ensure that the Department of National Defence honours the spirit of official languages regulations.

[*English*]

At present, second language training is provided in house. In an effort to rationalize the program, senior staff of my department together with representatives of the Public Service Commission and Treasury Board are looking at the feasibility of transferring our second language training to the Public Service Commission.

As for the more general criticisms directed at us by the Commissioner of Official Languages, rest assured that my department will continue to improve its performance. Let me underscore three areas I have just covered, namely our blueprint for a fully bilingual military college, the concept of an effective bilingual officer corps and the study aimed at improving the efficiency of our second language training.

These three initiatives are striking examples of just how seriously the Department of National Defence considers the question of official languages. We will continue to work within the framework of the Official Languages Act and its associated policies. We will continue to work closely with the Commissioner of Official Languages.

[*Translation*]

I hope I have convinced my colleagues that we are striving to make the Canadian armed forces as a whole better reflect the Canadian reality. I also hope to have assured them that the doors of the new Canadian military college, one of the main paths to a career as an officer in the Canadian Forces, are wide open to all qualified candidates, be they anglophones or francophones.

[*English*]

As Minister of National Defence I am proud to be part of the creation of this bilingual military college. Indeed we can all take pride in this initiative, for our military college will be a unique institution, one that mirrors the linguistic duality of our country. It will welcome young Canadians, our leaders of tomorrow, regardless of their province or their territory of origin.

Before I sit down I would like to apologize to the critics opposite. I am not sure they received sufficient notice of my statement. I think they got an hour or two, but they were most gracious in letting me go forward with the statement today.

I would like to mention for the member for Charlesbourg who arrived just as I was beginning that one of the reasons for making the statement today is that I felt it was only courteous to give these comments to the House of Commons. Tomorrow I will be appearing before the Senate committee on finance where I understand I will be questioned most rigorously on the closing of the military college and the future of our military colleges.

[*Translation*]

Mr. Jean–Marc Jacob (Charlesbourg): First of all, Madam Speaker, I was planning to point out to the minister the delay in informing us of the time he was to deliver his speech, but I accept his apologies.

• (1020)

I am pleased to speak once again on this issue of burning importance to Quebec, that is the closure of the Collège militaire de Saint–Jean and the decision to use only one college, Kingston's Royal Military College, for the future training of officers. The closure of the Collège militaire de Saint–Jean has never been justified, either for cost cutting reasons, or because of the need to reduce the size of the military. Nor has the government demonstrated that the military college in Kingston is capable of taking up the slack.

I have no doubt that the minister is being sincere and is making efforts in this area, but despite the speech that he just delivered this morning, I think that we have to be realistic. The Official Languages Act was around long before this Liberal government took office. RMC, the Collège militaire de Saint–Jean and Royal Roads Military College should have been bilingual and operating in both languages for a number of years by now. Based on the information we have and according to the criticisms of official languages pointed out by the minister, we know for a fact that the results of the legislation leave much to be desired.

This morning, the minister of defence gave us an overview of a proposal to convert the Royal Military College in Kingston into a fully bilingual institution. As I have just indicated, we have some doubts as to whether this is at all possible, despite good intentions and the efforts that will be made. We are given the broad outline of the proposal, while at the same time, we are told that DND officials are in the process of drafting a plan. Are we to understand that the minister was merely throwing up a smokescreen this morning? There is absolutely nothing tangible in this plan.

The minister talks about the consequences of a plan which we have not seen and of which we know nothing. We know nothing about its aims, its concepts or its mechanisms. Francophones expect more than vague concepts. The only details which the

minister released to us concerning his concept of a bilingual officer corps is the date on which this concept was agreed to. He informs us that this concept is presently being reviewed by a special joint task force. Another task force.

Plans call for refining this concept and resolving the issues raised by the Commissioner of Official Languages. The minister defers to the department's Official Languages Program. We all know the kind of results this program had at the military college in Kingston. Worse yet, all officers promoted to the rank of lieutenant colonel are not expected to be bilingual until 1998. The minister has already made this fact clear to the House in response to questions put to him. I wonder what a normally bilingual lieutenant colonel is. What does "normally bilingual" mean? How can we accept it? It is too little too late.

Furthermore, the minister tell us nothing about what he intends to do to promote French culture within the military college in Kingston. The environment counts for a great deal in training an officer cadet trying to master a second language. Learning a new language takes more than an academic program. It also takes the right environment and immersion. I am well placed to speak on it since I have trouble learning a new language. Even though we are in a situation of partial immersion here, I intend to take total immersion.

From the recommendations produced by the official languages committee in the department of defence and in the Canadian Armed Forces, it appears that the committee recommended immersion as an important factor in training officer cadets. It recommended that all officer cadets at the Royal Military College and the Royal Roads Military College spend at least a year at the Saint–Jean campus, while those at the military college in Saint–Jean should spend at least a year at one of the other two colleges; this would help everyone develop their language ability and provide exposure to the other culture.

This brief excerpt shows how training bilingual officer cadets is not something that can be achieved with a hastily conceived academic program such as the one the hon. minister has presented.

• (1025)

It would certainly be more promising to emphasize immersion and exposure to another culture.

Some positions explain why my colleagues in the Bloc Quebecois and I are opposed to closing the military college in Saint–Jean and have been opposed to it from the beginning.

We all know that more francophones than anglophones in the Canadian Armed Forces are bilingual and most bilingual anglophones in the forces went to the military college in Saint–Jean.

There is a big shortage of bilingual military people whose mother tongue is English, but a surplus of bilingual military people whose mother tongue is French.

An internal report of the Canadian Armed Forces on bilingualism in the military reported a serious deficiency in this regard. This report said that 2,861 more francophones than required were bilingual, while there was a shortage of 1,424 bilingual anglophones.

Of course, this sample includes more than the officer corps, but it shows how much it has been left to francophones to promote bilingualism in the Canadian forces.

Remember the climate surrounding the announcement that the military college in Saint–Jean would be closed. The defence minister said that the military college in Saint–Jean would be closed to save money. It is also for economic reasons that he has decided to put francophones in an English speaking environment for their military training.

In his statement, the minister talks about an environment that encourages francophones to study in Kingston. Unfortunately, I think that is hypocritical, because many past and present officer cadets question the statement which the minister made this morning.

The minister made optimistic predictions about the level of bilingualism in the officer corps. I will give him some more realistic projections: yes, there will still be bilingual officer cadets, but more and more of them will be from a French background. That is reality.

There is nothing specific in this plan, nothing about how to get there, nothing about extra costs, nothing to satisfy us. There is nothing that could justify closing the military college in Saint–Jean or offset the loss and the major setback for francophones in the Canadian Forces as a result of this politically motivated closure.

[*English*]

Mr. Bob Ringma (Nanaimo—Cowichan): Madam Speaker, first I would like to accept the minister's apology for the late delivery of his statement. We have managed somehow even though it is late.

[*Translation*]

In answer to the minister, it must first be understood that Royal Military College in Kingston is already a rather bilingual institution and has been for years.

It must also be recognized that, following the closing of CMR in Saint–Jean, there must be a place where francophone officer cadets can complete their studies.

Consequently, it is desirable and rather easy to have a fully bilingual institution such as CMR.

I also want to add that, after talking this morning with a former commanding officer of the college, I really think that bilingualism there is something which promotes national unity.

[*English*]

While agreeing that bilingualism at RMC is desirable and achievable at little extra expense, the point could be made that with the closing of CMR and Royal Roads there will be considerable savings.

Nevertheless it is necessary to signal a cautionary. The watchword from DND, the Department of National Defence, cannot be RMC today, tomorrow the whole country. There is a real and present danger underlined by the words of the Minister of National Defence in the House in February when he announced that by 1997 officers in the Canadian forces must be bilingual if they wish to be promoted beyond the rank of lieutenant colonel.

● (1030)

English speaking Canadians should be able to have a full and unfettered career in the English language, however desirable it is to be bilingual.

The recent booklet of the Minister of Canadian Heritage, "Official Languages: Myths and Realities", states: "English speaking Canadians and French speaking Canadians regardless of ethnic origin or first language learned have equal opportunities for employment and advancement". It also states: "The federal government is bilingual but the individual citizen does not have to be. You have every right to remain unilingual. Universal bilingualism has never been the goal of the policy". Finally it is stated on page 16: "Individual bilingualism is a matter of personal choice".

In conclusion we can endorse the completion of the bilingual process at RMC for the reasons noted, including cost savings. However we caution the government against carrying the enforced bilingualism policy too far as it is doing in the rest of the Canadian forces.

Voluntary bilingualism, yes; enforced, no.

* * *

[*Translation*]

CANADA PETROLEUM RESOURCES ACT

Hon. Fernand Robichaud (for the Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C–25, an act to amend the Canada Petroleum Resources Act.

(Motions deemed agreed to, bill read the first time and printed.)

[*English*]

PETITIONS

ASSISTED SUICIDE

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Madam Speaker, pursuant to Standing Order 36, it is my honour to present a petition duly certified by the clerk of petitions. It is signed by 60 residents of the Hodgeville–Glen Bain district in my constituency.

Briefly the petition states in part that the petitioners humbly pray that Parliament not repeal or amend section 241 of the Criminal Code in any way and uphold the Supreme Court of Canada decision of September 30, 1993 to disallow assisted suicide, euthanasia. I support the petition.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Madam Speaker, the following question will be answered today: No. 22.

[*Text*]

Question No. 22—**Mr. Taylor:**

Following the 1989 report of the task force on tax benefits for northern and isolated areas, will the government proceed with the termination of the tax benefits for certain northern and isolated areas?

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Because of the inequities associated with previous approaches of providing tax assistance to northern residents, in 1988 a task force was established to study this issue and to make recommendations. The task force held public meetings in many communities across the country and received a number of written submissions. On the basis of these consultations, the task force concluded that an approach based on broad zones of eligibility was preferable. The northern and intermediate zones were defined using ranking systems developed by the task force which were comprised of objective criteria relating to environmental factors, community characteristics, and location.

Full implementation of this system will result in gradually making certain communities ineligible for some or all of the benefits. For example, those communities becoming ineligible for all benefits were entitled to full benefits until the end of 1992, received two–thirds benefits in 1993, will receive one–third benefits in 1994, and zero thereafter.

A review of the events that led to the implementation of the current system establishes that the zonal approach is the right one. The system must be given a chance to reach a mature stage.

When the full impact of the current system is known after the transitional measures have run their course it will be possible to determine whether the current policy is fairer, simpler, and more effective than its predecessors at providing tax assistance to residents of northern and isolated areas.

[*Translation*]

The Acting Speaker (Mrs. Maheu): The question enumerated by the parliamentary secretary has been answered.

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Madam Speaker, I would ask that the remaining questions be allowed to stand.

The Acting Speaker (Mrs. Maheu): Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

• (1035)

[*English*]

The Acting Speaker (Mrs. Maheu): I wish to inform the House that, pursuant to Standing Order 33(2)(b), because of the ministerial statement Government Orders will be extended by 26 minutes.

GOVERNMENT ORDERS

[*Translation*]

PEARSON INTERNATIONAL AIRPORT AGREEMENTS ACT

Hon. Douglas Young (Minister of Transport) moved that Bill C–22, an Act respecting certain agreements concerning the redevelopment and operation of terminals 1 and 2 at Lester B. Pearson International Airport, be read the second time and referred to a committee.

He said: Madam Speaker, today I have the pleasure of proposing the second reading of this very important piece of legislation and I want to take this opportunity to thank my colleague, the Minister of Industry, who was kind enough to table this bill on my behalf.

Bill C–22 is a measure to cancel agreements between Her Majesty and T1 T2 Limited Partnership.

[*English*]

The arrangements I refer to were entered into by the previous government. They would have turned over the development and operation of terminals 1 and 2 at Canada's largest and most important transportation facility, Lester B. Pearson International Airport, for 60 years to a group of private developers.

Our government after careful examination of the agreements has determined they are not in the public interest. Our examination included a report by Mr. Robert Nixon who described a flawed process clouded by the possibility of political manipulation.

This government rejects the previous government's way of doing business on behalf of Canadians. A reliance on lobbyists, the backroom dealings, the manipulation of bona fide private sector interests and the lack of respect for the impartiality of public servants are absolutely unacceptable.

It should be noted the request for proposals for the project was released in March 1992 after a ministerial announcement in October 1990. The claim for compensation from the partnership however shows that as early as August 1989 one of the partners was working on a proposal to develop and operate terminals at Pearson International. This would lead one to believe that someone other than the government was in charge of the privatization project at Pearson.

The government intends to be in charge of the public agenda. We will make the decisions that affect the national interest. We believe matters that could significantly affect our economy and our competitive position as a nation should be decided in an open and accessible process, not by lobbyists and certainly not by five–year old governments in the dying days of their mandate. Decisions made by our government will reflect Canadians' traditional sense of fairness and fair play.

In deciding to legislate an end to this quagmire, the government took account of several factors: the need to come to an early decision on the future needs of Pearson unencumbered by these agreements; the government's intention to put the national interest ahead of private sector profit; and the fact that the private sector would have taken control of one of the country's most important transportation assets, an asset that if not managed in the public interest could jeopardize the country's economy and its international competitiveness.

These concerns and the government's response to them are reflected in the legislation before us today. The legislation contains several provisions. It declares that the agreements have not come into force and have no legal effect.

Further, no court action of any kind may be taken against Her Majesty, her servants or agents owing to these agreements, the process that was followed to enter into the agreements or to terminate them.

• (1040)

No one will be entitled to compensation from Her Majesty as a result of this legislation. However, the Minister of Transport may with governor in council approval provide for appropriate payments to the partnership for its out of pocket expenses, but nothing will be paid for lost profits or lobbyist fees.

The bill will allow the Government of Canada to retain control over the future of terminals 1 and 2 at Pearson. It will provide a framework to allow for a fair and equitable disposition of the matter.

The legislation reflects public statements made by members of the government that predate the signing of the agreement. Those statements included a clear warning to the developer not to sign an agreement and to risk cancellation of the agreement if it was found not to be in the public interest.

As well, there have been the subsequent statements by government that it would consider paying out of pocket expenses but that nothing would be paid for lost profits or lobbyist fees. The government decided on no lost profits because we believe to pay such compensation is simply not appropriate in these circumstances.

The warnings not to sign these agreements and the subsequent action taken to cancel them are absolutely consistent. Uncontrolled lobbying conducted behind closed doors that leads to a contract detrimental to the public good cannot and will not be condoned. The government's decision not to pay lobbyist fees recognizes that individuals and companies involved in the process did not take the public interest into account.

The government wants to make it as clear as we can that we wish to deal with the private sector in an open, fair and responsible manner, but we will always take the taxpayers' interests into account. This decision should signal to all parties that abuses in the political process and practices we consider to be unacceptable will not be tolerated.

The government has decided it may pay out of pocket expenses in recognition that this particular privatization process no matter how flawed was an accepted practice by the previous government. The parties were playing in a game that in this particular case was heavily influenced by the actions of lobbyists.

It is recognized that the cancellation of the arrangement will have an impact on the developers. Several of the companies spent large amounts of money to plan, design and negotiate this deal. I am well aware some will say that expenses such as these should not be paid because of the manipulation that occurred. However we believe as a government that we must make every attempt to be reasonable and equitable.

I want to emphasize another point. This legislation does not lessen the government's desire to reach a negotiated settlement with the developer on these out of pocket expenses. These negotiations are under way.

The legislation clearly sets out certain parameters for these negotiations, including a time limit. A time limit is necessary to ensure that negotiations are not unduly protracted, thus allowing the government to proceed with planning the future of Canada's largest and most important transportation facility.

The matter must be finalized so that we can plan the future of Pearson International Airport. It is our objective to provide clear direction on the future of Pearson before the end of this year. I have stated that on many occasions. This will include decisions on a future management regime for Pearson and its development needs.

These arrangements cannot be finalized while these contracts are not cancelled because they could very well hamper the ability of a new management system to respond to the essential needs of Pearson. Lengthy delays could have significant economic consequences not only in the metropolitan Toronto area but across the country because Pearson is the hub on which Canada's aviation system turns.

• (1045)

In summary the legislation is designed to formally put an end to those agreements relating to the redevelopment and operation of terminals 1 and 2 at Lester B. Pearson that were arrived at as the result of a flawed process.

I reiterate that in cancelling the deals the government will attempt to negotiate fair and reasonable out of pocket expenses compensation, but it will not pay for lost profits and it will not reimburse anything for lobbyist fees.

The government will not be held hostage to any lengthy negotiating process that could impact on the future of Pearson, our economy, the international competitiveness of that facility and in the final analysis the public good.

If an acceptable settlement cannot be arrived at and arrived at soon, the legislation provides that no compensation shall be paid.

It is time to get on with the business of providing Canada with an efficient, safe and affordable national airport system. It is time to get on with the future of Lester B. Pearson International Airport.

[*Translation*]

Hon. Lucien Bouchard (Leader of the Opposition): Madam Speaker, this government has introduced Bill C–22 as an example of renewed political transparency. Or so it claims. In fact, in some respects, the proposed legislation casts a cozy mantle of discretion over the actions it was intended to censure.

First of all, the bill itself raises a number of questions, and I hope this debate will help clarify the grey areas about which we have a quite a few queries. In fact, Bill C–22 is unsatisfactory, not because of what it says but because of what it does not say.

Of course, the government wants to get rid of a hot potato that has been passed back and forth for months, from the anterooms of politicians to law offices, from lobbyists' offices to the halls of government. However, if the powers that be expect this bill will put an end to this disgraceful manoeuvring, they are wrong. On the contrary, there is some fancy legal wording that says a great deal about the hidden agenda of the government, one instance being section 9 of the bill which provides very clearly, as the minister just said with some satisfaction, that no com-

pensation will be paid. Section 9 provides very clearly, and I quote:

> 9. No one is entitled to any compensation from Her Majesty in connection with the coming into force of this Act.

Now that sounds squeaky clean, does it not? The problem is, that the bill immediately goes on to say in section 10(1) that:

> 10. (1) If the Minister considers it appropriate to do so, the Minister may, with the approval of the Governor in Council—

In other words, the cabinet. It continues:

> —if the Minister considers it appropriate to do so.

With his ministerial discretion and considering what he thinks is sensible and the interests of his government and those of his friends, he may:

> enter into agreements on behalf of Her Majesty to provide for the payment of such amounts as the Minister considers appropriate in connection with the coming into force of this Act, subject to the terms and conditions that the Minister considers appropriate.

Of course the government is not at all trying to protect the interests of the parties involved with these agreements that will be made at the minister's discretion, in the privacy of cabinet, with the Liberal Party's lobbyists in attendance. That is the situation. That is what bill C–22 is all about. Although section 10(2) provides:

> (2) No amount is payable under an agreement entered into under this section in relation to (a) any loss of profits, or (b) any fee paid for the purpose of lobbying a public office holder—

We still have no indication of the nature of the amounts the minister may pay at his discretion or of the identity of the individuals who may benefit from such ministerial discretion.

This is disturbing. It is disturbing because this particular case is overrun by lobbyists. It is full of people wheeling and dealing in the corridors of power with the two big parties, the Liberal Party and the Conservative Party.

• (1050)

And it makes the hon. minister laugh. It amuses him. He is laughing at the thought that, by this evening, his concerns will be put to rest by a vote, while those who were mixed up in this sordid affair are loosing sleep over it.

Furthermore, even if lobbying fees are not compensated under the legislation, the fact remains that the taxpayers will be paying part of the companies' lobbying expenses indirectly, in the form of corporate tax deductions.

How can you justify making the taxpayers in Quebec and Canada contribute to the funding of such crass patronage? Even the current Minister of Transport has suggested that lobbying fees not be made tax deductible. Even he, the minister who is laughing here in this House today!

His government did not listen to him. Did he protest? No, he smiled. He was voted down by Cabinet on this issue. He finds it amusing and defers to Cabinet solidarity and the party line.

This is to say that we are not alone to rebel against this policy. What is the government asking for here?

It is asking us to back this shameless political sham. They would want us to give the minister a blank cheque to compensate their friends and others spoilsmen that they would not go about it any differently.

Never will the Bloc Quebecois accept to support in any way a government plan to take with the right hand what it is apparently forbidding itself to take with the left hand.

They would have us be taken in by Bill C–22, colloquially speaking. Just to set things in perspective, allow me, to look back briefly on the recent past.

I would like to reemphasize some basic facts of this complex issue. I see that the minister has little interest for the issue, since he is leaving! He has more important things to do than to listen to the truth on this issue.

Mr. Young: And you, where were you when I spoke, you hypocrite?

Mr. Bouchard: Madam Speaker, unparliamentary language has just been used by a member whom you had not recognized. I would ask that you to call him to order.

[*English*]

The Acting Speaker (Mrs. Maheu): In the interest of courteous debate, I wonder if the minister would be willing to withdraw his comments.

[*Translation*]

Mr. Young (Minister of Transport): Madam Speaker, I apologize. It is just that the hon. leader of the Bloc Quebecois was referring to the fact that I was having a private conversation with a colleague while he was speaking.

I simply pointed out that he himself was not in this chamber when I gave my speech and that it is somewhat hypocritical to mention my presence or absence when he himself was not present when I made my remarks.

Mr. Plamondon: On a point of order, Madam Speaker.

I would like to remind you that, about a month ago, I used the same word or words to the effect that the hon. member who was tabling a particular petition was acting hypocritically, that it was hypocrisy and, at the time, the Chair had stood up and asked me to withdraw my remark.

I wanted to explain myself, but was turned down and told to withdraw immediately what I had said. Out of respect for the Chair, I complied immediately, withdrew my remark, and apologized to the hon. member I had called a hypocrite. That is how much respect I have for the Chair and for this institution. I think that a Cabinet minister should do as I did and, at the request of the Chair, withdraw his remarks and apologize.

Mr. Bouchard: Like you, I noticed that, when the Chair asked the hon. minister to withdraw his remark, he rose only to reiterate it, using the word hypocrite again in what should have been an apology.

I think that the least that could be expected from a minister, in particular a veteran of this House, when we are debating a point of paramount importance on a subject that directly concerns him as the minister responsible for the subject, the gentlemanly thing to do would be to withdraw his remarks.

• (1055)

Mr. Young: Madam Speaker, if, with the Opposition Leader's vast experience as a member of the government that created the problem we are trying to solve today, he does not consider himself a hypocrite, I will withdraw my accusation.

Mr. Bouchard: We will resume this very important debate on one of the biggest Canadian political scandals in recent years involving the two major parties. This affair is somewhat reminiscent of a political and financial soap opera. What is the plot? Who are the actors? Who is the director? It leaves a lot of unanswered questions. One thing is clear: there is no answer to be found in the bill we are being asked to approve.

Although we are not entirely sure of the actors and the plot, one thing has been clear since the beginning: that the stage is lit with red and blue lights—a very bright, Liberal red and a tasteful dark Tory blue. Transparency is reduced to a bare minimum. In fact, the only thing that is transparent in this sensitive case, in my opinion, is the will of the parties involved to make things as unclear as possible.

The most distressing aspect of this sorry business is that we are here today to debate a bill concerning the cancellation of an airport privatization which was accepted by the government whose official policy on airport management was, and still is as far as I know, to return the management of airports to the local people and not to private interests. As you can see, the plot thickens even before the curtain rises.

[*English*]

In April 1987, as members will recall, the previous government announced with great to do an overall policy for airport management in Canada. That policy advocated in particular that the running of airports be entrusted to local administrations, not to consortiums or friends or the party in power but to truly local administrations.

Transport Canada in pursuance of that policy and recognizing the economic importance of airports for the regions they serve favoured local groups to run them, groups made up of local elected officials and businessmen, in other words, those people who have the best understanding of all the economic factors involved and of the need for a forceful and realistic management approach.

Furthermore, in the case of Pearson International Airport such a group had been formed in April 1993 and was ready to take in hand the operation of the airport.

The Ontario government was strongly in favour of turning over the operation of the airport to a local non–profit organization of that type. The federal government, using as a protest certain disagreements within the group, preferred to satisfy the appetites of the moneylenders and the lobbyists and, disregarding its own policy, proceeded to privatize the airport.

What was the pressure to privatize? There was pressure of two kinds. First it was in 1993.

An hon. member: You were in cabinet.

Mr. Bouchard: The Liberals seem to have forgotten that I resigned from government in May 1990. I am a free man. I am very happy to be that and have been very proud of it for the last three years.

There was pressure of two kinds. First, there was the lure of gain for a friendly regime. Second, there was the desire on the part of the government to please those friends. That explains the unseemly rush during the last days of the Conservative regime to conclude a deal where everyone stood to gain except the public at large. The privatization was suddenly not motivated by any need on the part of the federal government of the day to get rid of burdensome installations since according to the airport financial statements transmitted to Mr. Robert Nixon, the Prime Minister's special investigator, the airport would have made profits in the region of $23 million in 1993 and that is without taking into consideration rental revenues from terminal 3.

• (1100)

Let us not forget that Pearson International Airport is the most important airport in Canada. It employs 15,000 people. According to a Transport Canada study dating from 1987 it has direct economic side effects for the Ontario economy amounting to $4 billion. Approximately 57,000 passengers pass through the airport every day, that is to say 20 million passengers each year. About 800 aircraft land and take off daily for 300 destinations in 60 countries.

It is in fact the only Canadian airport which could be termed a hub for air traffic in Canada, a status that Vancouver is about to

attain and that Montreal could reach if only the government would give it the necessary boost.

Yet it is the lure of profit that is the primary source of all the political and media tumult now obliging the Canadian House of Commons to come to a decision on the bill. If the Parliament of Canada has to be called in, the backroom ministerial manoeuvrings have to be particularly scandalous.

[*Translation*]

The intrigues surrounding this case since the beginning started as soon as the government announced its Canadian airport management policy. As I said earlier, this policy was made public in April 1987, and the following June, the government asked the Airport Development Corporation to build and operate Terminal 3 at Pearson Airport.

In September 1989, Paxport Inc. submitted to the government a proposal to privatize Terminals 1 and 2. This proposal was rejected because the government policy was not to privatize. I was then a member of the government.

One year later—I had since resigned—the federal government took the lead in inviting, without further explanations, the private sector to participate in the upgrading of Terminals 1 and 2.

In March 1992, the government officially requested proposals to privatize Terminals 1 and 2. But unlike what was done in awarding the contract to build and operate Terminal 3—a two–phase process consisting of the request for proposals and the selection of candidates—, the bids to privatize Terminals 1 and 2 were only subject to one 90–day selection phase.

Why the rush? Did the upcoming election spur them into action? In early June of the same year, perhaps because of the extremely tight deadlines set by the government, only two proposals were received, one from Paxport Inc. and the other from Claridge, already at work on Terminal 3.

On December 7, 1992, the government approved the bid submitted by Paxport, which had until February 15 to demonstrate the financial viability of its proposal. But that was not to be since, less than two months later, a financially–troubled Paxport had to merge with its only competitor, Claridge Properties, to create the T1 T2 Limited Partnership consortium.

Is it not rather surprising that the government awarded a 57–year contract worth millions of dollars to a financially–troubled management company that was also close to the political party in office?

We know that one of the arguments put forward by the government to justify its decision to award the contract to Paxport had to do with encouraging healthy competition between the manager of Terminals 1 and 2, Paxport, and the manager of Terminal 3, Claridge. How virtuous can you get?

Here is a government which, although it wants to privatize, wants to do it according to the rules of the private sector, by encouraging competition. How can we explain this about–face by the government which accepts without objecting the merging of the two competitors? Under this submission, those two competitors who were adversaries one day became united friends the next. The government could have rejected that submission, but it did not even bat an eyelash, thereby accepting to deal with only one entity, after having sung the praises of competition and insisted on its necessity.

• (1105)

Is it not strange that when the only two bidders for such an important contract form a monopoly, the government accepts that? Is it not strange that the period for making submissions was only 90 days, as in the case for an ordinary call for tenders, while the duration and the complexity of the contract are way out of the ordinary? Why limit that period? Is it to allow interested parties already familiar with the issue to review their submission? After all, Paxport had already submitted a privatization plan in 1989, while Claridge was already managing terminal 3 at Pearson Airport.

Obviously somebody somewhere deemed appropriate to bypass the bureaucratic system and infiltrate the government political machine to gain some privileges, this in contempt of the official principles of equity. Is this not a clear and particularly cynical example of private interests being more concerned about their revenue than the common good? And what about the elected officials who caved in to them?

The Nixon report judges them severely: "It is clear that the lobbyists played a prominent part in attempting to affect the decisions that were reached, going far beyond the acceptable concept of "consulting". When senior bureaucrats involved in the negociations for the Government of Canada feel that their actions and decisions are being heavily affected by lobbyists as occurred here, the role of the latter has, in my view, exceeded permissible norms."

This strong statement should have convinced this government to take every measure to find out about the role played by lobbyists in the dealings related to the privatization of Terminals 1 and 2. Instead, the government decides to turn the page, and tries do so in an incredible way, after a five–minute speech by the minister responsible, who is not even here for the debate that follows. The minister is in fact asking the House of Commons to cover his acts. He wants to use a vote in the House to cover acts which should be made public. Instead of trying harder to discover the facts and to look in detail at the actions and motives of those involved, he tries to close the case by tabling a piece of legislation.

Who can doubt that, if it is passed by the House, Bill C–22 will close the book for good on this shocking issue? Lobbyists and others involved in this operation will be able to relax. Some who are not lobbyists but who were bidders might even be compensated by the minister. Madam Speaker, you might wonder to which stakeholders I am referring? The act is silent on this and merely excludes refunding lobbyists fees and anticipated profits. Everything else is at the discretion of the minister and depends on his generosity.

Everyone knows that lobbyists abound on Parliament Hill and are involved in every important issue. I agree that some lobbying is acceptable. In this regard, I support the comments made by the Standing Committee on Consumer and Corporate Affairs and Government Operations which, in its report on lobbies released last year, said that lobbying is a necessary component of a modern decision–making process, and that the right to lobby is a fundamental one in a democracy.

However, the committee also added that, when lobbying takes place without the public's knowledge, there is a greater risk of decisions being made against its interest.

If there is an example in our political history which confirms the validity of the committee's comments, it is the Pearson Airport dealings, which were conducted clandestinely, behind the close doors of ministers offices, with political operators, people who influence governments, political contributors and lobbyists.

• (1110)

If we need an example of the need for public disclosure, which was one of the priorities of the Commons committee on lobbying, we have it right here. And if there is any lesson to be learned from the Pearson airport affair, it is that something must be done to change the rules of the game.

[*English*]

In the case concerning us today it is clear that lobbying played a preponderant role. The final result will cost the taxpayers millions of dollars. That is what I call overstepping the mark and it is why I am inviting the Prime Minister to submit concrete proposals to make that very significant activity as open as possible.

His government could suggest putting more teeth into the act respecting the registration of lobbyists, an act which lacks consistency to say the least.

In its report on lobbying the standing committee draws attention to several flaws and suggests some useful solutions. In particular the committee considers inadequate the requirements regarding the registration of tier II lobbyists, a group which is very poorly defined in the present act and which has only to disclose their names and the names of their employers.

The committee report says: "Such disclosure gives no indication as to the type of questions which could be of interest to the organization", to say nothing of the fact that the actual function of lobbyists could easily be disguised through the use of various legal tactics.

Concerning the matter of the disclosure of the objectives sought by the lobbyists, the requirements of the act are not sufficiently forceful and the provision concerning the registration of lobbying activities is so vague as to be useless.

[*Translation*]

To close the loopholes in the current legislation on lobbyists, we should at least consider a system of disclosure, under which the public office holder being lobbied would have an obligation to disclose his professional contacts with lobbyists. Transparency would no longer apply only to the wish list of the lobbyists but also to the public office holders being lobbied.

Similarly, the quality of our political and democratic system would be enhanced by imposing a code of ethics on elected representatives and senior officials. We could take our inspiration from the bill now before the U.S. Congress, where they have understood the need to provide a framework of measures designed to preserve the integrity of the political process.

In fact, even the Liberal Party, during its period of abstinence when it was seeking power, had taken a position on this issue, and as far as I know, it still stands. The red book, which is constantly being quoted in this House and which was launched with lot of hoopla during the election campaign, clearly says on page 95, and this is from the Liberals before they came to power, and I quote:

> —we will develop a Code of Conduct for public officials to guide cabinet ministers, members of Parliament, senators, political staff and public servants in their dealings with lobbyists.

The red book, still the red book, also promises:

> In particular, a Liberal government will appoint an independent ethics counsellor to advise both public officials and lobbyists in the day–to–day application of the Code of Conduct for public officials. The ethics counsellor will be appointed after consultation with the leaders of all parties in the House of Commons and will report directly to Parliament—

Where is this independent ethics counsellor? When does the government intend to consult us? Why has it been dragging its feet for six months? Where is its political will? Where is the transparency? Nowhere, because today, the Liberals form the government and, by the same token, are in no rush to keep their promises.

These are only a few examples, not only of the shortcomings, omissions and vagueness of the Lobbyists Registration Act and the questions it raises, but also of the ways which this transparency can be guaranteed. We must go further and apply the same principles to political party financing. In fact, if the government in its concerns for transparency intends to give all citizens equal access to public decision–makers, why does it refuse to make political party financing more democratic? Good question.

• (1115)

How can the Liberal government expect to make the system more transparent when it too depends on donations from large corporations. For example, in 1992, the last year for which data are available, the six largest Canadian banks—I will not bother to name them since we all know which banks are involved—donated nearly $500,000 to Liberal and Conservative party coffers. These two parties received $244,301.54 and $241,493.92 respectively. Canadian banks have a sense of election parity since the total amounts donated to each party were virtually identical. As we all know, the party in power today could be replaced by another tomorrow, and the banks are big on insurance policies. They like to keep things even, especially when their interests are at stake and especially when it is a matter of influencing government by the decisions they make.

In Quebec, under the guidance of René Lévesque—yes, René Lévesque, a name not spoken in this House—this process was brought out into the open. The act of cleaning up our political standards and practices which ensued today stands as proof of the pride and democratic vitality of Quebecers.

Some hon. members: Hear, hear.

Mr. Bouchard: It is vitally important that the process of donating funds to political parties be democratized. The need to do so transcends partisan political divisions, given that the democratic well–being of the people is at stake. It was in this spirit that my colleague, the hon. member for Richelieu, tabled a resolution respecting donations to political parties. I wish to take this opportunity to invite all members of this House to reflect on this issue and to bring pressure to bear on the government to launch this process of democratizing political party funding as soon as possible. Our political system must be hooked into today's reality and made more open and accessible to the ordinary citizen. This process will breathe new life into the system.

Everyone is well aware of the deals made between large financial backers and certain political parties, mostly the major parties and who can disagree that the Liberal Party is a major party? The Liberals are the first ones to say that theirs is a major party. The well–known deals and arrangements between these large political parties and the big financial backers have led the public to have an unhealthy distrust of our political institutions. There is not one member in this House who has not seen on numerous occasions how deeply suspicious his constituents are of the hidden, close, clandestine, almost incestuous relations between the big financial backers and the major parties that form the government.

All members of this House are aware of this fact. Which ones will put pressure on the government to force it to adopt once and for all a fundamentally democratic measure which is desperately needed and to follow Quebec's example? I am referring to limiting to individuals, the right to donate to political parties a practice which we advocate and follow. It allows us to keep in constant touch with our fellow citizens and gives those who make donations a real voice in the political process. At the same time, it leaves the legislator perfectly free, because his first duty is to the public, not to groups operating behind the scenes.

By raising donations in this manner, we will ensure that the party remains in the hands of the members, irrespective of the ongoing pressure exerted on the party's elected representatives to adopt sectarian positions. This process has a name: transparency. Transparency serves a purpose, that is the promotion of democracy. It is this same democracy that enables all of us here today to represent our fellow citizens. Transparency should be the cornerstone of the governing process. It is imperative that all government business be conducted in a transparent manner, including decisions to award contracts such as the one involving Pearson Airport.

The same holds true with respect to financial backers associated with the government. Here again with the Pearson Airport deal, it is clear that the first and sole beneficiaries of the government's largesse in the contract adjudication process have ties to the previous Conservative government as well as to the present Liberal government. If I may echo the enlightened words spoken earlier by the member for Richelieu, the Lortie Commission which was set up several years ago to consider reforms to the Elections Act and which had a mandate to examine this particular issue, could have given serious consideration to party fundraising practices and could have made more substantial recommendations as to how the process could be made more democratic. However, it did not have the guts to do so.

• (1120)

Although these days, as my colleague said, major companies account for only half of the electoral contributions to political parties, it is still too much because the amounts are still large and this obsolete system leaves plenty of room for all kinds of political schemes.

Lobbyists do not only give money or cold hard cash to election campaigns; they give of themselves.

They are high powered campaign workers. They rarely work for small fry like an ordinary backbencher. They prefer to work for ministers and even the Prime Minister, if possible, and their political zeal is apparent not only during elections, because leadership races appeal to their tireless devotion as well.

And lobbyists are not at all partisan. Every time the government changes, we see them shuffling their deck and generously hiring lobbyists from the winning side. Lobbyists are wonderfully open–minded.

So there are natural ties between contributors, lobbyists and elected candidates. This buddy–buddy relationship is particularly noticeable when a juicy government contract is at stake.

The Pearson contract was a juicy one. In 1993, Pearson Airport made a profit of $23 million, not counting terminal 3.

The rent to be paid by the Pearson Development Corporation was about $27 million the first year, $27 million the second year, $28 million the third year, $29 million the fourth year and $30 million a year from the fifth to the tenth year.

At first glance, renting the facilities for $27 million the first year might seem to be a good deal for the government, compared to the $23 million it makes from it now.

But if you take a closer look, you see that is not at all the case. Indeed, after renovating the air terminal buildings, the Pearson Development Corporation intended to raise the rates charged to airlines from $2 to $7 a passenger, which would have meant millions and millions more income every year. For the whole airport, it is $100 million a year, but since the rate in terminal 3 had already been raised to $7 per passenger, the additional charges for terminals 1 and 2 are quite a lot.

Now who would have paid this additional charge per passenger? The travelling public, of course. In this regard, we were not surprised to learn that, to win Air Canada's support for this privatization, the government had agreed in July 1993 to pay 15 per cent of the rent for that airline and foreign airlines operating in terminal 2.

Since Air Canada's present lease expires in 1997 and the new lease would run for 37 years, this measure alone would have cost the federal government some $70 million.

I think that all these shady dealings are suspicious enough to raise serious questions about the management of public funds, but there is more.

You will see that this huge waste of taxpayers' money has many ramifications. For example, I said a moment ago that these higher rates would have brought in tens of millions of dollars a year, which the federal government could very well cash in if it keeps control of the airport and makes the necessary adjustments and raises the rates itself. These rates would be the same as the present rate at terminal 3 and at most major North American airports.

Of course, this higher rate provided for in the agreement would not have taken effect immediately, but only after the Pearson Development Corporation invested the $700 million it had promised.

But this investment itself is a problem. Pearson had initially promised to invest $100 million of this amount to modernize terminal 1.

However, to encourage the initial investment, the government had agreed to collect only $16 million of the $17–million annual rent, which amounts to a 40 per cent rebate for 1994, 1995, 1996 and part of 1997. Although these amounts were to be paid back subsequently, with interest, by deferring these payments the federal government was actually helping to finance the upgrading of Terminal 1, when it had specifically said it would not do so.

• (1125)

Let us not mince words to describe the scheming and artful dodging that went on around an agreement that was unworthy of the trust that should exist between citizens and their government. The players in this political–financial saga ignored the most elementary code of ethics that should guide the relationship between the electorate and their elected representatives. By their greed they undermined the very foundation of our political system. They made a travesty of the very essence of the social contract that binds society together, to satisfy a craving for profit at any price, and the disclosure of their dealings discredited what was left of the government in power at the time.

It is rather difficult to understand why, after all this, the minister should seek authority to pay them compensation. I think we must ask this question: Is it necessary, appropriate and legitimate to pay these bidders compensation, considering the circumstances in which they operated? Only a thorough public inquiry would reveal exactly who did what and who is entitled to receive compensation and how much.

A number of players seem to have tried to take advantage of their political connections. This was hardly the average business operation you could brag about on the campaign trail, so the friends of the outgoing government and those of the incoming government acted like sensible people and reached a very sensible compromise. They said: "Let us stop fighting. Let us merge our Liberal and Conservative interests". Together, they were to conclude very quickly, before the election, a deal which until then had eluded them.

Not only Conservative lobbyists and personalities were involved. The government has presented this bill as through it were St. George slaying the dragon, in this case the Pearson contract. Away with this shameful Conservative contract and let the House help me raise a wall to protect the citizens of Canada from this contract!

Not only Conservative lobbyists and personalities were involved. Both traditional parties, as they like to call themselves, are represented in this mixed bag of moneylenders, fundraisers and lobbyists.

One of the directors of Claridge is the Liberal senator who received the future Liberal Prime Minister at his residence in Westmount at a $1,000–a–plate reception in the middle of the election campaign.

An hon. member: That's indecent!

Mr. Bouchard: Another lobbyist for Claridge was the present Prime Minister's former organizer, so we should not be misled by the present government's insistence on its role in cancelling the contract. The government knows perfectly well that this tainted contract was produced by the entourages of both camps, and not only by the Conservatives. The government knows perfectly well—my speaking time is not limited, Madam Speaker.

The Acting Speaker (Mrs. Maheu): No, I apologize for interrupting the minister.

Mr. Bouchard: He is getting upset over there because he doesn't like what I am saying. He would prefer to see this legislation go through the House like so many bills, after a quick vote. That will not happen, however. There is a debate here in this House.

An hon. member: Right on!

Mr. Bouchard: Canadians and Quebecers are entitled to hear the truth about this bill.

Some hon. members: Let's hear it for political patronage!

Mr. Bouchard: The government knows perfectly well that an enquiry would bring many of its fundraising friends scurrying out of their hiding places. We know that both camps worked together on this deal.

There is a lesson here, and it is that like great causes and great ideas, money sometimes makes strange bedfellows.

The author of the Nixon report is a former treasurer of the Ontario government. He is not a member of the Bloc Quebecois.

• (1130)

He is a respectable man, probably a federalist—and I respect him none the less for that—who was closely involved in the running of democratic institutions in Ontario, a well–known man, a man of integrity. In a word, the man I am about to quote—and you will notice that his criticism is even harsher than mine—knows what he is talking about. He has submitted the contract to a thorough examination, and was commissioned to do so. What did he find? He said: "To leave in place an inadequate contract, arrived at through such a flawed process and under the shadow of possible political manipulation, is unacceptable".

In other words, Mr. Nixon, who had neither the time, the means nor the power to conduct a comprehensive investigation was only able to get a glimpse, through the curtain, through the smoke in the ante–rooms of power, of possible political manipulation. Now that we know about this possibility, we must act. We must gather information. We must find out who the players were and who engineered this, if only to make sure they do not receive compensation they do not deserve.

Should an in–depth investigation show that some of the people involved acted in an unlawful, unacceptable or unethical manner in this matter, would we still be expected to pass clause 9, and especially clause 10, that allows the minister to pay them generous compensation? Certainly not! But, unbeknown to us, this doubt, this terrible, gnawing doubt, was put in our minds by the findings of the investigators.

"Possible political manipulation", that is heavy stuff. I could not bring myself to utter those words in my speech, but that is how the formal investigation report was worded. Do we stop here, in case the commission of inquiry decides some compensation is in order? That is a possibility. We do not know. We do not have all the facts. There may be people in there who acted in good faith. Maybe, maybe not. We would need to know which were honest and which were not. Otherwise, the good guy is going to pay for the actions of the others. We would have to sort all that out in a public inquiry that would show to everyone that justice has been served.

In addition, if this commission found that some compensation was called for in certain cases, it could determine the amounts openly and publicly and much more objectively than any Liberal minister, including the minister responsible for this case. We could also protect ourselves in the future by identifying clearly the people who pulled the strings on the Liberal side. We know they are there and we could identify them, thus preventing them from acting the same way with the current government in other cases.

I therefore ask the Prime Minister to set up such a royal commission of inquiry, which is the only authority capable of sorting out the real responsibilities of the parties involved in this case. It is also the only way to promote, in the general population as well as in this House, a healthy debate on the links that should or should not exist between a democratically elected government and partisan political entities interested in promoting private interests.

Such a commission could also, in the course of its work, study the issues underlying all these manipulations such as the management of federal airports. In the current economic context, who is in the best position to guarantee the viability and profitability of airport development? Is it the federal government? Is it non–profit agencies created for this purpose or other formulas? Would it not be better to turn their management over to local administrations, like in Montreal, as advocated in Transport Canada's policy during the events examined by Nixon?

Who in this country is best equipped to manage airports? It is an important question. It appears that even the current Prime Minister is not sure as he objected to Pearson Airport's privatization only on the last day of the election campaign, when it

became obvious that the public was outraged by the deal's secrecy.

We all have a duty to be transparent. It is this transparency that made Nixon say on page 11 of his report: "Failure to make public the full identity of the participants in this agreement and other salient terms of the contract inevitably raises public suspicion. Where the Government of Canada proposes to privatize a public asset, in my opinion, transparency should be the order of the day. The public should have the right to know the full details of the agreement".

• (1135)

On this point, the Bloc can only support the opinion expressed by the fact finder, Mr. Nixon, and demand that the government truly take note of his comments and puts an end to this era of confusion which has everyone wondering.

[*English*]

Openness is a political virtue which has been absent in the country for many years now. Openness is a constant guide. It represents security and inspires confidence. We all know that confidence is a flower that has faded in recent years in Canada.

The disengagement of citizens, smuggling, the black market, general cynicism, all these social phenomena are the products of apparently very disparate factors. They can all be traced back to the same origin: the lack of openness on the part of the state which operates behind closed doors concerned, I would say obsessed, with management matters, too often oblivious to the real needs of all those men and women upon whom it must depend for its very legitimacy.

[*Translation*]

The time has come to go back to the basics and restore political transparency so as to once again give meaning to Canadian democracy. The Bloc will oppose Bill C–22. First, because this legislation is premature. First and foremost because a royal commission of inquiry must be appointed to clarify this dark episode in which the ethical behaviour of the government and some related players was not up to par.

Moreover, and I will end on that, it is imperative that, before anything else, and especially before trying to hide the reprehensible actions which were taken, strict measures be taken to control the activities of lobbyists. This is the very basis of my amendment.

Therefore, seconded by my colleague the member for Beauport—Montmorency—Orléans, I move:

That all the words following "That" be eliminated and replaced by the following:

That this House refuse to proceed with the second reading of Bill C–22, an Act respecting certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport

Because the bill is flawed since it does not provide measures to ensure the transparency of lobbyists' activities.

[*English*]

Mr. Ed Harper (Simcoe Centre): Madam Speaker, I appreciate the opportunity today to speak on Bill C–22.

This whole Pearson revitalization and the studies that have been done raise many questions. I am hoping that the debate we are about to embark on will provide some answers to the questions. Actually Mr. Nixon's review demands a response. I would like to quote from the press release that came out with Mr. Nixon's review: "My review has left me with but one conclusion, to leave in place an inadequate contract, arrived at with such a flawed process and under the shadow of possible political manipulation, is unacceptable. I recommend to you that the contract be cancelled".

• (1140)

Those are very strong words and I think in those words there is a message that we must be fair. I was interested in the minister's comments when he spoke earlier this morning about being fair. The minister said that there may be those who would question any moneys being paid because of manipulation. He acknowledged that there may have been some manipulation. However he wanted his government to be fair and reasonable.

To whom are we going to be fair and reasonable? Will it be the taxpayers of Canada, the people who are paying the bills, or the lobbyists who are to profit from any moneys that are exchanged here? I think we have to be fair and reasonable. My priorities are that we have to be fair and reasonable with the taxpayers of Canada. We have an obligation to be fair and reasonable to those whose names and reputations have been called into question in all of this. They should be given an opportunity to clear themselves if that is possible. There should be no tax dollars spent until the air is clear.

Bill C–22 is virtually unprecedented. However I would suggest that the circumstances here are virtually unprecedented. We have accusations of patronage, accusations of political interference, accusations of excessive lobbying and apparently the elimination of competition.

The government has said much about honesty and fairness. I would like to quote from the red book on page 91. Chapter 6 begins:

If government is to play a positive role in society, as it must, honesty and integrity in our political institutions must be restored.

The most important asset of government is the confidence it enjoys of the citizens to whom it is accountable.

Bill C–22 does nothing toward this goal. Full disclosure of all that has taken place would go a long way toward achieving this. Let us review the background and the history to bring us up to date on the Pearson revitalization. There are many conflicting and contradictory positions.

Through a series of complicated deals two companies merge as partners: Paxport, which is controlled by Matthews Group Limited with very strong Tory connections, and Claridge investments, a company with very strong Liberal connections. These two companies are joined together as the Pearson Development Corporation.

Bill C–22 is the beginning of the end of a process which started in 1987 to move airports across Canada into local hands. Generally airports across Canada have gone into the hands of local airport authorities. The ones they have tried so far have met with some excellent results.

Pearson airport was a different case. The former Tory government was determined to privatize Pearson for the benefit of a number of its friends, among them David Matthews, a former Tory president and fund raiser and former Tory cabinet minister. Otto Jelinek joined Paxport, which is Matthews owned, shortly before the election. He is on its board of directors and president of its Asian wing. Excessive amounts of lobbying went into the privatization of Pearson airport. At least 10 firms were involved.

• (1145)

One of the clearest parts of this whole deal is the fact that the Liberals are heavily involved. Since the Liberal government has been in power it has appointed a former provincial Liberal cabinet minister to lead the review and the Prime Minister's former law partner to lead the negotiations for compensation.

These may be very capable and honest people. However the circumstances dictated that direct political connections should have been avoided. A suspicious and secret deal by the Tories now looks very much like a suspicious and secret Liberal cancellation.

Mr. Keyes: Madam Speaker, I rise on a point of order. I am curious to what extent the Chair will go to allow the remarks of the member to potentially put into disrepute those individuals of whom the member speaks, especially in light of the result of the report of Mr. Nixon.

The Acting Speaker (Mrs. Maheu): I am sorry but that is a point of debate rather than a point of order.

Mr. Harper (Simcoe Centre): Madam Speaker, actually the history going back to 1987 was when the Parliament of Canada passed the National Transportation Act which set the stage for a newly deregulated Canadian airline industry.

On April 8, 1987 the Government of Canada issued its policy on the future framework for the management of airports in Canada. It envisioned local airport authorities as the preferred method of airport management. Privatization was only given passing mention.

Three months later we had a reversal. On June 22, 1987 the Airport Development Corporation was the preferred developer to construct and operate terminal 3 at Pearson. The Matthews Group of companies sponsored an unsuccessful bid in this competition. However it will reappear.

In September 1989 the Matthews Group submitted an unsolicited proposal to the Government of Canada to privatize terminals 1 and 2 at Pearson. This proposal was not accepted. However no costs were expected at that time.

In October 1990 the government announced that private sector participation in the modernization of these two terminals would be sought through a future request for proposals process. No details were provided. As a matter of fact attempts by local airport authorities were rebuffed or rejected. They were not even encouraged to bid in spite of the success of airport authorities in Vancouver, Edmonton and Calgary.

On March 11, 1992 the government issued a request for proposals with 90 days provided for responses, placing heavy demands on those submitting a proposal. This gave the Matthews Group an advantage since it had previously submitted a bid in 1989. Two groups bid on the project: Paxport controlled by the Matthews Group and Claridge.

It must be noted that 90 days is a very short time to allow for proposals on a project of this magnitude. Another thing worth noting is that this was a one stage process. When T3 was considered it was a two–stage process, the first stage being to solicit and short list bidders and the second stage being to encourage detailed bids. This was not the case when we were looking at T1 and T2.

Another interesting aspect was that passenger volumes were open to projections by the bidders. A significant amount of information and coming up with a price was left open to those who were going to be bidding.

At that time there were many firms looking for work and yet so few were given the opportunity to bid on this project.

• (1150)

In December 1992 Paxport Incorporated was announced as the best overall proposal. It had to demonstrate its viability by February 1993. By that time Paxport found it did not have the financial backing it needed so it turned to Claridge for support.

The question here is how could a project of this magnitude proceed without financial ability as a prime consideration. Having discovered that it did not have the financial ability, the

questions arise: Why Claridge? Was no other option available to Paxport?

In February 1993 Paxport and Claridge announced a joint venture partnership which became T1 T2 Limited Partnership and eventually the Pearson Development Corporation with terminal 3 to pursue the redevelopment according to Paxport's proposal.

The request for the proposal implicitly said that there must be competition between T1 T2 and terminal 3. As a matter of fact Paxport in its bid highlighted the importance of competition in its bid. However in joining forces the competition that was to be there was eliminated.

In May 1993 Claridge had assumed effective control of the joint venture. Competition is lost and yet Paxport is still there.

In June 1993 the Pearson Development Corporation and the government signed a letter of understanding as to the substance of the previous agreement. Just prior to that a member, Huguette Labelle, a former transport deputy minister, was moved out of her position because of her opposition to the government's movement.

On August 30 the Minister of Transport announced that a general agreement was reached with Pearson Development Corporation to redevelop T1 and T2 and indicated the agreement would be finalized in the fall with a legal agreement for the long term management operation and redevelopment of the terminals. This is with the election only days away. On September 8, 1993 the election was called.

Prior to the conclusion of the legal agreement the Leader of the Opposition, the present Prime Minister, had indicated clearly that parties proceeding to conclude this transaction did so at their own risk and that a new government would not hesitate to pass legislation to block the privatization of terminals 1 and 2 if the transaction was not in the public interest.

At this time the chief negotiator of the Government of Canada sought written instructions about whether to complete the transaction.

On October 7, 1993 the Prime Minister at the time gave written instructions to complete the deal. We were in the middle of an election and those instructions were given. One has to ask the question: Why?

On October 7 the legal agreement was made to complete the Pearson privatization. At this point we were only 18 days away from an election. Knowing it was going to be an election issue, knowing it would be cancelled if it did not prove to be in the public interest, the government proceeded with the undertaking.

On October 28, 1993 the Prime Minister appointed Robert Nixon, a former Liberal cabinet minister, to do a quick review of the Pearson deal.

There is much that has gone on in the background and, as I said at the beginning, there are many questions that have been raised here. In fact there are questions that are crying out to be answered.

We should take a minute to review some of Mr. Nixon's comments and his opinions in the process. On page 8 of his report he states:

> The request for proposals having as it did only a single stage and requiring proponents to engage in project definition as well as proposal submissions and all within a 90 day timeframe created, in my view, an enormous advantage to a proponent that had previously submitted a proposal for privatizing and developing terminals T1 and T2.
>
> [...] With little consideration and development occurring others should have been sought and given reasonable time to participate.

● (1155)

The role of lobbyists and political staff, as stated on page 9 of the report, reads:

> It is clear that the lobbyists played a prominent role in attempting to effect the decisions that were reached, going far beyond the acceptable concept of consulting. When senior bureaucrats involved in the negotiations for the Government of Canada feel that their actions and decisions are being heavily affected by lobbyists, as occurred here, the role of the latter has, in my view, exceeded permissible norms.
>
> As well, there was the perception that political staff were interested in this transaction to a highly unusual extent; indeed, this climate of pressure resulted in civil servants being reassigned or requesting transfers from the project.

In closing, this was a flawed process that would appear to be killing this project. Mr. Nixon in his review said that the project should indeed proceed. There are five chairpersons and 32 municipalities which support that position.

There is also a safety angle here. Pilots have been stressing this safety factor. I quote from an article in the *Toronto Star* that was reported in response to some airline pilots who attended a committee hearing.

As pilot Rick Anderson noted, "planes are designed to land in the wind. Crosswinds can cause problems, especially on slippery runways. When heavy crosswinds are blowing, a second north–south runway would be safer to use than the existing east–west runways, and cut delays as well. While the value of the latter cannot be underestimated as we pull out of this recession, since planes burn about 1,360 kilograms of fuel an hour while waiting to land, travellers, airlines and environment all would benefit from reduced travel time, fuel costs and air pollution".

There are thousands of construction jobs at stake. The delay in this project is hurting job creating projects around the province, and indeed in Canada. Mike Sifton, president of Toronto Airways, stated that "airports create jobs and business. The real jobs an airport creates are one and a half miles down the road from the runway".

This review need not and should not hold up construction. Currently some Toronto MPs are delaying this for purely local concerns. Canadian jobs and growth are at stake. Pearson is a national issue, not a local issue, and jobs are at stake in Kitchener, Windsor, North Bay, Kingston, Oshawa and Barrie.

There is much at stake here: honesty and integrity in the system, confidence and trust in politicians, potentially millions of taxpayers' dollars, the names and reputations of many people, Pearson's revitalization, thousands of jobs and future growth in the economy.

Bill C–22 in my view does nothing to address these issues. We will be supporting the Bloc amendment. I would move an amendment to the Bloc amendment. I move:

That the amendment be amended by adding immediately after the words "more open" the words "in Canada".

• (1200)

The Acting Speaker (Mrs. Maheu): I would like to advise the hon. member for Simcoe Centre that we will take his proposed subamendment under consideration.

For the moment I will resume debate with the hon. Parliamentary Secretary to the Minister of Transport.

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Madam Speaker, before I get into the text of my speech I wonder if I could make a couple of observations that are rather striking and troublesome.

We have heard from both the Bloc Quebecois and the Reform Party. They have questioned the way the Pearson deal came about and the substance of the deal. We all agree that the process and the substance were seriously flawed in many ways because the Canadian public interest was not protected. Yet both opposition parties are voting against the bill.

That is rather curious. I must admit I was rather surprised that the leader of the Bloc Quebecois would take the time to address this issue. He talked about a number of things, from lobbyists to other circumstances. He went on ad nauseam about the fact he had left the government before he had anything to do with it. I believe that perhaps he has a guilty conscience.

He is right. He left the government in May 1990, but he was part of that gang, part of his colleagues, part of the cabinet, part of the so–called friends he now wants to deny he ever had anything to do with who put this darned bad deal together. It is rather curious that the Bloc leader would go on at length trying to divorce himself from a bad gang, as Canadians would know it, as he knew it. Yet he participated maybe not in the Pearson deal, but right from the beginning he knew exactly what was going on.

He went on and on. He must have a guilty conscience about the fact that he had anything to do with the gang that operated in Ottawa for nine years.

He then starts talking about the bill being a smoke screen and in fact talks about Pearson being a very important economic instrument and transportation mechanism. What does he ask for? A public inquiry that would probably cost millions and millions of taxpayers' dollars and waste a lot more time. We need to get on with the planning of Pearson. The bill needs to be put in place to effect the cancellation because the former government did not put a cancellation clause in the agreement.

I find it rather curious that the Bloc talks about integrity. It is really talking about wasting a heck of a lot more time so that we cannot get on with the business of deciding what we need to do in the public interest with regard to Pearson.

The comments of the Reform Party were equally absurd. They talked about the flawed process, about the flawed contract. Yet what is it talking about? It is talking about delaying.

The member for Simcoe Centre said that Pearson was an important employment generator. We can put people back to work. Yet he said Reformers could not support the bill until certain other things happen. That is not being fiscally responsible, like the Reform Party likes to pretend it is, at least in the minds of Canadians. I do not really understand where the Reform Party is coming from in terms of delay and timing. We want to do exactly what I thought the member said, and that is get on with planning the future of Pearson and national transportation.

I am pleased to have the opportunity to participate in the debate on this important legislation, Bill C–22. I want to add my support to the Minister of Transport who has brought this legislation forward to cancel the agreements entered into by a previous government for the operations of terminal 1 and terminal 2 at Pearson International. This is a necessary step not only to ensure the future of Pearson but also to restore the faith of Canadians in their democratic institutions.

• (1205)

We are not cancelling this deal because it was fashioned by a previous government. To do so simply for partisan reasons would be unjustifiably frivolous. Rather the government has said that we will build on some of the previous government's initiatives when, and I emphasize when, such works serve the interests of the people of Canada. Pearson airport did not serve those interests.

The people of Canada voted in the last election for open and transparent government. The process that led to this deal was neither open nor transparent, nor did it stand up to scrutiny by an impartial observer, Mr. Robert Nixon. As we all remember,

Mr. Nixon, the former Ontario treasurer, advised the government to reject the deal saying: "To leave in place an inadequate contract, arrived at with such flawed process and under the shadow of possible political manipulation, is unacceptable".

I want to digress perhaps a little for a moment, although it is related. One of our important commitments as a government is to renewing Canada's infrastructure and that includes our transportation system.

As my hon. colleague, the Minister of Transport, said in his speech in February, we intend to help Canadians build a stronger economy. One way to do this is through policies that bring immediate gains in transportation efficiencies. This kind of forward thinking will contribute to long term economic growth by enabling Canadians to do business and move goods quickly and efficiently at competitive costs. Yes, we need to improve our transportation infrastructure but not at the expense of the long term interests of the people of Canada.

To get back to this particular deal, perhaps it would be useful to look at some history, to get some perspective on where things started to come apart. I know that other speakers have already indicated that. On April 8, 1987 the then Government of Canada issued its policy framework for the management of airports in Canada. On June 22, 1987 the government selected the Airport Development Corporation to construct and operate Pearson's terminal 3. I should point out at the same time that the Leader of the Opposition was in the Conservative cabinet.

The Falcon Star Group which included the Matthews Group of companies was an unsuccessful bidder in this competition back on June 22, 1987. In September 1989 the Matthews Group submitted an unsolicited proposal to privatize terminals 1 and 2 but this proposal was not accepted by the then government in September of 1989.

In October 1990 the then Minister of Transport announced the government would privatize terminal 1 and terminal 2 at Pearson. A year and a half later on March 11, 1992 the government issued an RFP for the privatization and redevelopment of terminals 1 and 2. The original RFP provided only 90 days for response, although that was extended, if we can call it that, by an additional 30 days.

It is not as though the construction industry was booming in southern Ontario in those days. Yet no other firms were given reasonable time to participate, so the process was flawed right from the beginning.

On December 7, 1992 the government announced Paxport's proposal was the best overall, but Paxport still had to demonstrate that its proposal was financially viable. When it could not do this it turned to Claridge, its rival for financial support. By February 1, 1993 Paxport had joined forces with the other original bidder in a joint venture partnership which became T1 T2 Limited Partnership.

By May 1993 when most outstanding issues had been dealt with sufficiently for formal negotiations to start, we now find that Claridge, the second place finisher, in effective control of the joint venture.

• (1210)

On August 30, 1993 the then Minister of Transport announced that a general agreement had been reached to redevelop and operate the two terminals. Then just nine short or long days later, depending on your perspective, on September 8, 1993 the government called the long awaited election. We all remember that campaign well and we all remember the concerns raised by the public and media about the Pearson deal.

The soon to be Prime Minister warned the parties to the deal not to sign it, that a new government would not hesitate to cancel it if it was not found to be in the public interest.

It should perhaps be noted that the circumstances were such that the government's chief negotiator asked for written instructions about whether to complete the transaction. That chief negotiator got those instructions on October 7, 1993 despite the concerns expressed by many Canadians, the soon to be former Prime Minister issued explicit instructions to conclude the deal. We now know where the push came from. It seems that the Canadian people had some doubts as well and we know how they expressed themselves at the ballot boxes.

What would the Government of Canada have gained by the agreement? Remember the terms of the lease was 37 years with an option for an additional 20 years. This means the government could well have been signing away control of a major national asset for almost three generations.

The agreement also included a constraint on alternative airport development within a 75–kilometre radius of Pearson. How did the previous government suppose this government would serve the people of London and the rest of southern Ontario by this kind of provision in the agreement?

Extensive reviews have shown that the airport facilities in the area of south central Ontario must be co–ordinated. Southern Ontario airports must, for planning purposes, be considered part of a single integrated system. This clause alone would have severely constrained future governments, eliminating many sound planning options. Under the agreement the government could have done nothing to alleviate the pressures of growth at other airports until Pearson topped 33 million passengers a year.

As Mr. Nixon said in what I take to be restrained understatement, the agreement did not serve the public interests.

I know my allotted time is running out, but I cannot leave the matter without some mention of the appearance of cronyism conveyed by this deal. It is this appearance that is so corrosive to public confidence in the government and its institutions. While we are not suggesting that anything illegal was done by any of

the parties, some of their actions conveyed the impression that they had something to hide.

Everyone knows how much concern was expressed about lobbyists and political staff seeming to have an inordinate influence on decisions that should have been made on the basis of public interest, influencing them so much that senior public servants felt pressured.

We have a long tradition that requires openness and transparency in any undertaking that involves the public purse. Canadians are entitled to disclosure when it comes to a deal affecting their assets.

I am afraid there is much more, but time does not permit me to examine the rest of it. What is also important now is that it is time to move forward. The government understands that the people of Ontario, in fact all Canadians affected by Pearson's operations, would like a prompt decision on how we are going to manage Pearson. That is one good reason for proceeding with the bill, to cancel the agreement as we must formally through this legislation as quickly as possible. Pearson is too important a national asset to languish while we debate. The Minister of Industry said when he introduced the bill: "We need to get the cancellation over with so we can get on with the job of planning for its future operations".

• (1215)

However, as has been clearly stated by the Minister of Transport, we will not be put in the untenable position of cobbling together a solution. Pearson is too important and we are too much aware of our responsibility to Canadians to rush simply for the sake of doing something, anything, as some members opposite seem to want us to do without proper care for the long term effects of our decision.

The fact of the matter is that the decisions we take at Pearson do not just affect that single airport. That is why we are consulting with a great many people. Yes, we are consulting with our Toronto members of Parliament. They were elected and are the rightful voice of their constituents in Parliament, in our caucus and in our government. We will consult with provincial, municipal and regional governments and local community leaders. We are doing that and the minister is doing that. We intend to do it right, not like the previous government has done.

In fact, as some of our other counterparts have indicated in the debate this morning, Pearson is not a local airport. It is a national airport and we are seeking national consultation.

The fact that our party is a national party with representatives from all parts of this country is a positive for us, not a negative. I cannot say that about the Bloc which only has members in one province nor the Reform Party which has members in only two or three provinces. We are a national party with national representation. We will consult with our national caucuses as to what to do about our national airport.

The government intends to make a final decision on Pearson's administrative structure before the end of this year. It is now time to close the book on this sorry chapter and move forward with planning for the future of Canada's transportation hub. Passing the legislation will allow us to plan the future of Pearson unencumbered by these flawed agreements.

No one should be surprised by anything in the legislation. It is nothing more than what we said we would do before the election, after the election, and when we introduced the legislation.

We will negotiate only for out of pocket expenses. We will not negotiate for lost profits and we will not negotiate for lobbyist fees. We are doing what the Bloc has indicated we should not; we are doing what the Reform has indicated we should not, which is to negotiate lobbyist fees. We will not pay for lobbyist fees. We will not pay for lost profit. We will pay for out of pocket expenses.

The legislation does not limit the amount of any potential payment nor does it preclude any continued negotiations because negotiations must continue. It does make clear to all the parties what the government is and is not prepared to consider. It makes it clear that these negotiations cannot go on indefinitely.

We are not saying that lobbyists should not be paid. We are saying these parties should take up the matter with the people who employed them, the developers, and not the taxpayers of the country.

I would like to close with this reminder. The most important asset a government can have is the confidence of its citizens. During the nine years of the previous government—and I was happy to hear the history lesson from the leader of the Bloc Quebecois because he participated in part of those nine years in that government—we saw a steady erosion of confidence in the public sector.

This erosion had many causes, from the behaviour of certain elected politicians to an arrogant style of political leadership. One of the key causes of this erosion was the practice of conducting public business behind closed doors giving the idea of favouritism.

Canadians deserve better. The government intends to do better by delivering to Canadians the leadership and the innovation demanded by today's changes backed by integrity and supported by principles that will never be sacrificed to expediency.

• (1220)

We look forward to working with both parties at committee to improve the legislation, if we can. We need to get on with the business of planning Pearson's future. We cannot unless we pass the legislation. I look forward to the comments of members from both sides.

The Acting Speaker (Mrs. Maheu): Prior to going to the questions and comments section, the subamendment as proposed by the hon. member for Simcoe Centre is procedurally acceptable, as long as he is asking that we insert the words "in Canada" after the word "lobbyist". Is that correct?

Mr. Harper (Simcoe Centre): That is correct, Madam Speaker.

Mr. John Harvard (Winnipeg St. James): Madam Speaker, I would like to place a couple of comments on the record before putting a question to the hon. parliamentary secretary.

Bill C–22 is reasonable, prudent and protects the Canadian taxpayers. After all, the developers behind the Pearson deal were warned. The Liberal Party stated long before the 1993 election that it smelled something rotten in this deal. We put it on record that we would take this action if we found there was something rotten about the deal. The Nixon report confirmed that and now we have Bill C–22. It is the only course of action to take.

Leading up to my question I am glad the government is taking this action. It indicates to me that the government is committed to transparency and accountability.

The House probably already knows that airport authorities are being proposed for other centres in Canada, including my home city of Winnipeg. The hold–over model proposed by the former government for the proposed airport authority in Winnipeg is flawed.

In my opinion the accountability under the plan proposed by the Conservative government is weak. Transparency is not there. For example there is no provision for the public tendering process. The conflict of interest guidelines are a joke and representation can certainly be improved.

If we are going to go ahead with establishing airport authorities, be it one to replace the Pearson deal in Toronto or to replace other Transport Canada management at other centres in the country, let us get it right. Let us get it down so we do have public accountability, transparency and so on.

Perhaps the hon. parliamentary secretary could answer my questions. Are we going to establish further airport authorities of the kind proposed in Winnipeg, not for profit but still an airport authority, a kind of privatization? When these airport authorities are established will public accountability be the top priority?

I do not want private clubs operating airports. I want bodies that operate airports in the public interest and have public accountability at the top of the list.

Mr. Fontana: Madam Speaker, I appreciate the comments made by my colleague from Winnipeg St. James. He has touched on a number of important issues with regard to local airport authorities. He is absolutely right that we want to get it right, that we want to do it right.

The government has learned from mistakes made by others. The Minister of Transport and Transport Canada are looking at ways of fixing those flaws the member talked about with regard to local airport authorities. There are tremendous opportunities.

• (1225)

The minister sees it that way. Transport Canada sees it that way. Local communities can play a positive, constructive and proactive role in running airports to be the economic instruments they can be, but not to the detriment of public interest. We are defining what that public interest is in terms of safety and other matters.

The member is right on. We intend to make sure the local airport authority provisions are enhanced to make them much more accountable, much more transparent. We intend to ensure there is broad representation on those boards, to ensure the bottom line is that the interests of the community are always at the top of the heap so to speak.

I thank the hon. member for his constructive suggestions. We hope to have those revisions in place as soon as possible. As the member has indicated a number of communities are looking at opportunities.

As the Reform Party keeps reminding us, the government wants to be as effective and as efficient as it possibly can to save taxpayers money. If the local airport authorities can do the job well and protect the public interests as well as further their own local objectives, why not? The government is prepared to look at that.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans): I detect some contradiction in the words of the Parliamentary Secretary to the Minister of Transport, and I will explain why.

It seems to me that the parliamentary secretary is speaking from both sides of the mouth, not at the same time, of course, but I will explain myself.

On March 10, the Minister of Transport, in response to the Budget Speech of the Minister of Finance, said in several places—I do not have the *Hansard* with me, but I studied his speech very well—that several activities currently conducted by Transport Canada would have to be sold and privatized.

I would like the parliamentary secretary to indicate to me whether there is not a contradiction in what he was saying earlier about the fact that the Pearson airport should continue to be part of the public heritage.

[*English*]

Mr. Fontana: Madam Speaker, I appreciate the comment and question by my colleague the transport critic for the Bloc.

The minister and the government have indicated that Transport Canada and our government want to look at commercialization opportunities. Commercialization does not necessarily mean the same as turning over or privatizing so that the private interest is protected and the public interest is not.

The member will know we have already announced some measures such as the air navigation system. We will be consulting all the stakeholders to find out if there is a better way of controlling our air navigation system to make sure that safety is paramount, that all the stakeholders have input into the system, and at the same time save the taxpayers some money.

I do not have to tell the member why we need to look at opportunities for saving money. We have a deficit and a debt to deal with. The taxpayers also demand that this government look at every opportunity to make sure we are as efficient and as effective as possible, but not to give up the public interest.

We are not in any position to make an announcement as to how we will deal with Pearson. That announcement will come as the minister indicated and as I indicated in my speech. By the end of the year we will put forward our plan of action for Pearson, not only the administrative structure but also the plans we have for its future. We are consulting.

It is not inconsistent nor is it talking out of both sides of the mouth to say that the deal structured by the former government was a bad deal. It was badly structured. It was a bad process, repugnant to taxpayers. The detail and substance of the deal were bad and not in good public interest.

• (1230)

We do not intend to make the same mistakes. We have learned from other people's mistakes, hopefully. We will put together a plan for Pearson, other airports, other modes of transportation, be it the seaway, be it rail, be it marine, be it highways, to work in co–operation with all the stakeholders, the provinces, municipalities, communities, anyone we have to, to make sure that Canada has the most effective, efficient, integrated transportation system to serve Canadians.

At the end of the day Canadians have to compete with the Americans, with the Mexicans, with the global community. Unless we can move goods and people as efficiently as we possibly can and at the best costs we cannot compete. If we cannot compete we do not have jobs and if we do not have jobs we have economic and social problems.

I would hope that commercialization is not a bad word. It is an opportunity that the government wants to look at to see how much more efficient and effective we can be in all modes of transportation.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Madam Speaker, you will understand that, as transport critic for the Official Opposition, I am extremely interested in Bill C–22 which was presented at first reading on April 13, 1993. I also carefully reviewed the report Mr. Robert Nixon submitted to the hon. Prime Minister on November 29, 1993.

I did not waste any time in studying the contract signed on October 7, 1993 by the Government of Canada and T1 T2 Limited Partnership. I also asked certain employee associations for their opinion and consulted with some airport managers. I will not violate any official secrets by saying that, after these consultations and all that reading, I agree with the amendment proposed by the Leader of the Opposition and ask this House to authorize a Royal Commission to hold an inquiry on the circumstances surrounding the deal entered into by the government and T1 T2 Limited Partnership.

In its present form, Bill C–22 contains a dozen clauses. We agree with some of them but cannot support the wording of subsection 10(1), and I quote:

> If the Minister considers it appropriate to do so, the Minister may, with the approval of the Governor in Council, enter into agreement on behalf of Her Majesty to provide for the payment of such amounts as the Minister considers appropriate in connection with the coming into force of this Act, subject to the terms and conditions the Minister considers appropriate.

During the election campaign, the leader of the Liberal Party of Canada, the present Prime Minister, made it very clear to the parties involved that he would have no qualms about cancelling the deal after he was elected. Following this statement, the chief negotiator for the former government requested written instructions on whether to complete the transaction. The then Conservative Prime Minister specifically requested that the agreement be signed that very day. However, concluding a transaction of this magnitude in the midst of an election campaign, effectively tying the newly elected government to the previous government's policies, flies in the face of normal democratic practices.

We must admit that the new Liberal Prime Minister, who was elected last October 27, wasted no time in dealing with the situation, announcing on December 3, 1993 the cancellation of the Pearson Airport privatization deal. Unfortunately, he probably soon realized that some of the people involved in that deal belonged to his party. It is probably why, on April 13, 1994, his government presented a bill to finalize the cancellation while reserving the right, under subsection 10(1), to enter into

agreements on behalf of Her Majesty to provide for the payment of such amounts he himself considers appropriate.

You will understand that to exclude Parliament from such an important decision and to give a blank cheque to Cabinet, especially the minister of Transport, is unacceptable.

• (1235)

During the last campaign, our party mentioned that the Liberals and the Tories were so similar that they were like two peas in a pod or "blanc bonnet, bonnet blanc", as we say in Beauport and on Île d'Orléans. This bill confirms it.

It is unacceptable for payment of compensation to be authorized without even being sure such compensation is warranted. When examining all the documents, and particularly the lengthy Nixon report, I wonder if there was any wrongdoing in that operation and I am very concerned about the answer.

After the royal commission of inquiry has made its review, after its decision and recommendations, maybe we will come to the conclusion that it is rather T1 T2 Limited Partnership that should pay compensation to the Canadian government. If however the royal commission concludes that there is compensation to be paid, Parliament will still be in a position to make a fair and enlightened decision.

I mentioned that we were not in agreement with section 10(1), but I would like to add that there should be another section in the bill saying who should manage Pearson International Airport. We all know that Transport Canada still operates the airport, but we would have liked to see this bill determine clearly that the Toronto airport should be under the management of a non–profit organisation just like the Montreal, Calgary, Vancouver and Edmonton airports.

In these cases, management is a group of people from the local community so they are quite capable of defending the interests of those they represent. Let me just give as an example Aéroports de Montréal, the corporation that operates the two Montreal airports; the members of its board come from the business community and are also board members of the SOPRAM, the corporation responsible for the promotion of Montreal airports.

The eighth member is the president and chief executive officer of Aéroports de Montréal, ADM if you will. It is also interesting to note that SOPRAM is a non–profit organization comprising 21 members appointed by the following organisations: the City of Montreal, the City of Laval, the Conférence des maires de banlieue, the Chambre de commerce du Montréal métropolitain, the Board of Trade of Metropolitan Montreal, the Corporation de promotion de l'aéroport de Mirabel (COPAM), the Société montérégienne de développement (SMD) and the city of Longueuil.

This kind of representation means that the corporation is sensitive to local interests and has a perspective rooted into the business community. This is a prerequisite that we would have liked to see in Bill C–22. I would like to come back to the royal commission we are requesting. Why should we have a commission of inquiry? There are several reasons.

The first would be to determine why, on March 11, 1992, the government asked formally for proposals regarding the privatization of Terminals 1 and 2 of Pearson Airport. There would be only one phase and no prequalification, contrary to the process for Terminal 3, which was to be in two phases.

The second reason is that, looking at the Nixon report, we note that the call for tenders left only a very short time, 90 days, which meant that only groups closely connected with the operation of the airport, like Claridge and Paxport, could possibly submit a valid tender. This explains why only two tenders were received. Paxport had already submitted a privatization plan in 1989, but had had to withdraw, and Claridge was operating Terminal 3.

The third reason is to determine why the contract was signed on October 7, 1993, during the election campaign, and despite the fact that the very hesitant chief negotiator had asked for written instructions before signing the deal.

The fourth reason is to determine what role did the lobbyists played and whom they lobbied. The fifth one, to determine the cost to the public of this hasty decision, and who really benefitted from it. The sixth one, to establish why the Conservative government sought to privatize Pearson Airport, the most profitable in Canada. The seventh reason, to find out why the government allowed T1 T2 Limited Partnership a rate of return of 24 per cent before taxes and 14 per cent after taxes.

• (1240)

The eighth reason is to see why the Nixon Report recommends that no compensation be paid for lost business opportunities and lobbying costs. Have the commissioners uncovered even more irregularities than we know of?

The ninth reason is to determine the role of certain stakeholders closely linked either to the Conservative Party or to the Liberal Party of Canada.

The tenth reason is the answer to the following question: Why did the government not include in Bill C–22 a clause allowing it to transfer the Pearson Airport administration to a non–profit organization?

These are some of the reasons why a royal commission of inquiry is needed to arrive at a well advised decision. It is also important that the commission clearly indicate the impact of lobbyists in this case. It must examine the costs to the taxpayers,

the impact on jobs in the Metro Toronto area, and especially, the impact on transportation in Canada.

I will be focusing in particular on the repercussions of this transaction on Canadian transportation. My colleagues will discuss not only the impact on public finances and on jobs in the Metro Toronto area, but also the role of lobbyists in this affair.

Airports, along with aircraft and human resources, are the mainstay of the air transport industry. Airport facilities allow you to increase the number of destinations, accommodate various types of aircraft and provide different kinds of services.

Air transportation has a great influence on the overall economy of a region. An airport is the point of arrival for foreign investors and the point of departure for local human and non–human resources. For the region where it is located as well as for the destinations it is linked with, an airport is considered a significant economic lever.

According to a study conducted by the École des hautes études commerciales of Montreal in the late 1980s, the contribution of Montreal airports to the Gross Domestic Product in terms of value added in 1992 was expected to be $1.3 billion in direct effects only and $2.2 billion in both direct and indirect effects.

To show just how airport facilities can influence regional development, let me quote from an IATA report issued in December 1991. In Toronto, the addition of a runway would mean $3.5 billion more in revenues for the region over the next 15 years and $9 billion more for the province. The impact on the employment situation would be significant: locally, the addition of the runway would create 3,300 new jobs every year and 3,700 jobs throughout Ontario, which comes to over 7,000 new jobs for Ontario.

Also, in its October 1992 issue, the magazine *L'Actualité* reported that the number and frequency of air transport communications between major cities is the fifth criterion used by potential investors.

The air transport industry depends directly on airport facilities. Carriers are the primary clients of airports and it is thanks to the serviceability of airport facilities that airlines can develop and generate by their activities considerable revenues for the community.

The main cause of these decreases is quite clear. In the mid 1960s, projections for future passenger and cargo traffic led authorities to plan the building of a second airport in Montreal, that is Mirabel. According to the projections made in 1967 for the 1980s, we were to expect 14 million passengers and 2,020,000 tons of cargo by 1985.

Also in the mid 1960s, we anticipated a 15 per cent growth rate for passenger traffic in the Montreal area, that is approximately 10,600,000 passengers for 1975, the year Mirabel was going to be inaugurated.

Lastly, Mirabel was to be the sole gateway in Canada for all transatlantic flights and, eventually, for all international flights other than transborder flights.

• (1245)

Things did not turn out that way. In 1985, the combined passenger traffic for Dorval and Mirabel was 7 million passengers, that is half of what was initially projected. In 1985, the combined cargo traffic for Dorval and Mirabel was approximately 105,000 tons, which is less than what Dorval handled alone in 1975. This cargo is 5 per cent of what was projected in 1967.

In the years following the inauguration of Mirabel Airport, Montreal lost the preferential status that it had been promised. Mirabel is no longer the only gateway in Canada and more and more airlines are authorized to offer direct flights from other Canadian airports to foreign destinations.

Between 1966 and 1975, passenger traffic in Montreal grew by about 9.9 per cent, which is 5 per cent less than expected. However, the growth rate did not remain steady after 1975. Between 1975 and 1984, passenger traffic grew by only 2.24 per cent, which represents an annual growth rate of less than one quarter of one per cent. So, the growth rate at both Montreal airports was about 10 per cent of the Canadian growth rate during the same period.

Between 1975 and 1984, increases in passenger traffic occurred mainly in Toronto, Vancouver, Calgary, Edmonton, Ottawa and Halifax. Montreal accounted for only 1.86 per cent of the overall growth in traffic in Canada during this nine–year period. Also, during the last ten years, that is from 1981 to 1991, the growth rate of passenger traffic in Montreal was minimal compared to the 44.55 per cent rate recorded in Toronto.

In 1981, Dorval and Mirabel handled 7.5 million passengers a year, whereas Toronto handled 14.7 million. The slow growth of airport activity in Montreal since the early 70s is especially notable compared to what happened in Toronto over the same period. Statistical data are a proven measure of airport activity.

Therefore, one can imagine that the negative impact of this shift in economic activity from Montreal to Toronto has played a major role in the erosion of Air Canada's pilot base in Montreal in favour of Ontario's capital. For example, in 1979, Air Canada had 461 pilots based in Montreal and 451 in Toronto, a difference of 10 in favour of Montreal. Some 13 years later, in 1992, Air Canada had 301 pilots based in Montreal and 781 in Toronto, a difference of 480 in favour of Toronto. Over a 13–year period, Montreal lost 160 pilots whereas Toronto gained 480 pilots. This

about–turn is due mainly to the fact that Montreal has lost its privileged status with regard to direct flights to Europe, which allowed a shift in economic activity from Montreal to Toronto.

In closing, I would like to quote the words of Mr. Tory Hine, financial analyst for Scotia McLeod, as reported by the magazine *Wings*, vol. 5, in the fall of 1992.

[*English*]

"We have an airline industry concentrated on a single hub, Pearson International in Toronto, with secondary hubs in Vancouver, the Pacific gateway and Montreal. The position and dominance of the Toronto hub is the single asset of Canada's industry. The potential for Toronto to be the North American scale hub is important for the jobs and revenue which would be created in the Toronto area, but it also provides an important link which enables Canada to participate fully in both the Canada—U.S. and North American free trade agreements. The split of Montreal's two airports between international services at Mirabel and domestic and transborder services at Dorval means that the two airports are relegated to serving primarily the local market. Montreal as a result has not emerged as a full hub".

[*Translation*]

Again, if Montreal could have maintained the status it enjoyed in the seventies, it would not have to limit itself to serving local routes.

• (1250)

In conclusion, the Montreal airports authority manages Montreal's two airports very well. Business people and airport people are talking to each other and the best solution will soon be found. Hopefully, the Montreal airports authority will try to convince airlines to have their inspection and maintenance work done in a place where air traffic is already heavy. This would have a major impact on employment at the Air Canada technical maintenance centre in Montreal, where close to 3,500 people work and which is known around the world for its excellence and expertise.

My party does not intend to take the place of local people when it comes to deciding whether there should be one or two airports in Montreal. We are convinced that they are able to make the right decisions.

The government will soon have important decisions to make concerning Pearson Airport, and I am not talking about compensation, but about its future and administration. Before making decisions that could result in one area of the country being more prosperous than another, would it not be a good idea to review the whole Canadian airport system, to discuss with business people and specialized agencies, and to involve the provincial governments so that all regions, and not only one, can prosper?

[*English*]

Mr. Barry Campbell (St. Paul's): Madam Speaker, I rise in support of Bill C–22, an act respecting certain agreements concerning the redevelopment and operation of terminals 1 and 2 at Lester B. Pearson International Airport.

This is the bill to cancel the agreements made by the previous government for the operation of terminals 1 and 2 at Pearson airport. As my colleague, the member for London East, made clear a few moments ago, it is time we close the book on this ill–conceived project so that we can get on with the important work of planning Pearson's future.

I support the bill for a number of reasons because it puts an end to agreements contrary to the public interest reached through what have been described charitably as a flawed process. The legislation enables the government to get on with planning the future of Pearson airport and air transportation and that future is too important to be tied up in procedural knots.

Most of all, the bill should be supported because it clears the decks for the serious work of rebuilding Canada's transportation system, including our air transportation network which has Pearson as its hub.

One of the government's first priorities is to secure Canada's economic future, a task in which transportation plays a key role. There is no question that the cost of moving goods and people is a major factor in our nation's economic health. For Canada it is a daily challenge.

The growth and prosperity of the country have always depended on transportation. This was true before Confederation and it is true today. It is even truer today; a fast, reliable, low cost transportation system is vital to Canada's prosperity. It is the life support system of the country's exports and a critical factor in our competitiveness. It is transportation which keeps us together as a nation.

Air travel plays a particularly important role in binding the country together. It is how we travel when we go home for the holidays, when we take a vacation, when we seek out new business. Pearson is the hub of air transportation in Canada, our largest airport, one of North America's busiest gateways. One–third of all air travellers in Canada pass through Lester B. Pearson International Airport. Twenty–one million people passing through on their way to visit friends and family make business connections or even take their first steps on Canadian soil.

As Mr. Nixon said in his report to the Prime Minister, Pearson is a critical national gateway and a hub service to travellers, families and shippers. It cannot be duplicated by any other facility in the area, indeed in the province or in the country.

However Pearson is more than a transportation hub. It is also an economic generator for southern Ontario. The airport generates employment for 57,000 people directly and indirectly, including 14,000 people who work on site, and these jobs generate almost $2 billion a year in personal income. Add to that the almost $4 billion a year in direct revenue for local businesses and tourism and the $633 million in taxes from airport activity that go to various governmental jurisdictions. That gives us some idea of the airport's economic contribution to southern Ontario, the greater Toronto area, and all of Canada.

● (1255)

When we consider its economic and social importance to the region, the provinces and the country we see that Pearson is far more than a transportation facility. It is one of the most important public assets in our economy, an airport which serves the entire region, Ontario and all of Canada.

It is incredible to me that the previous government would have planned to sign away this vital asset in the heat of an election campaign without financial prequalification and constraining airport development in the entire region.

As Mr. Nixon concluded, this was an inadequate contract, arrived at in a flawed process and under the shadow of possible political manipulation. This deal was contrary to public good.

Being against the Pearson deal is not the same as being against renewal of our transportation system; far from it. As the Minister of Transport said in his response to the budget, the government is fully committed to helping Canadians build a stronger economy. An essential part of this effort is renewing Canada's infrastructure and that includes our transportation system. This renewal will contribute to long term economic growth by enabling Canadians to transact their business and move their goods quickly, efficiently and at competitive cost.

The government is committed to improving transportation effectiveness, but we must avoid simplified solutions that stem from a political agenda rather than clear eyed planning. We must avoid sacrificing the interests of the nation as a whole to serve a narrow, ideologically based vision.

That is why the government is developing a national transportation policy, a framework to allow us to retool our facilities and services to meet current and future needs.

To meet these needs we need to develop an integrated transportation system. To get maximum benefits from transportation we have to focus on the entire system, not on its parts, its many parts. The transition may be difficult, especially for aspects or facets of our struggling transportation industry but it must be done.

We must also encourage and stimulate competition. Government can do this by providing the regulatory framework, incentives, and infrastructure the private sector needs to deliver transportation services competitively and safely.

The government intends to pursue a pragmatic mix of modal integration, innovation and realism. Transport Canada is reviewing all its policies and programs. This review is intended to address the challenges and pressures facing Canada's transportation sector through a comprehensive, coherent strategy of reform.

Being against the flawed Pearson deal does not mean being against private sector participation in what were once viewed as traditional government activities.

The government does not believe that it has to own and operate a system in order to achieve its public policy goals, but government does have as role to play as a facilitator, as a catalyst, setting goals, providing direction, monitoring performance, making sure the job gets done fairly and effectively.

Yes, the federal government has a responsibility to ensure that Canada has the national transportation system it needs and we intend to live up to that responsibility. We see no reason why the private sector should not be invited to do what it does best. The government believes that commercialisation is an attractive option, one that brings business discipline to the provision of services that have traditionally been delivered by government.

However commercialisation does not necessarily mean outright privatization. It can take many forms, ranging from the contracting out of services, public–private partnerships, non–profit entities, special operating agencies, crown corporations.

Regardless of what form it takes, what is essential is a business like approach to the provision of services, an approach that is more efficient, more responsive and less dependent on the Canadian taxpayer.

This will result in better capital planning, access to private financing, faster approval, easier introduction of new technologies and more user and client input. For exampie, the government sees great potential for commercializing the air navigation system. The International Civil Aviation Organization cites a clear trend toward the establishment of autonomous authorities to own and operate AMS facilities around the world.

Commercialization in these and many other areas of government activity can bring major savings to taxpayers and better service to clients. Any move to commercialization must always maintain Canada's high transportation standards. Cancelling this deal is not an attack on the private sector. It is an attack on what is a flawed, suspect deal contrary to the public interest.

• (1300)

Our action in regard to this transaction does not rule out future involvement by the private sector in some of the activities now undertaken by government. We will look at every opportunity to collaborate with the private sector to provide transportation services to Canadians.

The private sector has a role to play in airport operations. Non–profit private sector management groups now have responsibility for five of Canada's major airports. We must take the necessary action to terminate the ill–conceived terminals 1 and 2 deal and allow the government to move forward with its plans for Pearson.

Under the proposed legislation the government may make a payment to developers, but this will not include lost profits or any fees paid for lobbying. The Minister of Industry said when he introduced the bill: "We publicly asked the previous government and the company not to conclude this highly controversial deal during the election campaign. They chose to proceed anyway".

The legislation does not stop or hinder any negotiations or compensation. It simply sets the necessary limit on how long this process should go on, how long negotiations might block resolution of this matter.

The government prefers a negotiated settlement. However once this legislation is passed and proclaimed the government and the developers will have 30 days to come to an agreement. After that there will be no further discussion and no additional compensation. After all, the government has been negotiating with Pearson Development Corporation on behalf of T1 T2 Limited Partnership since last December when the Prime Minister announced that the government would cancel the agreements.

I remind the House that the legislation is required to finalize the cancellation of this contract because the original agreement negotiated by the previous government did not include a cancellation clause.

The transport minister has said decisions affecting airport expansion projects are linked directly to decisions on the airport's management structure. These decisions cannot be made as long as the previous agreements are in place. That means nothing can move forward until we have cancelled this agreement which should not have been made in the first place. Our decisions with respect to Pearson can no longer be held hostage to those agreements.

One result would be that there would be no new construction this year on terminal 1 and terminal 2 development or runway expansion projects at Pearson. I am sure we would all agree that it is in the best interest of the people of southern Ontario and the country in general to move as quickly as possible to develop a new administrative structure for the airport so that we can move ahead in making the critical decisions to maintain Pearson as a vital economic asset for the entire country.

The time to act is now. We can no longer allow this to proceed. The passage of the legislation will allow the development of Canada's air transportation hub to proceed in the public interest unhindered by yesterday's mistakes. We must proceed now.

Mr. Ted White (North Vancouver): Mr. Speaker, what a strange situation we find ourselves in today, debating whether or not to pass a bill which might control the amount of compensation which can be paid as a result of the cancellation of the Pearson airport privatization deal.

Under normal commercial circumstances in the private sector cancellation of a contract usually means a negotiated or litigated settlement which takes into account the lost opportunities and the lost profits.

Admittedly these private sector negotiations can sometimes take years to complete. It is often only the lawyers who make money out of the whole exercise. However an entity in the private sector does not have the luxury of legislating itself to be exempt from the obligation to compensate another party when it breaks an agreement.

• (1305)

Generally speaking there is something unattractive in the idea that a government can do what the private enterprise cannot do by exempting itself from the need to compensate a group and to also exempt itself from the ability of someone to start litigation against it.

I must admit I feel somewhat uncomfortable about the reality of the bill, the fact that the government could introduce such a bill to protect itself. I know this Liberal government has a large proportion of lawyers in its ranks whereas within the Reform caucus we only have one lawyer.

Perhaps it is this abundance of lawyers in the Liberal Party that has driven the introduction of the bill. Perhaps they are celebrating what must be every lawyer's dream, the ability to control the outcome of a case. Why would one need a judge and jury when one can simply legislate the outcome of the event with no recourse?

I admit feeling somewhat uncomfortable about this situation although I also admit that the circumstances in this situation are rather unique. It was August 1993 when the then Minister of Transport announced that a general agreement had been reached with the Pearson Development Corporation to redevelop terminals 1 and 2.

The minister indicated that the agreement would be finalized in the fall with a legal document for the long term management operation and redevelopment of the terminals. What an impressive list of players there were involved. Included were Donald Matthew, a former Tory president and fundraiser; Otto Jelinek, a former Tory cabinet minister; Bill Neville, formerly a Tory chief of staff and part of the transition team for the previous Prime Minister. There was a Quebec multimillionaire, Charles Bronf-

man. There were also some well known Liberals, a certain senator, Herb Metcalfe, and Bob Wright, a Liberal fundraiser.

It is the involvement of these high profile Liberals that caused me to use the word might in my opening sentence when I said the bill might control the amount of compensation. Could it be that clause 10 of the bill will allow the Minister of Transport to look after Liberal friends while shutting others out?

The portion of the bill in question reads: "If the minister considers it appropriate to do so, the minister may with the approval of the Governor in Council enter into agreements on behalf of Her Majesty to provide for the payment of such amounts as the minister considers appropriate".

The question I have is whether appropriate compensation for a Liberal supporter will be different from appropriate compensation for someone else. One wonders aloud. Despite all this, there is one aspect to the circumstances surrounding the signing and subsequent cancellation of the Pearson deal that provides a powerful argument for supporting Bill C–22.

It comes from the natural sense of justice that a person feels when having warned someone that there will be consequences of an action, that person defies the warning, goes ahead with the action and subsequently does indeed suffer the consequences.

Just nine days after the Pearson agreement announcement of August 30, 1993, the previous Prime Minister called the election. Prior to the conclusion of the legal agreement on Pearson, the then Leader of the Opposition, now Prime Minister, clearly stated that parties taking part in the agreement did so at their own risk because a Liberal government would not hesitate to pass legislation to block the privatization of terminals 1 and 2 if the transaction was not in the private interest.

The chief negotiator for the government at the time took the statement so seriously that he asked for written instructions about whether to complete the transaction. On October 7, 1993 in the final days of her government, the previous Prime Minister gave her written instructions to complete the deal and the same day the agreement was made.

Subsequent events, starting October 28, 1993 with the appointment of Robert Nixon to review the deal, have resulted in its cancellation. Although the idea that a government can exempt itself from responsibility for compensation bothers me, on balance I would tend to support the bill because all parties to the agreement were clearly warned of the consequences. Perhaps some of them even believed that the deal would be cancelled but took a gamble that compensation would be paid in the normal manner after cancellation. Quite a gamble.

• (1310)

I doubt that any party to the agreement could claim that there was not an awareness of the stand of the present Prime Minister on the issue when he was in opposition back in October 1993. There was plenty of publicity and plenty of reason to believe that the deal would indeed be cancelled if the Liberals took power. At the time the polls certainly showed that to be a possibility.

Incidentally I have often wondered why those same pollsters who so confidently predicted a win for the Liberals never realized that Reform would get 52 seats. I wonder whether they really knew and suppressed the information or whether they did not conduct a reasonable poll.

I will continue to listen to the debate on Bill C–22 and will continue to take input from my constituents who have been writing me letters and making occasional phone calls on the issue. I would urge all other members to do the same: listen to the debate and receive input from their constituents before they make the final decision on whether to support Bill C–22.

Mr. Paul Szabo (Mississauga South): Mr. Speaker, I am honoured to rise to speak in favour of Bill C–22. I will start by identifying what we are talking about, specifically looking at Toronto area airport issues.

Pearson International Airport is Canada's premier airport. Thirty per cent of all air passengers in Canada go through Pearson; 20 million passengers in 1992. It is among the top 30 airports internationally, the third largest gateway to North America after JFK airport and the Miami airport. It is a critical hub for many smaller cities in Ontario and indeed Canada.

It has 15,000 employees on site. It creates 56,000 jobs in Ontario and accounts for over $4 billion of annual economic activity. That is the reason why the Pearson airport issue is so important.

We have before us Bill C–22 to deal specifically with matters pertaining to Pearson. I would like to give some background events leading up to the legal agreements which Bill C–22 deals with.

In 1989 the Matthews Group of companies submitted an unsolicited proposal to the federal government to privatize terminals 1 and 2 at Pearson. The government did not accept that proposal, but the following year it did announce that it would proceed with a request for proposals to obtain private sector participation in the modernization of the two terminals at Pearson.

The request for proposals for the privatization and the redevelopment of terminals 1 and 2 was issued by the federal government in March 1992 and the bidders were given 90 days to respond. Two bids were submitted: one by Paxport Inc., controlled by the Matthews Group, and the other by Claridge Holdings Inc.

In December 1992 the Paxport proposal was declared to be more acceptable and the company was given until mid–February 1993 to satisfy the government that it was a financially viable proposal. When Paxport could not demonstrate this or raise the necessary capital, it sought assistance from Claridge. The private sector participants then formed the Pearson Development Corporation, referred to as PDC, and T1 T2 Limited Partnership for the purposes of carrying out the project.

In August 1993 the federal government and PDC announced that they had reached an agreement to redevelop and operate terminals 1 and 2. Legal agreements were to be finalized in the autumn of 1993.

A federal election was called on September 8, 1993. During the election campaign the Leader of the Opposition, now the Prime Minister, declared that the new government under his leadership would cancel any deal to privatize terminals 1 and 2 if the transaction was deemed not to be in the public interest. The chief negotiator for the government sought written instructions on whether to complete the transactions and on October 7, 1993 received written direction that it was Prime Minister Campbell's wish to complete the deal on that date. The legal agreements were therefore finalized on October 7.

• (1315)

Subsequent to the election one of the first actions of the government was to review the Pearson deal. As many members have alluded to, the government engaged Mr. Robert Nixon to do an independent review. I would like to read the conclusion from his report: "My review has left me with but one conclusion, to leave in place an inadequate contract, arrived at with such a flawed process and under the shadow of possible political manipulation, is unacceptable. I recommend to you that the contract be cancelled".

I then went on to look further because obviously a bald statement like that does require some substantive support to be able to indicate the so–called flawed process. In looking at Mr. Nixon's report, page 8, subparagraph 3, I would like to read into the record some extracts to give Canadians an idea of some of the things that were of concern to Mr. Nixon in preparing his report:

"The request for proposals having as it did only a single stage and requiring proponents to engage in project definition as well as proposal submission and all within a 90 day timeframe created in my view an enormous advantage to a proponent that had previously submitted a proposal for privatizing and developing T1 and T2. Other management and construction firms not having been involved in the manoeuvring preceding the RFP had no chance to come up to speed and submit a bid in a short time period".

At this point Mr. Nixon noted that there are some timing irregularities and probably some improprieties, at least in appearance:

"With little construction and developing occurring others should have been sought out and given reasonable time to participate. Further, it is significant that no financial prequalification was required in this competition. For a project of this magnitude the selection of the best overall acceptable proposal without complete assurance of financial viability seems to me to have been highly unusual and unwise".

Finally Mr. Nixon states: "The concluding of this transaction at Prime Ministerial direction in the midst of an election campaign where this issue was controversial in my view flies in the face of normal and honourable democratic practice. It is a well known and carefully observed tradition that when governments dissolve Parliament they must accept a restricted power of decision during the election period. Certainly the closing of a transaction of significant financial importance sealing for 57 years the privatization of a major public asset should not have been entered into during an election campaign".

I have to reiterate that the government said very clearly during the election campaign that the Pearson agreement should not proceed and that if it did the government's intention was to review the deal and to cancel the deal if indeed it was not deemed to be in the public interest. It chose to proceed and in fact the government did honour its promise to the Canadian people.

We have heard a lot of speakers today discussing the process and how it is seriously flawed, that the substance was similarly flawed and that we really need a transportation vision for Canada, a comprehensive strategy for our transportation system.

During the election campaign it was very clear to me that Canadians were saying political credibility is zero. I think one of the things that all members know and have learned very well is that political credibility demands fiscal responsibility. That fiscal responsibility will result in hopefully the restored confidence of Canadians in our legislative process and indeed in the integrity and credibility of people in political life. The Pearson deal, as many have suggested, did not do justice to the Canadian people. It was the right thing to do.

• (1320)

I would like to turn now specifically to Bill C–22, an act respecting certain agreements concerning the redevelopment and operations of terminals 1 and 2 at Lester B. Pearson International Airport, which received first reading on April 13, 1994. I would like to read for the House the explanatory note:

The enactment concerns agreements arising out of the Request for Proposals for the Terminal Development Project at Lester B. Pearson International Airport or the negotiations following that Request. It declares the agreements not to have come into force and to have no legal effect, and bars certain actions or other proceedings against Her Majesty in the right of Canada in relation to the agreements.

The enactment also authorizes the Minister of Transport, with the approval of the Governor in Council, to enter into agreements for the payment of amounts in connection with the coming into force of the enactment.

The bill was presented to the House by the Minister of Industry on behalf of the Minister of Transport. In summary of the legislation it indicates that the proposed legislation—this is for the benefit of those who have not followed the debate so far—will cancel those agreements that were entered into. It will make clear that government is not obligated to compensate the developer and allow the minister to make some payments but not for specifically lobbyist fees or lost profits.

The government's policy has been and remains that it would consider reimbursing out of pocket expenses with the exception of the lobby fees but would not make payments for lost profits.

As I went through many of the documents that were available to us, I found with some interest rhetorical questions which I think probably many Canadians and maybe members have been considering. The first question one might ask is: Are not private sector companies now going to be afraid to do business with the government? I think that is a very fair question and I think the answer is not at all. The government takes its contractual obligations seriously, but this is a different and special case unlikely to arise again.

The Liberal Party made it very clear that we were concerned that the agreement might be contrary to the public interest but the parties risked signed that anyway. It is extremely important that the government gave notice and put the participants on notice. In spite of the clear message that was sent they took the public risk to proceed in any event.

The new government subsequently reviewed the agreement in detail and determined that it was indeed contrary to the public interest and that is precisely what we expect elected officials of governments to do.

The second question of note was why is the government being so hard on Pearson Development Corporation. It sounds like Pearson Development Corporation is going to lose a lot of money for the sin of negotiating a contract with the government of the day. Again that is a very relevant and good question, but we also have to understand that the people who entered into these agreements are responsible and professional business people and that the government wishes to negotiate with them in a fair and reasonable manner.

During the campaign our party made it very clear that we were concerned that the agreement was contrary to the public interest but the parties proceeded anyway. This is extremely important to the essence of the bill.

The government subsequently reviewed the agreement in detail and determined it was indeed contrary to the public interest. However the government stands by its commitments and there will be no payments for the lost profits or lobbying costs.

The final question that was stated was what are the government's future plans for Pearson International Airport. This is probably as important a question as any. I stated earlier in my speech some of the dimensions of the Pearson contribution to Canada, to jobs and to the economy. The Minister of Transport said that he intends to make a decision on airport administrative structure and potential expansion before the end of the year. He is seeking input from a large variety of sources, including his own caucus which will be giving him input with regard to the decisions.

• (1325)

I have a special interest in the Pearson airport issue because it is just north of my riding, a mere 10–minute drive from the east end of my riding. We have had a number of public meetings over the years on many controversial issues, many relating to privatization, some relating to the expansion of the airport, and recently a very emotional debate with regard to expansion of runways, the new north–south runways which were already subject to a major environmental assessment review.

Having had two public meetings, I think the last one was just two weeks ago, the people who have participated in this debate over these many long months have said one thing, that they agree Pearson is an extremely important economic unit to Canada and that the future of Pearson has to be handled in a comprehensive but careful manner to ensure that they will be able to maintain Pearson as the focal airport of Canada.

At this point I do not intend to debate the merits of expansion of the airport, of privatization. All I can say is that the people I represent and who have attended these public meetings are calling out and asking the government to provide the leadership with regard to this important economic unit.

I believe the bill is the next step in the process. Any time is a good time to cancel a bad agreement and to get on with the future of Pearson, which is the undertaking of the government today.

I would like to conclude my comments simply by making a reference to the amendment proposed by the leader of the Bloc Quebecois. It basically calls for a public inquiry. It has a lot to do with the fact that the bill does not deal sufficiently with the

transparency of activities of Canadian lobbyists, which was the amendment from the Reform.

I have some difficulty understanding why that issue is relevant to this particular bill. There is no question the government has put everyone on notice that the activities of lobbyists are an important issue to this government and that it will be addressing specifically matters related to the lobbyist activity in our country.

Lobbyist activity does not directly relate to the bill. The bill deals with legal agreements and how we have a point of departure to get on with the business of the day to ensure that the future of Pearson is dealt with in a timely fashion.

The amendment appears to be quite inappropriate. I do not understand it. Pearson will continue to be the major airport for Canada. It is my pleasure to have spoken today in favour of Bill C–22.

[*Translation*]

Mr. Ghislain Lebel (Chambly): I have been listening very carefully to the remarks made by the hon. member who just sat down.

Throughout his remarks, he spoke of cancellation: cancellation of contracts, cancellation of agreements. I have some difficulty understanding that Bill C–22 is in fact a piece of legislation which cancels something since, in law, in Quebec as everywhere else in Canada I suppose, nothing leads to nothing. It is clear that if something is null it was nothing to begin with, and cannot lead to something.

Bill C–22 declares that the agreements are null, and that they are nothing, but on the other hand, the government wants to breathe life into that nothingness, so to speak.

With Section 10, indeed, they want to compensate friends of the government that might have benefitted from this whole scheme. That is my first question.

• (1330)

The hon. member who just sat down said that he does not understand much of what the Bloc Quebecois is saying, that it is using the piece of legislation we are currently considering, to address the issue of lobbying. Since this morning, I have the feeling that the Liberals understand what they want to understand and prefer to ignore what is not convenient for them. There has been some strange goings–on with regard to this whole scheme. We do not say so; it is the Nixon Report that says so. There have been some very unusual dealings in this matter by friends of this government as well as friends of the previous government.

I doubt that any future legislation on lobbying will prevent the sort of thing that happened last fall. Any such new legislation, should the Prime Minister ever introduce it, will hopefully regulate the activities of lobbyists. As for the past, I am surprised by the attitude of the Liberals, who are saying: "We are cancelling all that, we want to do it in a hurry, but we do not want to harm anybody, we do not want to tarnish anybody's reputation". I find such remarks outrageous in the face of a project such as this one on Toronto airport, where just about the whole investment by Canada would have been handed over to some people, if they had been allowed to do as they pleased. That is all I had to say about the matter. I would like the hon. member to tell me, if he can, whether we are dealing with a cancellation or with the legal recognition of a valid contract, the main players of which are about to be compensated?

[*English*]

Mr. Szabo: Madam Speaker, I understand the member's concern and his questions.

He dealt with two issues, one being the issue of lobbyists. He also commented with regard to the propriety of the amendment proposed by his leader.

First, the issue of lobbyists is important and it must be dealt with. The government has indicated it will be dealing with the total question of lobbyists. I believe it probably would be appropriate to call a public inquiry, to investigate what happened and why with regard to lobbyist activities, whether it be Pearson or otherwise, just to ensure that we know what happened.

The amendment proposed by the leader of the Bloc Quebecois is basically to frustrate the passing of the legislation. The member has not really addressed the real question of whether the legislation which has been proposed should go forward. It is not to say that if this goes forward we cannot look into the aspects of lobby registrations.

The member is asking questions about the bill, whether there is agreement or not, and what we are trying to do. Clearly the government assessed whether it was necessary to bring in the legislation. It made the determination based on the best legal advice it had and counsel it obtained that it was necessary to come forward with legislation to put a stop to the agreements, to declare that they have not come into force. It deems they did not come into force and they have no legal effect. It bars certain actions against the government.

This requires legislation and the government has brought forward the legislation to ensure that the matter can be dealt with finally by the Government of Canada.

[*Translation*]

Mr. Ghislain Lebel (Chambly): Madam Speaker, the bill before the House is needed because of the context in which certain agreements were signed concerning the redevelopment and operation of terminals 1 and 2 at the Toronto international airport. The findings of the Nixon report commissioned by the Prime Minister speak for themselves.

[*English*]

"My review has left me with but one conclusion. To leave in place an inadequate contract, arrived at with such flawed process and under the shadow of possible political manipulation, is unacceptable. I recommend to you that the contract be cancelled".

• (1335)

[*Translation*]

If this bill is needed to cancel all agreements with T1 T2 Limited Partnership, any responsible government must look into the reasons why we are in this dilemma.

Our gracious Majesty had dealings with unknown persons whose identity is still shrouded in mystery. As recommended by the Nixon report, the Crown must unilaterally cancel those agreements because it was misled by her main counsellors and agents at the end of the 34th Parliament. We will try to explain to the House the role played by certain parties. It will then become clear why they want to remain unknown.

The Nixon report is particularly harsh with those responsible for the signing of those agreements. It is not impossible that very influential people wielded that influence improperly and in a way which is detrimental to the Canadian heritage. According to the Nixon report, there was very high level influence peddling.

If this House has reached the point where it is going to ignore the consensual principle and have our dear monarch lose face by unilaterally cancelling an agreement, I think it is because the Crown was very poorly advised.

What was the rush for a clearly moribund government to pass such contracts privatizing the only profitable air terminals in the country, thus binding for a long time, the next 57 years in fact, future Canadian governments, when the then–Leader of the Opposition and present Prime Minister of Canada cautioned the government not to conclude these deals before the election of October 25, 1993, and even warned that he would cancel the whole thing?

Before the deal was finalized, the future Prime Minister said publicly and warned the parties that he would not hesitate to cancel all that. Following this declaration, the government's chief negotiator in this case asked for written instructions before signing the contracts. On October 7, 1993, the then–Prime Minister, through an internal memo, insisted on the signing being done the same day. During the final phase of negotiations, certain top–ranking civil servants involved asked for a transfer because they were not sure that they were acting correctly.

Can we associate this move with the 500 partisan appointments made about the same time of close friends of the regime which was then collapsing? It is not improbable.

Not only a lot of money was lost because of all what had to be spent in this voluminous case, which some of my colleagues will address later, but it dealt a severe blow to the principles of transparency and honesty. I did not invent any of this; it is all in the Nixon report.

By taking lightly the whole development of an industry of the future which cost Canadians a lot of money, the government seemed to the people to be out to grab what it could, and this is serious, coming from what must be the most honest and upright of our democratic institutions.

The government of the 34th Parliament acted like a real scrounger, thus tarnishing the image Canadians had of it. The verdict rendered a few days later leaves no doubt in this regard.

We also learn in the Nixon report that our government even willingly colluded to deprive the Government of Ontario of its right to $10 million under the land transfer law of this province.

A responsible governement cannot afford to have two different sets of laws: one for itself and another for the citizens. In the past, several forceful rulings by the highest court of the land have reminded us of it in no uncertain terms. But we can see now the unbearable consequences of the former government's doings: unilaterally cancelling a contract is almost indecent.

• (1340)

Ordinary citizens cannot resort to what is called in French "dol", that is fraud by deceit, to seek the cancellation of a contract, except in Quebec, of course, where that procedure is allowed under the new Civil Code. Once more our beautiful province has shown her clearsightedness and sense of innovation, as opposed to some provinces that are incapable of changing their traditional vision of this country.

But I digress, Mr. Speaker. I want to come back to Bill C–22 which reflects poorly on the crown from a legal as well as factual point of view.

Common law principles do not allow ordinary citizens to resort to "dol" and case law has not changed in that regard.

To lose face, Mr. Speaker, is not too strong a way of putting it. How could Her gracious Majesty resort to "dol" to cancel that contract, when she is so well advised by the largest firm of legal advisors, the Public Service of Canada?

Her Majesty must surely not be very happy with what is happening right now. If it had not been for her unlimited authority, Her Majesty would have been had. Fortunately, as we were taught during the first term of our BA in law, the only thing the crown cannot do is to change a man into a woman, and I would add "and even that remains to be seen".

The Queen can do no wrong. It is because of this principle of common law, so dear to our fellow citizens across the floor, that this fool's deal can still be cancelled and its effects avoided, thank God.

Earlier, I was wondering how come we had gotten there. I agree that we should cancel for all intents and purposes the agreements concerning terminals 1 and 2 of Pearson airport, but I do not want this to be done at the expense of our public servants. It is understandable that we would want to hold the previous government responsible, as this government always does, but I would advise the Liberals against casting the first stone because the Conservatives just pushed a bit farther the puck that had been put into play by their predecessors.

What does the government intend to do, to avoid further insults of this kind to our beloved sovereign? In its famous red book, the party now in power, rightly criticizing the agreements reached a few days before election day on October 25, had definitely promised Canadian taxpayers to introduce a bill which would have the effect of restricting lobbying activities on Parliament Hill. Did it keep its promise? Not at all.

The present Prime Minister and member from Saint–Maurice had promised us legislation governing lobbyists' activities on Parliament Hill. This legislation has yet to come.

In the daily *Le Droit* of March 21, David Zussman, in charge of the lobbying issue for the Prime Minister, said regarding the introduction of such legislation that, although the principles were clear, it sometimes takes more time to write the rules than to agree on the principles. He also said that there are so many elements and so many players in all of this that it will require much more time than one could have imagined.

There is reason to be confused, especially when one remembers that the Prime Minister, when given a rough ride in his own riding, said recently that it was all in the red book, that one had only to read between the lines.

Good legislation must be clear, concise, and precise. Its principles must be clear and not be subject to interpretation. Its scope must not be mitigated in any way neither by the number of people concerned nor their political or social status. If such legislation is written on the basis of the corporative interests of all the friends of the government, it can only be legislation difficult to write, evasive, permissive and easy to circumvent. It becomes questionable legislation. Must we understand that this is the kind of difficulty that the government is having with the development of this bill at this time?

The Pearson airport contracts were awarded in its last days by the former government, when it felt the carpet slipping under its feet. What does the government intend to do to protect itself against such a temptation at the end of its present mandate? I trust that such a vision of the future will not dictate that it uses the same self–control as it is using in the development of its code of ethics.

• (1345)

Could the present government, which is as alike as two peas in a pod as its predecessor, not reassure our dear sovereign, Canadians and Quebecers that such absurd actions as those that were perpetrated by the previous government with regard to the Toronto airport will not likely occur again?

Those divine banquets at $3,000 per person, which were attended by the most powerful members of the present government and the Senate, and those brunches at $1,000 per person, that is where the main activities of the most powerful lobbyists are likely to occur, because the Prime Minister's eloquence alone cannot justify such an investment.

Far be it from me to cast aspersions on our Prime Minister. After all, his political longevity is proof positive of his integrity. However, I think we can say the Prime Minister was being a little careless about his image when he appointed Robert Wright, a Liberal fundraiser from away back, to negotiate the cancellation of the agreement on privatization of the air terminals in Toronto, especially when we realize that Mr. Wright, who has many qualifications, was the Prime Minister's fundraiser during his campaign for the leadership of the Liberal Party in 1984.

Section 10 of the bill before the House today says that, if the Minister considers it appropriate, he may enter into agreements on behalf of Her Majesty to provide for the payment of such amounts as the Minister considers appropriate in connection with the coming into force of this act. That is what it says.

This provision adds insult to injury. Not only did Her august Majesty get the short end of the stick in these agreements, she will also have to deal with the fall–out that will come as a result of this legislation. Is the government again using Her long suffering Majesty to get several million dollars for its friends?

Far be it from me to cast any doubts on the integrity of the Minister of Transport who, I am sure, is capable of exercising his discretionary powers with the requisite honesty and restraint, but I think this is a truly herculean task which we cannot reasonably ask him to perform.

Those who dealt with the government in this particular matter had been warned by the present Prime Minister that the deal was a dead end and that, if the Liberal Party came to power, the contracts would be cancelled. That is why the government negotiator asked for instructions before proceeding with the signing of the agreements. Those who dealt with the government were aware of all the implications. They gambled, and they lost. Moral turpitude is not a defence.

In any case, the parties to these contracts never lost money in their dealings with the government in power, and for reasons I mentioned earlier, I wonder on what ethical grounds we would owe them anything at all.

Throughout my speech, I consciously and purposely used the terms "Majesty", "Sovereign", "Queen", and the "Crown". The people in this House know that when we refer to Her Majesty, we are talking about the people of this country, which means all Canadians. But do Canadians realize this? Do they realize that they also got the short end of the stick?

Do the citizens of this country realize that the Toronto airport deal is only the tip of the iceberg? For 127 years, for as long as the Canadian federation has existed, the citizens of this country thought they owned this country and were the masters of its destiny. A cold, northern country, very austere, but a country of the strong, the brave and the adventurous. Those who chose it did so out of love, because they had a dream to build a life and were prepared to suffer, to forego sun and heat and make do with very little, but always with a great love for the land.

They were exploited by foreign fur traders, misled by power–hungry or simply money–grubbing politicians, leading a life of few dreams and limited prospects. What are we going to leave our children? Six, seven, eight, nine hundred billion dollars worth of debt!

• (1350)

I am ashamed, Mr. Speaker, ashamed. Why? Because I am part of the generation who made off with the cashbox. I inherited a beautiful, clean country, and in less than 50 years, see what I have done, see what will be left for the next generations: a country burdened with debt, polluted, dirty, torn apart by sorry politicians who cared only for their personal comfort.

This country has been ruined by greed, vandalized by those who feel no loyalty to any country, by mudsucking tadpoles, by well–educated politicians who lack vision and are blinded by their personal ambitions.

A great philosopher once said: it is not the last drop that makes the cup overflow, but the first one. It is true.

The Toronto airport could very well be the last drop. There is too much doubt, too much confusion here, as well as too many mistakes, for us not to start asking questions.

In this whole mess, some senior officials resigned, others asked to be transferred, and others said nothing for fear of retaliation. The operation was so gross that only those few who had absolute authority thought they were untouchable.

The steamroller was in motion. They were marching on against all common sense and advice; greed had no limits, the project was the only purpose and cupidity ruled.

Proud people were made into servants, honest ones were made deceitful and truthful ones turned into liars. Things have to change, this country must regain its dignity, regain respect and redefine its aspirations; most of all, it must re–establish the rule of law. That is why we must immediately, even at the risk of collectively hurting ourselves, revive justice and pride to give hope once again to those who follow; we must take our destiny into our own hands.

Consequently, we must immediately set up a royal commission to inquire into the Pearson Airport deal and we must implement its recommendations. We must put a stop to false bidding and allow Canadians, including Quebecers, to regain their sense of pride and dignity. The nobility of the principles of equality, fraternity and justice must be restored. This way, perhaps we could considerably reduce disputes between Quebec and Ottawa. Perhaps people could understand that Quebecers who choose emancipation have decided to free themselves from this kind of socioeconomic and financial colonialism that holds too many Canadians hostages.

Que bene annat, bene castigat, or "spare the rod and spoil the child". This age–old latin maxim is still valid today. If our Prime Minister is tabling Bill C–22 for honest reasons, if he wants to restore the principles of justice in this country, he must proclaim now the appointment of a royal commission of inquiry on Terminals 1 and 2 in Toronto. The conclusions of the commissioners will allow us to prosecute all those who are at fault, as rich as they may be, under one justice, honourable and righteous, the justice of Canadians.

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Madam Speaker, toward the end of the hon. member's remarks he sounded as if he had taken the government position.

We as Liberals led by the Prime Minister have fought against the dismantling of the Pearson International Airport. We did that not only when we sat on that side of the House of Commons. During the election campaign when we heard that the then Conservative government was going ahead we said it was not our policy direction. We did not want to privatize Pearson International Airport. We campaigned against it and we acted immediately once the Prime Minister took office.

In no way, shape or form are Canadians confused when it comes to the decision the Prime Minister took. It was decisive and the right thing to do in the long term interests of all Canadians.

This is a strange approach we we have here today. We are trying to act on the decision and put the Pearson file behind us and properly pay those people who unfortunately got into a bad deal with the previous government.

• (1355)

We are trying to put that file behind us so we can rebuild a market in Toronto with a fresh policy start. There are a lot of unemployed people in Toronto. We do not intend to leave Pearson in the state it is forever.

However we would like to do this as a Government of Canada project. As the member so appropriately recognized, this is a Government of Canada asset. It generates profits for the people of Canada. That is part of the reason we did not want to proceed on this deal. It was not a good deal for taxpayers.

To mix the issue of lobbying with the action of the bill today is not the right way to go. Could the member not see this whole issue of reviewing lobbyist activity, and even reviewing the lobbyist activity as it pertains to Pearson International Airport, could be more appropriately handled when we bring forward the lobbyists registration bill which we will not only discuss in the House but in committee as well? In that way we would not be slowing down the whole process and we could put the bill behind us.

[*Translation*]

Mr. Lebel: Madam Speaker, I said it before, and I will say it again, the Liberals understand what is grist to their mill and acts in their favour. When they present their bill, their code of ethics, it will not be appropriate to bring up past cases. The member who asked the question is well aware of that. He is trying to ensnare me. He knows that we will not be able to mention the Pearson airport deal when his government finally decides to present its bill.

We will debate the essence of the bill, its strengths and weaknesses, which I expect will be many. But we will not be allowed to talk about the maneuvering that preceded the Toronto airport deal. Being a lot more experienced, he knows that better than me. I cannot understand why the Liberals who, during the election campaign, opposed this deal which was in the process of being completed, are now very sheepish, having realized since October 7, when the contract was signed, that some of their friends were involved in that deal. Does this explain the compensation under clause 10?

Some hon. members: Hear, hear.

Mr. Plamondon: I rise on a point of order, Madam Speaker. I have been standing for one minute and it is customary, once a member has asked a question to a Bloc Quebecois member, that a member from another party then addresses the previous speaker. I therefore wonder why you are not giving me the floor instead of recognizing the member who just rose.

The Acting Speaker (Mrs. Maheu): The speaker was a Bloc member. Mr. Mills rose for questions and comments. It is customary to then recognize the party opposite. In this case the speaker was a member of the Bloc Quebecois.

Mr. Plamondon: Madam Speaker, I would like you to consult the clerks and the Standing Orders. It is the member who rises first who has the floor, and should several people rise at the same time, according to tradition, you must alternate between parties. Since I have been standing for one minute, it is obvious that I should have the floor. No other members having risen, I have priority to address the previous speaker. I ask you to consult and give a new ruling.

[*English*]

Mr. Mills (Broadview—Greenwood): Madam Speaker, perhaps I could assist in straightening out this confusion. I was about to speak on debate and that is why I rose. When the member from the Bloc suddenly stood, I sat down. There are still a couple of minutes left.

[*Translation*]

The Acting Speaker (Mrs. Maheu): I will come back to the hon. member for Richelieu. It is true that the parliamentary secretary was asking to be recognized, but there was another member behind him. I apologize to the member. I had not forgotten him and I was not ignoring him either. Quite the opposite, in fact.

[*English*]

Mr. Paul Szabo (Mississauga South): Madam Speaker, I want to respond to a comment made by the member who basically imputed motives. I know the Speaker has often said to members to take due care in terms of imputing motives.

The member indicated the reason the Liberals cancelled the deal was so that they could deal with their own pockets. I find that statement very unsavoury. I would invite the member to read the report of Mr. Nixon to determine whether there was a flawed process, and to make his own decision if it was appropriate to cancel the deal. Do not impute motives to the Liberal Party but rather make a decision on your own. It is a bad deal. It has been cancelled, and the government is acting responsibly.

The Speaker: Order. It seems that I came in on a pretty warm debate here.

It being two o'clock, pursuant to Standing Order 30(5), the House will now proceed to Statements by Members, pursuant to Standing Order 31.

S. O. 31

STATEMENTS BY MEMBERS

[*English*]

JUSTICE

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, the draft amendments to the Criminal Code and the Customs Tariff Act introduced by the Minister of Justice last week in response to the proliferation of serial killer cards and board games is a clear indication to all Canadians that the justice minister is listening and that he will be acting promptly to bring needed changes to the justice system.

As the justice minister stated, as a society we must protect children and youth from exposure to material which exploits violence, cruelty and horror, while balancing this goal against the important guarantees of freedom of expression contained in the Charter of Rights and Freedoms.

The government is committed to making our streets, our homes and our communities safer. The threat of violence that pervades our society is intimidating and alarming to most Canadians. By seeking to prohibit the sale or distribution of materials that exploit violence, we do a great service not only to the majority of law abiding citizens, but to the young people who deserve to develop interests and talents free of such negative influences.

* * *

[*Translation*]

SOUTH AFRICA

Mr. Philippe Paré (Louis–Hébert): Mr. Speaker, today is a day that will long be remembered by men and women the world over. Democratic parliamentary institutions are becoming a reality in the political life of South Africa because, as of This morning, for the first time ever, blacks from every town and city in South Africa have begun the process of democratically electing their representatives.

As parliamentarians, we cannot remain indifferent to the words of one elderly South African who said: "I can die now because I have voted for the first time in my life".

Despite the bombings and the violence, despite the numerous obstacles on the road to democracy in South Africa, we are confident that the people of South Africa will triumph.

[*English*]

KURT BROWNING

Mr. Bob Mills (Red Deer): Mr. Speaker, on this past Sunday I attended an event in Caroline, Alberta, in the heart of my constituency of Red Deer. This event truly made me proud to be a Canadian.

The village of Caroline held a barbecue to pay tribute to a truly Canadian role model, Mr. Kurt Browning. People came from all parts of my constituency and from far beyond to honour this world renowned Canadian. Kurt has brought honour not only to the town of Caroline but to Alberta and to all of Canada. His four world championships are an inspiration to all Canadians. Kurt's accomplishments and his real Canadian spirit gives Canadians the sense of pride and national identification that is needed to unite the country.

The pride which glowed from everyone's face is what Canada is all about. Kurt's personality and true love of people and his country is demonstrated again and again. Today I ask the House to salute a true Canadian champion, Mr. Kurt Browning.

Some hon. members: Hear, hear.

* * *

• (1405)

CULTURAL LEARNING CENTRE

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, the London Cross Cultural Learner Centre is a multifaceted facility that has provided services to newcomers to Canada for over 25 years. The centre has evolved into a unique combination of programs and services that are based on cross cultural learning within the community.

To promote global education in the community the centre provides a resource centre and regularly hosts guest speakers, screens films and holds special exhibits. As well the centre collaborates with the Department of Citizenship and Immigration and the community to initiate language instruction to new Canadians or LINC.

There is a growing cultural diversity in the community of London—Middlesex. I commend the dedication and commitment of the individuals who have worked to create such a unique cultural learning centre.

* * *

TOURISM

Mr. John Maloney (Erie): Mr. Speaker, tourism is a significant part of the economy of Erie riding and indeed of the whole Niagara region.

It is an industry with the potential to employ many more people than it does currently and this in an area of very high unemployment. The tourism industry encompasses small to large companies as well as business people of all backgrounds, including youth and seniors. The needs of these people and the tourism industry must be looked at to help them not just to survive but to prosper and expand.

Tourism is a $28 billion industry in Canada. The vast majority of the 60,000 tourist enterprises are small or medium sized businesses. Tourism tax revenues for all levels of government are estimated to be in the neighbourhood of $11 billion annually. This is an important sector of economy.

Notwithstanding the foregoing, I would point out that there was a trade deficit of $8 billion in 1993 with the rest of the world. Approximately $5.5 billion of that deficit was with the United States. We can do better; we must do better.

* * *

TRADE

Mr. Paul Steckle (Huron—Bruce): Mr. Speaker, Thursday CNN reported that because of our low Canadian dollar, Americans were flocking to Canadian border communities to buy new cars. Americans realized they could save thousands of dollars by shopping in Canada.

There is one problem. No, it is not either national government. In fact freer trade laws have enabled these types of sales. Rather it is the big three auto makers forbidding their dealerships to sell cars for export.

The big three have told their dealers that if they sell cars for export they could lose their franchise agreement. This does not sit well with dealers who say that if allowed they could sell hundreds of cars to our American neighbours. It is especially difficult for the dealers since other dealers not associated with the big three have not been curtailed from selling for export.

Businesses have long complained that government is hindering their sales potential with obtrusive trade laws. The government has acted but now apparently big business has stepped in to install greater non–tariff barriers. The Canadian economy has suffered for years from cross–border shopping. Now it is time to reverse that and take advantage of the situation while it is still in our favour.

* * *

[*Translation*]

CANADA'S CREDIT RATING

Mr. Jean Landry (Lotbinière): Mr. Speaker, yesterday the president of Moody's, a New York bond rating agency, stated the following: "The Quebec election is not a factor to be analyzed in reviewing Canada's credit rating". The president of Moody's acknowledged that Canada's credit rating was being closely monitored because of the country's financial situation and high debt levels. The outcome of the current review could prove costly in terms of high interest rates.

In fact, since the Liberal government brought down its first budget, the gap between Canadian and American interest rates has widened considerably. The markets are reacting this way because foreign investors are worried about the lack of concrete deficit reduction measures in the first Liberal budget.

These comments from the president of Moody's confirm that the recent volatility of the market is due to the sorry state of public finances, not to the political situation in Canada.

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[*English*]

CURLING

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, it is with great pride and pleasure that I rise to again honour Canada's curlers.

For the first time all major Canadian curling teams have swept their way to world championships. In both women's and men's senior and women's and men's junior playdowns, Canada's curlers walked off with the gold.

I want to extend special acknowledgement to Saanich—Gulf Islander Elaine Dagg–Jackson who was team leader for the Canadian junior world curling team. Elaine and members of all our teams have proven Canada to be a powerhouse in world curing. Caught between a rock and a hard place they consistently drew to the button.

I know all members of the House join me in applauding these outstanding athletes.

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[*Translation*]

TERRITORIAL BILINGUALISM

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle): Mr. Speaker, last week, a Reform Party member tabled a motion to amend the Official Languages Act so as to reflect the principle of territorial bilingualism, which consists in providing federal services essentially in French in Quebec, and essentially in English in the rest of Canada.

• (1410)

This concept of territorial bilingualism is an aberration which reflects a profound ignorance of the history of our country. Such an idea does not take into account our Canadian national identity, and it more or less promotes intolerance.

There can be no doubt that, after being in effect for over a quarter of a century, the federal official languages policy is an integral part of the Canadian identity.

According to an Angus Reid poll conducted in May 1993, close to 70 per cent of Canadians approve the federal government's promotion of official language minority rights.

It is inconceivable that anyone would suggest taking a step backward!

* * *

[*English*]

EFAMOL RESEARCH INSTITUTE

Mr. John Murphy (Annapolis Valley—Hants): Mr. Speaker, I rise today to raise awareness of some exciting research and development that is currently under way at the EFAMOL Research Institute in my riding of Annapolis Valley—Hants.

The institute is a world leader in the research of medical benefits derived from the oil of evening primrose plants. Research is focused on new treatments for cancer, AIDS, diabetes, cardiovascular disease and arthritis.

EFAMOL is the evening primrose oil used in over 95 per cent of all published medical trials. It is widely considered the best researched primrose oil on the market.

On Wednesday, May 4, EFAMOL Research Incorporated is hosting the grand opening of its new research and development laboratory. I would ask all members of the House to join me in extending my congratulations to the members of the EFAMOL Research Institute for their world class work in this field.

* * *

BINNEY AND SMITH (CANADA)

Mr. John O'Reilly (Victoria—Haliburton): Mr. Speaker, Binney and Smith (Canada) may not be a household name to most Canadians. However, on closer inspection I am certain we will see otherwise.

The company got its Canadian start in 1926 and moved to Lindsay, Ontario, in 1933 and was renamed Canada Crayon Company. It was early in 1934 that it produced Canada's first Crayola crayons and in 1958 it became a wholly–owned subsidiary of Binney and Smith Inc. and is the only current manufacturer of crayons in Canada.

And manufacture it does. Last year 185 employees produced over 150 million crayons and 30 million markers. It is a model of success which every company in Canada should follow. In 1992 the entire product line was named Toy of the Year by the Canadian Toy Testing Council. In September last year it was one of five companies to receive the outstanding business achievement award from the Ontario Chamber of Commerce in recognition of outstanding achievement and business excellence.

We salute a great Canadian company, Binney and Smith (Canada) in Lindsay, Ontario.

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[*Translation*]

IRVING WHALE

Mr. Jean–Guy Chrétien (Frontenac): Mr. Speaker, the Irving family is once again trying to duck its obligations toward Canadian taxpayers. In a clever diversion attempt, the company proposed that the costs of refloating the barge that ran aground be paid by the compensation fund financed by the oil industry.

This fund should not be used in that case, since it was set up after the accident. Ottawa has still not indicated who will foot the bill for the operation. Knowing the reputation of the Irving family as a stateless entity which avoids Canadian taxes by operating out of Bermuda, taxpayers are understandably concerned about the government's decision.

The government must ensure that it is those responsible for the situation who will pay for the operation. The Gagnon–Easter committee remained silent on this aspect.

* * *

[*English*]

SOUTH AFRICA

Mr. Keith Martin (Esquimalt—Juan de Fuca): Mr. Speaker, the first multiracial elections in South Africa are beginning today.

These elections mark for the first time in that country the end of institutionalized racism. They are the culmination of years of hard work by many of its citizens.

It is both my hope and my prayer that these elections will be conducted in a fair and just manner and that the members of the new multiracial government will be able to work together for a peaceful and prosperous future for all.

Only by practising tolerance, understanding and moderation will the people of that beautiful country be able to bury its destructive past. South Africa has learned that equality of all people is fundamental to a peaceful society. Giving special status to some groups at the expense of others only engenders conflict and is highly divisive.

• (1415)

I hope we in Canada in dealing with our own constitutional problems will learn from abroad. I personally challenge Canadians of all regions and races to practise tolerance and understanding toward each other.

GEORGE ANDERSON

Hon. Roger Simmons (Burin—St. George's): Mr. Speaker, I want to salute the courage of a young man, a constituent of mine, Private George Anderson of Cape Ray, Newfoundland.

Members will realize that he was one of two Canadian peacekeepers seriously injured on Sunday in Croatia. In that incident he lost an eye and the lower parts of both his legs while doing his bit to help restore peace and stability in that part of the world.

Last evening I went to see his family: Ralph and Mary, his father and mother, and Angela and LeRoy, his sister and brother. His father told me he knew it was a dangerous place to be.

I want him and his family to know on our behalf that as he goes through this very difficult time in his life our thoughts and our prayers are with him.

* * *

YARMOUTH HIGH SCHOOL

Mr. Harry Verran (South West Nova): Mr. Speaker, I take this opportunity to welcome a class of grade 12 students from the high school in the town of Yarmouth, Nova Scotia, the largest town in the riding of South West Nova.

Mr. Ken Langille and his group are on a law society tour of the capital. These young people have raised funds for this trip by writing, publishing and selling a magazine outlining various criminal activities and cases.

Mr. Ken Langille is a well known teacher throughout the educational system in Nova Scotia for being an innovative teacher with regard to our legal system.

It is a pleasure on behalf of the government and the House to welcome them to Ottawa. I hope they find their trip to be educational and productive. I know all members of the House will join with me in wishing them success and a safe journey home.

ORAL QUESTION PERIOD

[*Translation*]

ATLANTIC FISHERIES ADJUSTMENT PROGRAM

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister.

In its Atlantic fisheries adjustment program, the government will oblige fishermen to sign a contract requiring them to take training courses, go back to school or do community work. Otherwise they cannot receive benefits from the program. The Minister of Human Resources Development even confirmed that his reform could extend such a contract to all social programs from coast to coast.

I ask the Prime Minister to tell us if, under his reform, he intends to require the unemployed and welfare recipients to take courses and to work in order to collect the benefits to which they are entitled and I ask him to tell us whether he admits that it would now be illegal to apply such a contract to everyone.

Right Hon. Jean Chrétien (Prime Minister): Since it is most unusual to have people who completely lost their livelihood, in co–operation with the provincial Government of Newfoundland, we have tried to set up a program that could help these people find something else to do with their lives.

Since we know that half the fishermen will not be able to go back to fishing, they need to adjust to the labour market; that is why we prepared such a comprehensive plan and we want those who cannot return to work in the fisheries to be able to work elsewhere and they will be trained in educational institutions in the provinces concerned.

Hon. Lucien Bouchard (Leader of the Opposition): There seems to be a contradiction again between the Prime Minister and the minister responsible, since the Prime Minister is telling us that the fisheries program was designed to meet a very specific need and would therefore be limited to fishermen. However, the minister suggested that all social programs could be subject to this kind of requirement.

• (1420)

I therefore ask the Prime Minister if he can tell us whether the fierce opposition of several provinces to his program of social reform is due to their refusal to endorse the coercive approach favoured by his minister.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, what my minister is trying to do now is to reach an agreement with the provinces. They asked for time to study in more detail the best ways to help people go back to work and that is our priority. We want people to return to work and have the dignity of doing a job and the satisfaction of supporting their family. That is why the Department of Human Resources Development is negotiating and discussing with the provinces now, because like them, we have programs and we prefer to find a solution that will suit the provinces and the federal government.

We want people to be able to retrain and to prepare themselves so that they can earn their living honourably.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, despite what the Prime Minister says, everyone knows that they are not negotiating very hard, since the provinces, or at least several of them, refused to attend the latest federal–provincial conference that the minister wanted to hold on this subject.

Second, the provinces are well aware that all the Prime Minister's answers indicate that, if they do not accept his point of view, he will impose it on them.

So I ask him if we are to understand that he is trying to break the poorest provinces by brandishing the threat of a substantial reduction in transfer payments.

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the Leader of the Opposition has it all wrong. It is unfortunate that he spends all his time in the House trying to foment difficulties where there are not difficulties.

The fact of the matter is we just met and talked last week with provincial ministers who are all still committed to working in collaboration to bring about serious reform in the country on programs that will help people get back to work.

There is only one person with one group in this entire country who wants to see the programs fail and it is the Leader of the Opposition.

* * *

[*Translation*]

HIBERNIA PROJECT

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies): Mr. Speaker, the Hibernia project is already far from proving that it can be profitable. Because of the announced cost overruns, the production cost of a barrel of Hibernia oil would be considerably higher than international market prices. The extra money invested in this project by the government is totally unjustifiable. Defending Hibernia's profitability seems to be an act of faith we can no longer afford.

My question is for the Minister of Natural Resources, of course. How can the minister invoke the profitability of the Hibernia money pit, when it seems certain that the cost of extracting oil from the Hibernia deposit will be higher than oil prices on the international markets?

[*English*]

Hon. Anne McLellan (Minister of Natural Resources): Mr. Speaker, let me say first, in response to my hon. colleague's question, that we have contractual obligations. We are one of five owners of the Hibernia project. We are an 8.5 per cent equity owner. We must maintain and live up to our contractual obligations. Therefore we are going to be responsible for 8.5 per cent of any cost overruns.

In addition, let me say that the government and I continue to believe that Hibernia will be a profitable project in the coming 18 to 20 weeks.

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies): Mr. Speaker, are we to understand that, after investing $4 billion in the development of Hibernia, the government is now telling us that its hands are tied, that it cannot go back and that it must go ahead at any cost, by continuing to sink millions of dollars of taxpayers' money?

[*English*]

Hon. Anne McLellan (Minister of Natural Resources): Mr. Speaker, let me clarify for my hon. friend that the federal government has not spent $4 billion on the Hibernia project. The total projected cost of the project, involving all equity owners, is $5.2 billion.

• (1425)

Therefore to suggest that the federal government has expended $4 billion is completely inaccurate and unfortunately a misrepresentation of the situation as it presently exists.

In addition, let me reiterate the point that we as a government believe and my projections and figures indicate that Hibernia has every prospect of being ultimately profitable and an important component in our long term energy security as a nation.

* * *

THE ECONOMY

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

Both the International Monetary Fund and Moody's Investors Service have again expressed concern about overspending by the Canadian government. It is not just the size of the deficit and the debt that worries the money markets. It is also their concern that the federal government seems to lack the ability or the tools to control overspending.

What plans, if any, does the government have to strengthen the capacities of the Treasury Board, of departmental managers, of Parliament itself to control federal overspending?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, to answer the question, it is something that we are working on all the time.

When we look at the budget, we indicated that we are working to reduce substantially the deficit and we are confident that the deficit in relation to GDP will be 3 per cent at the end of three years. We are doing it on a constant basis.

For example, the minister of immigration cancelled all citizenship judges, thus saving millions of dollars.

Still today I am waiting for the member's list on where to cut. Whenever we propose a cut he says it is not the right one, that it should be somewhere else. I received complaints from people in his province because we had to cut national defence, for

example. It is not that easy to do. We are doing our best. We have a plan that we were elected on and we will deliver the goods.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I thank the Prime Minister for his answer. He may be a bit behind in his reading. We tabled in the House a list of $20 billion in spending cuts that could be made over the next three years. Those were our contributions to the solution to that problem.

My supplementary line of inquiry is that one positive signal that the Prime Minister could send to the money markets would be to openly encourage parliamentary committees to reduce rather than simply rubber stamp the spending estimates presented to them.

Could the Prime Minister assure members of the House that if they were to reduce the spending estimates presented to them in committee, the government would accept those reductions and not regard them as an expression of non–confidence in the government's budget?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we are looking at all the expenditures. If the committees want to make more recommendations we will be delighted to see them but there are some principles, some things we will not agree to cut.

We will not scrap medicare in Canada even if members ask us to do that.

Some hon. members: Hear, hear.

Mr. Chrétien (Saint–Maurice): Good, some members opposite are applauding. Do members want us to scrap old age pensions?

Some hon. members: No.

Mr. Chrétien (Saint–Maurice): Okay. Do members want us to stop transferring money to—

Some hon. members: Hear, hear.

Some hon. members: More, more.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, we are getting question period reversed here. We will be happy to answer the questions.

In seriousness, the Prime Minister did not answer my simple and direct question. I will repeat it. All we are looking for is a straight answer. Could the Prime Minister assure members of the House that if they were to reduce the spending estimates presented to them in committee the government would accept those reductions and not regard them as an expression of non–confidence in the government's budget?

• (1430)

I ask this not just on behalf of committee members on this side of the House but on behalf of members on all sides of the House.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, it is all come and go in the committee and make the recommendations and get the recommendations. We would be happy with that. That is why we have committees. It is very easy to make a big statement here.

Whenever I suggest areas where we could cut, members of the Reform Party say we should not cut. They should make up their minds. They are obsessed with only one or two programs, such as bilingualism. They would not reduce the deficit with that one. Later on when we are faced with those who want to separate from this country they will blame me because I did not want to have a policy to keep the country together.

The Speaker: I am starting to get that old feeling again.

* * *

[*Translation*]

ELECTION ACT

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, my question is for the Prime Minister. The Quebec director general of elections, Mr. Pierre–F. Côté, has recognized yesterday that the Prime Minister and his ministers are not bound by the provisions of the Quebec Election Act, and those governing election expenses in particular. This means that the Prime Minister and his ministers can spend as much as they want during the election campaign without having to account for it, while other federal members of Parliament, including the Bloc Quebecois members, have to comply with the legislation.

My question is as follows: Does the Prime Minister undertake, on behalf of all the members of his government, to abide by the spirit of the Quebec Election Act during the next election campaign, as requested by the Quebec director general of elections, for the sake of democratic fairness?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I have not read the report in question. Are you afraid that I will go and campaign in Quebec?

Some hon. members: Oh, oh.

Mr. Chrétien (Saint–Maurice): Good. I will certainly find opportunities to let the people of Quebec know that it would be disastrous if the separatists were to be elected.

Some hon. members: Hear, hear.

Mr. Chrétien (Saint–Maurice): And that would not cost a fortune. I can assure this House that I have no intention of abusing my privileges as Prime Minister of Canada during the election campaign. I will respect the wishes of the people of Quebec. Of course, opportunities will arise for me and my ministers to express our views. But do not worry, we will not go overboard. However, we will continue to represent the government, and as such, we have the right to speak in any province during an election. We will avail ourselves of that right. I think

that, unlike Mr. Parizeau, Mr. Johnson does not need the support of the federal party to win the election.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, we hope the Prime Minister will come and discuss the real issues in Quebec. But we do not want have to pay out of the tax dollars we send to Ottawa for the Brinks' trick he pulled off with Trudeau and his friends in the old days.

Some hon. members: Hear, hear.

Mr. Duceppe: I would like to ask the Prime Minister if he can promise not to launch large scale government advertising campaigns that could serve the interests of his federalist ally in Quebec. Can he promise not to waste public money for purely partisan purposes?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, if the hon. member can promise me that not one single member of the Bloc Quebecois or their constituency office staff will take any part in the election, that they will carry out their duty as members of Parliament and remain in Ottawa during the election, then I too will stay in Ottawa. That is a promise.

Some hon. members: Hear, hear.

Mr. Chrétien (Saint-Maurice): So, if they do not agree at this time—

• (1435)

No, no; that is it. Because the 54 members from the Bloc Quebecois have staff working for them who are paid by the federal government to deal with problems concerning the federal government, and they should not be promoting the separation of Quebec using federal funds.

Some hon. members: Hear, hear.

* * *

[*English*]

THEME PARK

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, my question is for the Prime Minister.

In addition to the $20 billion in spending cuts that we tabled, we have a very practical example. Yesterday the Prime Minister referred to vast private sector support for the patronage theme park in his riding.

I would point out to the Prime Minister that Hydro Quebec, which is supplying almost all of the so-called private funding, is a provincial crown corporation. In fact the taxpayers of Canada and Quebec are contributing almost all of the funding for this boondoggle.

In light of the fact that this theme park is almost entirely funded by public funds and not the private sector, will the federal government withdraw its support for this doomed project?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the report that the member is using was published two years ago. After that it was reviewed and downsized and the provincial government and the federal government agreed to develop this park. It is a project that the community has been working on for a long time.

If it had done it through the infrastructure program, the federal government would have paid one third. Through this system it is paying less than 20 per cent. Just from the construction we will most likely get more than our share in income tax and other taxes that the project will generate.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, it is really disappointing to see the government with its blinders on. The report by the Federal Bureau of Regional Development on this project claims that the revenue generated by visitors to the park will be less than half of what is projected. The cost of maintaining the facility will be almost $900,000 per year higher than projected and to run the park properly it might have to triple its payroll.

The evidence indicates that this patronage park will run deficits every year.

I ask the Prime Minister whether his government is prepared to bail out this money pit year after year, or is the Prime Minister prepared to show some leadership and pull the plug on the boondoggle—no more federal funding?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the member is making the case. I just said that the document he is looking at was prepared in 1992. The project has been cut down to a more manageable level. The group has been told very clearly by the Quebec government and by the federal government that if it cannot make a go of it, it will not be able to come to us later on.

The local community is dedicated and committed to making it work and I am convinced it will work. We are making a small contribution compared to what Hydro Quebec is making. Hydro Quebec is very independent from the government; it is run completely separate. Ask any MLA and they will tell you.

* * *

[*Translation*]

TRANSPORT CANADA

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, we learned from a working paper drafted by Transport Canada that the minister of Transport is considering eliminating 14,000 jobs by privatizing several activities and going as far as privatizing all activities conducted by the Canadian Coast Guard.

Can the minister confirm that he is about to downsize its department by eliminating 14,000 jobs?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, as the hon. member knows, the budget includes a marketing process for Transport Canada operations.

We will examine all the activities the department is responsible for and carry out consultations which will enable us to still provide Canadians with safe, but also efficient services. The hon. member will be informed as soon as the decision is made.

• (1440)

Mr. Michel Guimond (Beauport—Montmorency—Orléans): I have a supplementary question, Mr. Speaker. Can the minister confirm that his government will privatize the Coast Guard, hence decreasing the competitiveness of ports along the St. Lawrence Seaway and forcing shipowners to look for someone to foot the bill, which will come to about $200 million a year?

[*English*]

Hon. Douglas Young (Minister of Transport): Mr. Speaker, we have heard from the Official Opposition and from other parties in the House that we need to put our financial affairs in order, that we have to address all of the areas of government where there is a possibility of reducing costs and being more efficient.

We are going to look at the entire ambit of activities for which Transport Canada is responsible, including the coast guard. We are going to be very careful at maintaining what we think is our fiduciary responsibility of providing security for Canadians in all modes of transport. But we are going to look at all possibilities in consultation with provinces and with the clients that we have to serve.

We have not made any decisions on this except to do the very best we can in making sure that we provide an effective, integrated Transport Canada policy in all areas that we are responsible for.

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MEMBER FOR SAINT–LÉONARD

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, my question is for the Prime Minister.

There was a rather disturbing report in *La Presse* this morning about the government member for Saint–Léonard. Has the Prime Minister personally reviewed the RCMP file and security check on the member in question and, if so, could the Prime Minister assure the House that he is satisfied that there has been no questionable conduct?

The Speaker: Order. There are times when we get into very delicate issues in the House. I would remind all hon. members that in putting questions that there be in no way any hint of attacking the character or integrity of another member of Parliament.

However these questions, as long as they are put within the concept or the precept of the administrative responsibility of the government, of course would be in order. This question I would judge to be in order and I would permit the right hon. Prime Minister to answer.

Right Hon. Jean Chrétien (Prime Minister): Yes, Mr. Speaker, I have thoroughly reviewed the situation.

When I became the head of the government, before I formed the cabinet I asked the police to review all members of Parliament on my side. They had a question mark about clients of the member, but they made no allegation against the member at all.

I asked the member if he had done something wrong and he said "no". He asked me: "How can I get this question mark out of my file?" I said: "Let's ask the police to go to the bottom of it". In January the Clerk of the Privy Council informed me that there was absolutely no allegation whatever against the integrity of the member who is the whip.

Some hon. members: Hear, hear.

Mr. Chrétien (Saint–Maurice): Mr. Speaker, I know the hon. member. He was the whip of my party when I was in opposition and he was a very good whip. In fact, I asked him to serve again as whip and we can see the result of his work. We have cut $5 million from the perks.

Another good example of how good he is in terms of administration was in 1988. When 55 new members were coming into the House of Commons, the previous administration spent $1.3 million to move members around. This time, with 205 new members in the House, this whip managed to do all that and spent only $185,000. He saved more—

Some hon. members: Hear, hear.

Mr. Chrétien (Saint–Maurice): Parliament would be much better off if we had many more Gagliano here.

Some hon. members: More, more.

Some hon. members: Hear, hear.

• (1445)

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I thank the Prime Minister for that unequivocal statement of support for the member.

I believe there is nothing to these reports. Is there some value in the Prime Minister tabling both the preliminary report and the January report in the House so that speculation will be put to rest once and for all?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, there is the rule that we accept the words of a member. It is very unfortunate because I do not know where that leak is coming from.

A leak like that casts a shadow of a doubt over somebody. This gentleman was cleared by everybody. I am surprised the question was even asked. There was a leak. There might be some people making allegations about something that is not true against any one of us here. Just because it is in the press there is a shadow of doubt which is terribly unfair.

In my opinion this gentleman has our support. He has been an excellent member of Parliament and has given me a very satisfactory explanation. I am very proud he is member of my caucus.

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[*Translation*]

BIOVAC

Mrs. Pauline Picard (Drummond): Mr. Speaker, my question is for the Minister of Health. On June 8, 1992, the BioVac company of Quebec submitted an application for the licensing of its BCG–cancer vaccine. After 22 months, this application is still pending. Connaught submitted an application for a similar vaccine on March 2, 1989, and a license was issued after 14 months. This delay in the licensing process is causing serious prejudice to BioVac which stands to lose important contracts.

Could the minister tell us what is delaying unduly the licensing of the Biovac BCG–cancer vaccine?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I cannot comment on what happened in the department before my appointment. However, I can tell you that there are many reasons why delays sometimes occur. In this particular case, I could try to get information and answer some time later. You can be assured that we are trying to serve the Canadian people in the best possible way.

Mrs. Pauline Picard (Drummond): Mr. Speaker, I would like to point out that I already put this question to the minister in the lobby, but that I am still waiting for an answer. I wish she would explain why the double standards, one for BioVac which, after 22 months, is still waiting for an answer from the department, and one for Connaught which got a license for its vaccine after 14 months.

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I always try to answer the question of the hon. member. When I have the answer, I will give it to her.

* * *

[*English*]

PACIFIC SALMON TREATY

Mr. Ted McWhinney (Vancouver Quadra): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

The most recent session of the 1993–94 Pacific salmon treaty negotiating round has failed to make any progress. The negotiation with the United States once again is at an impasse. This impasse will have important conservation consequences in 1994 and in future years. It will also have bilateral fisheries and international relations consequences for Canada and the United States.

Would the minister please advise the House what further action the government will take to reach an agreement and to protect Canadian fishermen and Canadian resources under international law?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I thank the member for his question on this important and troubling negotiation.

We have done everything we can to move the negotiation forward and to avoid confrontation with the Americans on the Pacific salmon management plan this year. As recently as last week the Prime Minister raised this question directly with the President of the United States as an important unresolved matter between our two countries.

• (1450)

I will be in British Columbia this week meeting with stakeholders in the industry and seeking their advice before Canada proceeds further on this matter.

I can say that the United States is indicating thus far it wants more access to Canadian salmon, to the tune of $60 or $70 million a year more access. It wants Canadian fishermen to have less access to our own salmon and U.S. salmon. In fact it wants the imbalance that has been in place over the last nine years to continue. I can tell the House that is not going to happen.

* * *

ELECTORAL BOUNDARIES READJUSTMENT

Mr. Stephen Harper (Calgary West): Mr. Speaker, today as South Africans are voting in their first genuinely democratic election Canadian democracy has been taking a backward step.

Bill C–18 which is designed to block electoral redistribution until the next century has been roundly condemned in Canada, especially in British Columbia where it has been condemned by all parties, including B.C. Liberals.

My question is for the government House leader. Will the government withdraw its support for Bill C–18 now that public hearings are under way and thereby avoid possible constitutional challenges and an unnecessary confrontation with the Senate?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, we are satisfied the bill is constitutional. It has received the support of the House. I look forward to discussing the bill with members of the other place.

Mr. Stephen Harper (Calgary West): Mr. Speaker, I am obviously disappointed with this answer.

There has been considerable speculation about the motivation for this bill. The *Globe and Mail* reported on March 25 that the government House leader promised in a closed meeting of Liberal MPs in early March that he would block electoral redistribution in response to the partisan and political needs of Ontario Liberal MPs.

Will the minister confirm for the House that the meeting reported in the *Globe and Mail* took place?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I think it is considered to be improper to question motives in this House. The hon. member should know this by now.

Questions have been raised about the suitability of the redistribution process in terms of its recognition of such things as community of interest, geography and so on, in many corners of the House and in many provinces.

Again I want to say I look forward to discussing the bill with members of the other place. When it comes to Ontario Liberal members, they showed in the last election they can do pretty well on their own.

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[*Translation*]

CANADIAN HEMOPHILIA SOCIETY

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, my question is directed to the Minister of Health, and I hope I will have better luck than the hon. member for Drummond.

A group of international experts was recently assigned to the Krever Commission on tainted blood to do a comparative study of the best blood supply systems in the world and make recommendations to improve the blood products supply systems in Canada.

Why does the minister provide very substantial amounts of money for these international experts, while the Canadian Hemophilia Society is still waiting to receive the money it needs to adequately represent its own members before the Commission?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, Mr. Justice Krever who is in charge of the inquiry spends his money as he sees fit, and in fact, he hired these experts. We remain in touch with the commission, and I must say there have been no problems so far. The people who wish to take part in this inquiry have the right, as well as the funding they need, to appear before the commission.

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, I beg to differ. The Canadian Hemophilia Society has to lay off staff because the minister has not granted the requisite funding, effectively putting a gag on the society.

Does the minister agree that appointing this committee of experts will do absolutely nothing to shed light on the tainted blood scandal?

[*English*]

Hon. Diane Marleau (Minister of Health): Mr. Speaker, when there is a judicial inquiry the head of that inquiry has much latitude. As far as I know, he is the one who engaged the committee of experts.

• (1455)

The hon. member speaks of the Canadian Hemophilia Society which has asked for further funding. It is under consideration. However, to date none of the people who wished to appear before the Krever commission has been denied the funding necessary to help them.

* * *

HIV TESTING PROGRAM

Mr. Myron Thompson (Wild Rose): Mr. Speaker, my question is for the Minister of Health.

The government recognizes that inmates in federal prisons exist in medium to high risk exposure to AIDS because of the significant numbers of inmates who have a history of IV drug use, the continued drug use with unsterilized needles in prisons, inmates who receive tattoos with unsterilized needles, or engage in unprotected sexual relationships.

Considering the high cost in social and monetary terms AIDS imposes on society, why has this minister not instituted a concerted HIV testing program in prisons?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I hope the hon. member will not mind if I answer his question. This is a matter pertaining to Correctional Service Canada.

Recently a blue ribbon committee outside of government studied the matter and made recommendations. The government through Correctional Service Canada announced it was accepting most of the recommendations, including measures to step up dealing with the problem of AIDS.

I invite the hon. member to look at that report and the response of Correctional Service. I hope he will get some satisfaction from it.

Mr. Myron Thompson (Wild Rose): Mr. Speaker, I have looked at the report the hon. minister mentioned.

In section 2 of that report, which I believe was prepared on February 4, it was stated loud and clear that the HIV testing program currently in place is sadly lacking in a number of ways.

Could the minister tell me what steps are being taken to improve the situation?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, it is my recollection that in response to the report Correctional Service is augmenting its testing program so that more is being done in that regard.

CHILD ABUSE REGISTRY

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, my question is for the Minister of Justice.

I know the minister is aware of the injustices that have been committed against children in Canada and the many cases of child abuse. I know he would agree that for too long these offences have been hidden.

Will the minister commit to taking some immediate action to establish a national child abuse registry? Prior to hiring a person to work in a position of trust with children, it would require that an employer conduct a search to determine whether the applicant had previously been convicted of a sexual offence against children.

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I can give the commitment readily.

In fact as a result of work that the Solicitor General, the Minister of Health and I have done over the last several weeks, we are about to release an options paper during the month of May into the hands of interested parties across the country. It will set out specific steps we can take to put in place a registry of child abusers in the country.

Just this morning I met with Monica Rainey who has been the very active and very effective president of Citizens Against Child Exploitation. Her work and the message she brought me this morning serve to show the urgency of this undertaking. We have to protect children from repeat abuses by people who have been convicted of these offences.

The efforts we are making focus on both the short term and the long term. The first is to establish the registry perhaps through an adaptation of the CPIC system the police use for convictions. The second is to have an effective screening system so that employers who are about to hire people in positions of trust can find out whether they have been convicted.

I share the hon. member's sense of urgency on this issue. I assure him we are taking steps and our paper will be in his hands within the next four weeks.

* * *

[*Translation*]

ADVERTISING

Mrs. Monique Guay (Laurentides): Yesterday, the Minister of Public Works and Government Services volunteered the information that Genesis Media Inc. had been given a one–year extension on its lucrative contract to buy federal advertising space. The contract, worth $1.8 million, was extended by the minister at his discretion, without tenders.

• (1500)

Considering the government's new code of ethics so often referred to by the Prime Minister, how does the Minister of Public Works and Government Services justify his decision to give a one–year extension for a contract worth nearly $2 million without tenders and without consulting Cabinet?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I thank the hon. member for an excellent question. The precondition that the government has set in the awarding of various contracts is the ability and the competency to carry out the work.

The hon. member should know that each and every day this company does approximately 1,500 transactions. It was virtually impossible for us to change that. We have extended the contract under the existing rules for a 12–month period while we conduct our review. Thereafter we will go to a tender and other companies that wish to opt for that type of business will then have an opportunity to make the necessary bids.

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YOUTH EMPLOYMENT

Mr. Ted White (North Vancouver): Mr. Speaker, my question is for the minister of human resources.

On April 16 a group of North Vancouver voters who had been selected at random from the voters' list reviewed applications for grants under the SEED program for the creation of summer jobs for students. The group rejected 16 of the 52 applications as being unsuitable use of taxpayers money.

Employment Canada is sending the rejected applications to the minister for review. Will the minister please assure the voters of North Vancouver that he will not overrule their democratic decision?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I am not sure that the 16 individuals who were selected by the member represent the entire 75,000 people who live in North Vancouver, especially the high number of unemployed young people in North Vancouver who desperately want to find some way to get back to work so they can pay their expenses to go back to school.

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VIA RAIL

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, my question is for the Minister of Transport and has to do with the revelation of a proposal made by Railex, an American transport company, for the purchase of VIA Rail infrastructure west of Winnipeg on the condition that all current VIA Rail employees be laid off.

Would the minister like to take this opportunity to completely rule out at this time, on the floor of the House of Commons, in a very public way, any possibility of privatizing VIA Rail in western Canada and for that matter anywhere, but particularly given this proposal, in western Canada?

Could he also tell us when he will make public the recommendations of the task force that went around Manitoba in particular, that was conducted by the member for St. Boniface and the member for Churchill? What is the attitude of the government toward Railex's proposal?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, I want to thank the hon. member for his question.

First, with respect to the proposal by Railex, it is not under consideration by the government. That kind of approach would not be one that we would have any sympathy for whatever.

With respect to the work of members of Parliament, members would know that they are free to conduct inquiries and to participate in making sure that their constituents' views can be heard on any matter. I look forward to hearing from the members who conducted the hearings the hon. member referred to in Manitoba and will certainly take them into account.

I want to make it clear that the exercise was not mandated by the Minister of Transport. However as we would for any MPs in the House who consult with their constituents, we will pay a great deal of attention to what they have to say.

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PRESENCE IN GALLERY

The Speaker: I wish to draw to the attention of members the presence in the gallery of the Right Hon. Donald McKinnon, Deputy Prime Minister and Minister of Foreign Affairs and Trade of New Zealand.

Some hon. members: Hear, hear.

[*Translation*]

The Speaker: I would also like to draw the attention of the House to the presence in our gallery of Mr. Jean–Louis Roy, Secretary General of the Agence de coopération culturelle et technique.

Some hon. members: Hear, hear.

GOVERNMENT ORDERS

[*English*]

PEARSON INTERNATIONAL AIRPORT AGREEMENTS ACT

The House resumed consideration of the motion that Bill C–22, an act respecting certain agreements concerning the redevelopment and operation of terminals 1 and 2 at Lester B. Pearson International Airport, be read the second time and referred to a committee; and of the amendment; and of the amendment to the amendment.

[*Translation*]

The Acting Speaker (Mr. Kilger): I understand that, before Question Period, a question was asked of the member for Chambly. I will ask him to kindly complete his answer.

Mr. Ghislain Lebel (Chambly): Mr. Speaker, there seems to be some confusion. I answered the question. The member for Mississauga spoke after me on that.

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I appreciate having the opportunity to speak on Bill C–22 because as members know, this was an issue I was quite active on when in opposition and also during the campaign. Pearson International Airport is not directly in my riding but it is located in the city that I represent with many other Liberals.

I want to go back to the days when we opposed the privatization of Pearson International Airport and make it perfectly clear that when we told the then government we were against this particular project, the privatization of Pearson, we were very specific about our reasons.

One of the reasons we put forward was that Pearson International Airport is probably the largest profit centre the Government of Canada controls. I was just looking at some figures that my colleague, the Parliamentary Secretary to the Minister of Transport, handed me during question period. These numbers are taken from years 1991–92 and 1992–93 where the positive cash flow after operating expenses and capital expenditures was over $50 million. That was during a period of time when revenues and travelling were down. In 1992–93 it was $67 million and in 1993–94 the revenues were close to $68 million again.

• (1510)

If we go back to the mid and late 1980s there were a couple of years when the Pearson International Airport was generating

close to $100 million a year. We heard from the Conservative government at that time that if we let the private sector take over Pearson it could do a better job than the bureaucrats and the officials.

The position we took was that if there were management people out there who could do a better job than the bureaucrats who were at that time generating $100 million a year, and even during the depression over $50 million a year, that was interesting. Why not introduce us to these management experts and let us give them a contract as management consultants?

In other words, if they said that they could improve the cash flow at these airports from 51 to 60 or put some specific targets in place, let us give them a base salary and a percentage of what they would pick up as they increased the efficiency or the cash flow from what the officials or the bureaucrats were doing.

We thought that we could probably achieve everything that the government wanted to achieve: a better cash flow, renovate or renew the airport and clean up the parking lots without giving it away. That was the position we took.

I know that during the election campaign several people were involved in the airport transaction. They had actually come to me in my campaign office and said: "Dennis, listen, I hope you aren't as rigid on your view of Pearson". I would tell them: "I am as rigid today as I was then". I am not against giving people a contract to renew or construct new construction at the airport. I am not against using the private sector to do the food services, the parking lots, the cleaning services, all these things that the private sector can do better. However the thought of handing over a crown asset, a jewel in the crown, that essentially had the potential to pay for all of the renovation and renewal required in about a 10–year period out of the existing cash flow.

Again I felt that our position was constructive in opposition when we said: "Look, if there is room for efficiency we will accept that. There is always a possibility, but let's hire these so–called experts who can operate it better. Let's give them a contract but let's not give away the whole franchise. Let's not give away the whole store". If a business was doing well and somebody came along and said "I can improve your profits or your cash flow by 10 per cent or 20 per cent", it would say: "Sure, let's do it". However, if the person said: "No, no, no. I want to own the business. I want to take your business", there is not a member of Parliament who would go along with that deal.

Therefore the Prime Minister made the right decision during and after the campaign when he shut down this contract because it was not good in the long term interests of the Canadian public.

The thing that makes me feel bad about this contract is that we could have had that airport under construction right now if the people who had all of this expertise and all these plans on renewal and renovation had come in with a proposal that did not say we need to own it. It is a fact of life that we have to clean up the parking lot and we have to do the renewal and renovation there and we could have had people working. It is too bad they did not take the compromised approach that many of us suggested. Hopefully we can get through the bill today and maybe get back to this with a fresh approach.

• (1515)

There is another part of this contract that I did not like. I want to credit my colleague from York South—Weston for bringing this up. My colleague from York South—Weston as everybody in Canada knows really led the way on the debate on the merits of why we should not proceed with the privatization on this deal.

I will never forget one particular evening when we were in a meeting. It is like any family, some people in the room are for or against and take different positions on an issue. I remember the member for York South—Weston turning to someone in the room who had an awareness of certain contents related to the contract and he asked: "Is there a flip clause in this particular Pearson privatization contract?" The person said yes, at year 10 the owners have the opportunity to flip this. That is exactly what was said.

I remember all of a sudden the lights went on with all of us. We said: "Imagine if this contract had gone through, 10 years from now with the private owners of the Lester B. Pearson International Airport. Can you imagine what the people of Canada would have said if we had basically sold this airport to the Libyans or sold it to some other offshore group?" I remember we said jokingly that night that 10 years from now it will be called Gaddafi International.

Just the thought of selling the Pearson International Airport to an offshore group—if there were ever a piece of good, positive contribution to our community and our country as Pearson airport, to think that we would be so stupid as to construct a deal that would allow it to be given away ten years from now, there is just no contest on that point alone.

I am happy to stand in the House today in support of the bill. I want to say to the members of the Bloc Quebecois who put forward an amendment today proposing that this go to a royal commission of inquiry that I know exactly where the Bloc members are coming from. They want to do a detailed analysis of the players, the participants, and who constructed this deal. If that is put into a royal commission mode that would go on for months and months and perhaps years, and it would cost literally millions of dollars.

The basic objective the Bloc members are trying to achieve could be done when we do the lobby registration bill. We need speedy passage of the bill so that we can start from scratch in renewing and renovating Pearson International Airport. Not only do we need it for creating immediate jobs but because Toronto is a major access point for tourism, trade shows and all kinds of other activities. It is not just in the greater Toronto area

but in every other region of Canada. It is really important that we get on with that.

I hope when we come to the table the next time with the private sector it will understand that we respect its skill in terms of giving us advice on how we can manage the place. We would certainly want it to do the construction and everything else because that is not government's business. It also has to understand that in the long term interests of Canadians it is best that the Lester B. Pearson International Airport stay in the hands of the Government of Canada.

• (1520)

[*Translation*]

Mr. René Laurin (Joliette): Mr. Speaker, I have a question for the hon. member for Broadview—Greenwood. He stated in his speech that, after realizing that Pearson Airport was profitable and that the private sector should no longer be party to this transaction, the government decided to cancel the contract. The member told us that the government would like the Pearson Airport to stay in the hands of the Government of Canada, but in the same breath, he added that, when it comes back to the table the next time with the private sector, it will seek better terms to make sure that the interests of Canadians are well served.

Are we to conclude from this analysis of the issue by the member that the government intends to turn Pearson Airport over to the private sector in the near future, while, for the time being, cancelling a deal signed with the private sector? The government would temporarily take over the airport to eventually put it back into the hands of the private sector, maybe in a few months or in a couple of years.

If that is the case, one must wonder what the government really intends to do. Is the government cancelling the deal only to hand out the airport to other individuals it likes better than the ones chosen by the previous government? I would like the member to clarify this point.

[*English*]

Mr. Mills (Broadview—Greenwood): Mr. Speaker, I appreciate the question from the member. I want to make it perfectly clear that we have taken a policy position. Not only was this particular airport contract flawed but the privatization approach that was used was not in keeping with our thrust.

We are not just cancelling this contract to walk around the curtains and give it to some other private sector group. We are looking at all types of options to make sure we get the best contract for Canadians, not just in the short term but in the long term.

That means that it may not be run out of the Department of Transport but maybe it could be quasi–crown organization. In no way, shape or form have I ever heard from anyone on our side that we are looking to shut this contract down so we just turn around and give it to some other private sector contractor.

I personally believe that the officials in Transport Canada have been doing a very good job in managing the Pearson International Airport. Is the member asking me can they do a better job? We can all do a better job. It does not matter what we are doing. Does it mean that maybe we should go outside and get some private sector advice on how we can increase the profits or do a better job to raise funds? I have no problem with that. What I am saying is: give the contract to the consultants. Let us not give away the farm.

Mr. Bob Mills (Red Deer): Mr. Speaker, I agree with the previous speaker that certainly Pearson airport is the hub of the Canadian airline industry. Certainly the building of an airline and a successful transportation network within Canada is dependent on the hub and spoke concept. It is perhaps the single most important airport. As I have mentioned, it is certainly an important part of the infrastructure of Ontario and of Canada as a whole. Therefore the outcome of any bill or action surrounding the Pearson airport is of utmost importance to Canadians.

• (1525)

With this in mind Pearson airport must be a cornerstone in this whole planning process. Pearson International Airport operations generate some $2 billion in personal income, $4 billion in business revenues and $700 million in tax revenue.

Pearson accounts for one–third of Canada's domestic flights and 50 per cent of all international and transborder traffic.

We all agree that the deal that was struck between the Conservative government and Pearson Development Corporation last year was unacceptable. This is an obvious example of the old style of doing business. We agree with the Minister of Transport's statement earlier today that the deal should quashed because of backroom dealings and other unscrupulous behaviour. If the minister is correct and someone other than the government of the day was responsible for the Pearson deal, the current government must not honour the contract. If the contract was influenced unduly by lobbyists, again the current government must not honour that contract.

I believe these facts to be true. For this reason I feel that it is a wise move for the current government to cancel this deal. To legislate an end to the fiasco and hopefully open the process of revamping Pearson airport is acceptable to me and my party. What is not acceptable is the clause of Bill C–22 which allows the minister to negotiate the payment of out of pocket expenses to the contractors. The Prime Minister promised before the election that he would cancel the entire deal. He has cancelled part of the deal, but now the hon. Minister of Transport is going

to compensate those individuals who were involved in this sordid affair. The minister has done nothing to remove the secrecy surrounding this deal that began with the previous government.

Greg Weston of the Ottawa *Citizen* said in his March 9 column: "The Grits have managed the remarkable feat of turning a highly suspicious and secretive Tory deal into a highly suspicious and secretive Liberal cancellation process. A secret inquiry followed by current secret compensation negotiations". The government must not stop halfway on this issue by paying off those who were involved in this questionable affair. Quite simply, there should be no compensation whatsoever for anyone involved in this deal, period.

Many suspect excessive amounts of lobbying went on in the privatization of the Pearson airport, with both Liberal and Conservatives heavily involved. Key people include Charles Bronfman, Senator Leo Kolber, Herb Metcalfe, and many more. The list is some 50 people.

Liberals have appointed former provincial Liberal cabinet minister Robert Nixon and the Prime Minister's former law partner, Bob Wright, to lead the negotiations for compensation. The Liberal government with Liberal negotiators compensating Liberal backers is questionable at the very best.

What are the alternatives? This payoff of what has been reported could reach $40 million, could be funnelled back into Pearson directly. With the money that we will pay back for this deal we could do a lot of things in that airport. Many of those things have been mentioned earlier today.

We could help the airline industry, currently struggling to become more efficient and competitive in the international market. As just one other example, permit me to talk a little about the runway construction at Pearson and the many things that have to happen there.

The runway expansion is the most sensible, cost effective way to secure the future viability of Pearson International Airport. For example, the first runway that is required by the airport is a new crosswind runway and this is needed as soon as possible because it will help to eliminate around 50 per cent of all the delays at Pearson. These delays cost the Canadian traveller a great deal of money as planes circle and use large amounts of fuel.

There has already been some $30 million in preconstruction work invested in the north–south crosswind runway. A crosswind runway would greatly increase safety at Pearson airport. Recently pilots who fly into Pearson have cited the potential dangers of extreme crosswinds on the current runways.

• (1530)

Pearson could also use the $40 million the government is going to spend to buy off contractors to fund two east–west runways. That would raise Pearson to its optimum capacity and ensure the airport's place as an international hub.

Furthermore if this expansion does not occur traffic will soon have to divert away from Pearson airport. Currently there are no reasonable alternatives to expansion of Pearson. Moreover, attempts to divert traffic away from the Pearson hub will hurt the regional spoke communities. For many of these communities two–thirds of their traffic going to Pearson is connecting to another airport.

Finally these new runways can be built now without impeding any discussions on the future organizational structure of Pearson. Directing the money now slated to pay off contract expenses from the Pearson deal could be routed to runway expansion. It would create an estimated 2,500 construction jobs and up to 6,000 over the long term.

Therefore the bottom line is, like so many other decisions made by this government, the money that is to buy off a contractor could be put to good use in funding the expansion of one of Canada's most important pieces of public infrastructure, Pearson airport.

There are also international concerns which should be touched on. It has been reported in the *Financial Post* that one of those corporations seeking compensation is a Dutch government company called Schiphol.

Schiphol has filed a claim in Ontario court for $7.5 million in damages for loss of contract. The Dutch airport authority has expressed shock at Ottawa's willingness to use its power to pass laws to nullify a valid contract.

I am not suggesting that this government retract its stand on rejecting such a claim. However I do wonder out loud how this government will deal with a firm such as Schiphol which is non–political and has a good argument that it had nothing to do with Canadian political nepotism. Will it be compensated for out of pocket expenses? Will it be compensated for its original contract? What are the political and diplomatic ramifications of these international concerns?

What we want most is a transparent government, one which does not make behind the scenes and closed deals as is the example in the Pearson deal.

Mr. John Nunziata (York South—Weston): Mr. Speaker, the hon. member raises concerns about other companies that may have been involved in good faith in this particular process.

I remind the hon. member that the contract on the redevelopment of Pearson International Airport was not signed until October 7, 1993. That was several weeks before the general

election campaign and after the leader of the Liberal Party made it clear and unequivocal that if elected he would rescind or cancel the contract.

With that knowledge in mind, the consortium signed the contract. All the other people who might have a claim today would have had that knowledge. In the circumstances, does the hon. member not feel that those who participated in this particular unconscionable contract were the authors of their own misfortune as they knew the contract would be cancelled well in advance of the time it was signed? Does the member not think their claim for compensation is not founded on solid principle, moral and otherwise?

Mr. Mills (Red Deer): Mr. Speaker, I certainly agree with that. I would agree wholeheartedly with the member's comments that they knew better and they obviously should not be expecting any compensation.

• (1535)

However, because some of these are international, and that is why I used Schiphol as an example, the diplomatic problem is possibly more important than the actual possibility of their getting any money out of the deal.

When other foreign governments start suing our government because they feel the government has interfered in business that is where, rightfully or wrongfully, the diplomatic problem comes in. That is why I used that example. Others could come up, certainly a number of the other airlines which had plans and had done some of their negotiating with that group. That is where the problem comes in.

In actual dollars it should not cost us anything. As I said I would not recommend paying a single penny in compensation to anyone.

Mr. Nunziata: Mr. Speaker, the contract was signed on October 7 and the member raises his concern about this diplomatic problem we might have.

If anything, the message was sent out loud and clear by the Prime Minister and the Minister of Transport when this contract was cancelled. The message was if you want to do business with the Government of Canada then you have to do it above board in a responsible and reasonable way and it ought to contemplate the public interest.

In this particular case Mr. Nixon made it abundantly clear that there were a lot of shady aspects to this particular deal. There were a lot of backroom negotiations and much manipulation. There were a lot of payoffs. Lobbyists were selling access. They were arranging meetings for very significant fees.

The hon. member talks about this particular company that might feel particularly aggrieved. One wonders whether it hired one of the lobbying firms involved. Surely as responsible business people they knew what was going on.

In any event would the member not agree their claim is not for out of pocket expenses but for lost profits? Any out of pocket expenses they may have incurred could only have taken place after the signing of the actual contract on October 7. After that of course they knew on October 25 the government would change.

Again would the hon. member not agree that any company that in any way shape or form was involved with this contract, or hoped to gain as a result of this contract knew very well that the contract would be cancelled even before it was signed? Therefore why would it expend one red cent when the writing was already on the wall?

Mr. Mills (Red Deer): Mr. Speaker, I repeat that I agree with those comments. They are legitimate comments.

In a discussion with the Dutch embassy just now it feels Bill C–22 unjustly punishes third party firms associated with Pearson. It says that the Schiphol airport authority being non–political should not be caught up in the whole Canadian political corruption the hon. member mentioned. According to the embassy it is saying the company from Holland feels it has a claim.

Again I get to the diplomacy. I am not saying that position is right. Obviously the courts will determine that. However it has filed a claim in the Canadian courts about this deal. Therefore it is obvious it feels this is not a dead issue and that it is not something it should not raise.

[*Translation*]

Mr. Ghislain Lebel (Chambly): Mr. Speaker, I am more inclined to endorse the recommendations of the hon. member who spoke before the Reform member. I wonder which principles come into play. I can understand that there may have been companies which unfortunately entered in good faith into negotiations or made some kind of deal with T1 T2 Partnership Limited. But, getting back to what the Liberal member was saying, what reason would we have for compensating individuals who were truly involved in some kind of scheme against the government?

• (1540)

If a group of criminals spends a substantial amount of money plotting to rob a bank and then screws up, the bank is not about to compensate those people for the costs incurred in the planning of the robbery. That is the principle I am having trouble understanding. I hope that the Reform member is not trying to tell me that we would be better off paying compensation to avoid lawsuits from foreign companies. Is that what he is suggesting?

[*English*]

Mr. Mills (Red Deer): Mr. Speaker, let me make it extremely clear. I am recommending we compensate no one involved in any part of this, including foreign companies that are now making claims in court. We should not compensate them. All I am saying is those claims are out there and it does not help our

image. That is all I am concerned about. Do not compensate them at all.

Mr. Nunziata: Mr. Speaker, the third party contracts the hon. member refers to would fall within the definition of agreement under the bill. In effect the bill cancels or precludes any legal recourse whatsoever for all contracts whether they are with the consortium or other third parties who might have participated. I just wanted to make that point.

One further point is that the request for proposals dated March 1992 made it abundantly clear to all those who wanted to bid on this contract that the government was under no obligation to accept any of the bids. In fact the government reserved the right to reject any or all of the proposals and to elect not to proceed with the project.

All the companies involved in the bidding process, and perhaps this foreign company was one of them, knew in advance that any moneys they spent in preparing the proposal could very well have been money lost because the government made it clear in its bid for proposals it could elect not to proceed with the project.

Mr. Mills (Red Deer): Mr. Speaker, I agree totally with that comment.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I am pleased to discuss Bill C–22 today. The essence of the bill is to put a fence around the problems surrounding the development of Canada's largest airport for the last number of years. It not only puts a fence around the problem in delineating a timeframe but it also goes on to speak about the type of compensation, if any, which is to be allowed to the successful bidders.

In the minister's statements today, lobbying fees, other costs and loss of profit are not going to be considered in the eventual solution to this problem.

It is interesting and I say with pride that there has been some continuity in the Liberal Party. From its inception we have opposed the concept of privatizing Pearson airport, even when we were sitting on that side of the House.

On June 12, 1989 in the recommendations of the federal caucus task force on the future of Pearson International Airport, my colleague who spoke a few moments ago stated in part: "It should never be allowed that Pearson be privatized. It should always remain as a viable and important part of the infrastructure of Canada. It should always be used for the public policy and in the public interest of all Canadians". That was in a report made by my colleague as far back as 1989.

This problem had its genesis when the government of the day decided it should privatize a new terminal that was being built at Pearson. As a result of that process a private consortium was allowed to build what we now know as Trillium or terminal 3.

• (1545)

To this day, as hard as we worked when we were in opposition to find out the terms of that contractual arrangement between the owners of Trillium and the government of the day, we were not made privy to that very important document that allowed the first privatized terminal at Pearson airport.

We were told at the time that the reason for the privatization of terminal 3 was that Canadians did not have the means by which to expand airport facilities in that area. That had some semblance of accuracy. However we failed to realize at that time that terminal 1 could have been made into a more efficient airport with the expenditure of a few million dollars for modernization.

As they got on with the building and prior to the opening of terminal 3 we were advised that there was a move afoot to privatize terminals 1 and 2. The reason was that the government wanted, and this is a very important concept, to provide a competitive factor at Pearson International Airport in order to keep in balance the privatized interests that were operating at terminal 3 and terminals 1 and 2 under another entirely different corporate structure. This was to bring some balance for the best interest of the consumer who was travelling in and out of that airport. That was the reason it came forward with the privatization concept of terminals 1 and 2.

We had some concerns about the privatization concept. As a result of that the Liberals while on that side of the House entered into another task force proposal. That was done on September 12, 1990, one year after the first proposal. We found that the contract for terminal 3 had been entered into but there had not at that time been any designation of any airline that would use that airport.

I will quote from some of our findings of that task force. Please recall that in 1990 the airlines, as they are today, were experiencing severe financial difficulties. Part of the findings were that the airlines in the country, particularly Canadian, faced the dilemma that operationally it could not use terminal 3. At the same time Canadian could not afford to move into that airport. It would have been a financial disaster. That came from one of the leaders of the Canadian airline industry at that time.

We found as a result of that study in 1990, and these feelings were expressed in the House just prior to the opening of Trillium, that the cost of flying into terminal 3 would be prohibitive to the average Canadian consumer. Those of us who sometimes travel at government expense perhaps do not not

realize the cost of travelling as much as we should. However the cost of going into terminal 3 would have been prohibitive to the average Canadian wage earner in the country flying with his family or wanting to see the rest of Canada.

We knew that exorbitant rental fees were being charged. After terminal 3 opened there was almost a rebellion by everyone renting space in terminal 3. The costs of leases to the airlines and the the retailers were passed on to the travelling customer.

If terminals 1 and 2 are privatized, price increases can be expected for every consumer. Terminal 3 will set the pattern for terminals 1 and 2 should privatization be allowed. Either way, whether it is privatization with one consortium of terminal 3 and privatization by another corporate citizen of terminals 1 and 2, there will be one inevitable conclusion: The cost of travelling into Toronto, the largest airport in the country, will increase substantially. Those were our findings. Those were our recommendations. The government carried on, although we were sincere in trying to get it to change its mind.

• (1550)

Let us see what happened after that. All of a sudden people showed up at some of our offices, including I am sure the office of my colleague who just spoke, saying: "We want to show you our proposal". This was long before the government asked for proposals for the privatization of terminals 1 and 2.

In 1991 people came to my office and said: "We would like to show you our proposals for terminals 1 and 2". I told them the government had not asked for proposals. The answer was: "Yes, but we are anticipating that this government is going to ask for proposals for privatization".

Finally, I believe in March 1992, the government asked for formal presentations for proposals for the privatization of terminals 1 and 2. As a result three proposals were made. The first proposal was by the then owners of terminal 3. That was not met with much favour because of the competitive factor that we wanted to maintain between terminals 1 and 3.

A very good proposal was submitted by the British Airport Authority which operates the airports in England and other places on the continent. It had some very good ideas that I think we should incorporate into what we are trying to do at Pearson today. However its proposal was shortlived. It did not meet with favour.

The third proposal was from a company called Paxport. Paxport always seemed to have the inside track for whatever reason. Eventually, as these proposal were being discussed, Air Canada made it known that Paxport made a proposal that interested it most and since it was operating exclusively out of terminal 2, Paxport was the proposal it would entertain.

Going back to the original statement, competitiveness was always a factor in the privatization of terminals 1 and 2. The Paxport proposal was looked on with favour by Air Canada. Eventually something else happened.

Terminal 3 was taken over by a corporation called Pearson Development Corporation. The previous owner sold out interest to Pearson Development Corporation.

An hon. member: Who owns Pearson Development Corporation?

Mr. Comuzzi: Then Paxport disappeared, the one that was operating with favour. Where did it resurrect itself? Pearson Development Corporation. All of a sudden, having been given assurances by the government of the day that there would be competition at the airport in Toronto, as the government was getting close to awarding the tender we found that there was going to be no competition at Pearson International Airport. In fact the three terminals, terminal 3 which was called Trillium, terminal 2 and terminal 1, would all be under the direct control of Pearson Development Corporation.

An hon. member: A real monopoly.

Mr. Comuzzi: A real monopoly in Canada's main hub, the largest airport and our pride and joy in Canada. That move was just unconscionable.

We in the government kept expressing our displeasure at what we saw happening at the Pearson airport complex. We stated throughout the election, including when we were approaching October, that the Pearson privatization was not a rational, logical proposal for the public interests of Canada.

What was proposed for all other airports in the country was to put every one of them under what we called local airport authorities. That vested the local airport in each of our communities under a local control made up of non–profit oriented business people, men and women who would operate the airports in the best interests of their communities. That was not a bad idea and we supported that legislation.

• (1555)

We asked the government of the day why, if local airport authorities were all right for Vancouver, Edmonton, Calgary, Winnipeg, Mirabel, Dorval and other airports in the country, they would not be good for Pearson International Airport.

The reason was simply that we were having a difficult time getting along with all of the jurisdictions that surround Pearson airport at the municipal level. That did not wash.

The second reason was that Pearson was such a strong international airport that it could not be left to the control of a local authority, although that did not apply to Dorval, Winnipeg, Edmonton, Calgary or Vancouver. The whole concept never ever made any sense.

Those who knew about it most were those who eventually evolved from Paxport into Pearson Development Corporation. In June, July, August and September 1993 the issue became hotter and hotter on the political stage. Time does not allow me, Mr. Speaker, to give you some insight into the lengthy meetings with the lobbyists.

Former ministers of the government were getting into the bargaining process with the Pearson Development Corporation and the Department of Transport. When the lobbyists found out that it was slipping away they entered into a contract knowing full well that if there was going to be a change in government, the Pearson deal was going to be cancelled. That was the first move this government made and I am thankful that it was.

That brings us to where we are today. My colleagues in the House and I suspect that within the next four to eight weeks the Pearson deal will be cut, finished once and for all, and we can get on to doing the things that are necessary at Pearson airport not only for the benefit of metro Toronto and southwestern Ontario but for the benefit of the travelling public in Canada as a whole.

When we get rid of this problem and through to the eventual climax, we must look at the contractual arrangement that was entered into. A contract was signed on October 7 or October 8, 20 days before the election. That in itself was unconscionable. We talked today in the House about awarding compensation. Our minister, who is much more generous than a lot of us on this side of the House, said the government is not going to pay for lost profits and lobbying fees but it will look at out of pocket expenses in so far as the proposals were concerned.

Are we looking at the cost of making the proposals by the British Airport Authority which made an excellent proposal but was not given the opportunity to bid with any degree of certainty?

If we look at Pearson Development Corporation it is only just, equitable and right that we look at what the British Airport Authority did in trying to present its best proposal to the House and to the government of the day. We must also look at the other proposals that were made and see what costs were borne by them. That is just, that is equitable and that is right.

To be exclusive in looking at compensation for out of pocket expenses for Pearson Development Corporation alone is not the right thing to do. We should take in the whole gamut of all those who spent considerable time and expense in developing proposals.

In conclusion, I trust that in the next four to eight weeks my colleagues on all sides of the House will be happy to get this problem over with as quickly as possible in order to get on with the decision as to whether we need a north–south runway at Pearson and deal with the problems associated with two extra east–west runways. Let us get on with the problem of what is going to happen to terminal 1. Should it be refurbished? It is a very good airport and accommodates eight or nine million people a year very comfortably.

• (1600)

In so far as transportation requirements are concerned in the country, we have to start to get on track. We are being superseded by communities that are not even half the size of Toronto. We are falling backward because we are failing to act and failing to do what is necessary in not only airport transportation but in passenger rail service and finding an economical way of getting our goods to market so that we can be globally competitive.

I implore all of my colleagues on all sides of the House, let us get down to business, let us get Pearson over with as fast as we can, let us get on with making Pearson a world class airport that we can all be proud of. I know the government with the support of our people on the other side will work toward this very fundamental, vital role for this airport that will be to the benefit of all of us.

[*Translation*]

Mr. Ghislain Lebel (Chambly): Mr. Speaker, I have trouble understanding the comments made by the hon. member for Thunder Bay—Nipigon. He seems in complete agreement with what has been said on this side of the House since this morning. The Canadian people, and the Quebec people among others, can testify to the barely concealed and unconcealable embarrassment of the speakers from the party in office with regard to Bill C–22.

We are told: "There has been scheming; acts that would otherwise be unquestionably criminal have been committed by politicians and business people. But let us forget about that, so that Toronto airport can be developed. Let us forget about all that and stop talking about it, as it does not make things move forward". Is this case as urgent today as it was on October 7? What is preventing us from getting to the bottom of this and looking at the facts? Is it the urgency of it, as the hon. member for Thunder Bay—Nipigon is telling me?

I understand the urgent need, at some point, to resolve this issue, but the members opposite seem to be trying to hide behind convoluted language and they almost get away with it. Some things need to be clarified. We must clear things up.

Why do they not want to clear things up? If no serious impropriety has been committed in this case, unlike what Mr. Nixon says in his report, the Canadian people will at least feel that the government then in office and the current government acted in their interest. Why refuse at all costs to get to the bottom of this?

I ask the hon. member for Thunder Bay—Nipigon to try to justify this behaviour, if he thinks he is still strong enough to do it.

[*English*]

Mr. Comuzzi: Mr. Speaker, perhaps I did not make myself clear at the outset of my intervention today. I am not defending anything that went on in the past. I feel as my colleague does that there were a lot of things that went on with respect to the privatization concept that may one day be exposed.

I do not think that is our job today. I think our responsibility here today is to get on with the problem of deciding if there is compensation to a party, Pearson Development Corporation. Leave the problems of the workings of government and how they evolved for another day so it does not hamper what we want to do immediately. I have nothing to hide nor does this government have anything to hide with what we have done.

• (1605)

If there is anyone who wants to hide anything I would suggest to my colleagues that the previous government should be answering to how it got us into this position at Pearson Development Corporation up to this point.

All we are trying to do, and I impress this upon my friend, is clean up a mess. A royal commission, I suspect that is what my friend is alluding to.—What is a royal commission? A royal commission is four, five or half a dozen independent people who have not perhaps been exposed to the problem before. They are funded. What is the price of a royal commission today? The last one I saw on transportation policy came out to be $22 million. Do we need that type of venture today? Do we need that type of inquisition in order to tell us something that we already know? Are we prepared to spend that kind of money? We will have a report in 18 months or 24 months—that is what it takes to have a royal commission now—on something we already know.

I understand. I sympathize. I appreciate the comments the member just made but I am saying let us get on with the job. Get this thing over with and not only work here for Pearson International Airport, but work on behalf of every airport in this country.

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, I share the view of my Bloc colleague. I want to thank him for putting on the record the kind of sordid history of this whole mess.

I remember the need for disclosure that involved the Petrofina sale and I remember the cry of the opposition to the Liberal government of the day to provide the Auditor General with all details necessary to report fully on that purchase. I remember it refused to provide that. Then the government changed and as Canadians we heard the Liberal opposition demanding of the Conservative government to do the very same thing, to reveal all the financial details to the Auditor General so that he could make an accurate report to the public on the sale of Petrofina. That never happened.

The hon. member mentioned a contract that was let with regard to the development of the third terminal and that they had asked for the details of that.

Is the government prepared to provide information, to make a full disclosure on this? We do not need a royal commission of inquiry, but bring all the pertinent documents and table them in this House so that the public has access to them and the representatives of the Canadian people have access to those documents so that if we want to examine them we can or any interested body can make representation for that kind of information.

Would the member comment on that.

Mr. Comuzzi: Mr. Speaker, I would very much like to comment on that and I am pleased to hear the member say that we do not need a royal commission.

His question is so timely. We had a meeting this morning of the steering committee on transport. The Reform Party had I think two representatives there and we agreed unanimously that what we want the transport committee of the House of Commons to do is go into as much detail as we possibly can, to get as much information as we possibly can, to put it out on the table as fast as we can so that through this medium people in this House and people in this country will know exactly what kind of process was ongoing to strike that kind of deal that interfered with the rights of Canadians.

I hope that we can all learn a lesson on this side and on the member's side that we should never, if we represent the people in this country properly, allow ourselves to get into that kind of negotiating process again. I would be very upset if I saw anyone in this House get into that type of process of negotiation with such lobbying and such influence that it would be embarrassing to be a member of this government.

• (1610)

I welcome that question. The information that the member is requesting will be forthcoming through the Standing Committee on Transport and his membership in his party.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I want to compliment the hon. member for his submissions today. As a result of his submissions I am sure it is clear to everyone that he is one of the resident experts on Pearson International Airport, indeed on transportation issues.

I have always admired the depth of knowledge of my colleague. I am not only saying this because I happen to agree with him, but since his election to Parliament in 1988 he has distinguished himself as one of the foremost experts on transportation matters, in particular with regard to the Pearson airport deal. I know he provided me with a lot of advice on this particular matter.

He and I share the opinion that it takes a lot of audacity on the part of Mr. Bronfman and other principals in the Pearson Development Corporation to put forward a claim of close to $200 million for compensation—that is right, after all of the shenanigans that took place.

The hon. member has pointed out some of the aspects of the deal that caused Mr. Nixon to make the following conclusions: "My review has left me with one conclusion, to leave in place an inadequate contract, arrived at through such a flawed process and under the shadow of possible political manipulation, is unacceptable". Mr. Bronfman has the audacity to put forward a claim.

My question for my friend and colleague is: Does he believe that they ought to be entitled to anything at all? In my respectful submission, Mr. Bronfman and the Pearson Development Corporation, as a result of everything that transpired, deserve to be told to take a hike. They are not deserving of a single red cent as a result of the unconscionable nature of this contract.

If he agrees on that being the case, would he not agree that—

The Acting Speaker (Mr. Kilger): Order. I am sorry, we do not want to extend the time too much longer. I would like to ask the member for Thunder Bay—Nipigon to respond, please.

Mr Comuzzi: Mr. Speaker, I should respond by thanking first the member for those very kind remarks. I will try to be succinct. I think the starting point for these negotiations is just that, zero.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, the Prime Minister had promised to make public all the details regarding the negotiation of a privatization agreement concerning Pearson Airport as well as the agreement itself.

Instead, we have a study done by a former Ontario Liberal minister, behind closed doors, that explains that political personnel and lobbyists had a role to play, a role out of the ordinary, in the negotiation of this agreement. We have few details and nobody is being blamed. We must shed more light on this, and only a public inquiry can do it.

Till we know the role of the various players, that is to say governments, officials, political personnel, lobbyists and investors in these negotiations, and till we know who exercised pressure to have this deal signed come what may, even during the election campaign, we will not be able to determine whether investors are really victims that should be compensated, or players who managed to get a hasty signature, and therefore should not get anything from the public purse.

Since the government wants to appear open and show us that it functions in a transparent way, it should allow the royal commission of inquiry we have been asking for since the very beginning of this affair. We must shed light on a case which just might be one of the biggest patronage affairs in the history of Canada.

• (1615)

I should point out that in the first few days of this government— I was hearing this morning comments sometimes odious, often uncalled for —the Minister of Transport was not against such an inquiry on the Pearson deal. Several Liberal members of the Toronto caucus were definitely in favour. However, they soon realized that friends of their party were also involved, not just friends of the Conservative Party, so the government and the minister backed down and went for a report prepared behind closed doors: the Nixon report.

There is no doubt, when you look at the people involved, that there were many lobbyists very close to the previous Conservative government. Let me name just a few. There was Pat MacAdam, a Conservative lobbyist and college friend of Brian Mulroney. There was Bill Fox, a Conservative lobbyist who is a former press secretary and personal friend of Brian Mulroney. There was Harry Near, a Conservative lobbyist and a long time party activist. There was Don Matthews, former chairman of Brian Mulroney's nomination campaign in 1983, and also former chairman of the Conservative Party and of the party's fund-raising campaign. There was Hugh Riopel, a lobbyist who was an important member of Mr. Mulroney's staff. There was John Llegate, a close friend of Michael Wilson. There was also Fred Doucet, who has always been related to the Conservative Party in one way or another.

However, there were also Liberals, which probably explains certain things. This is probably why, in spite of all the promises made regarding an eventual royal commission of inquiry to find out the details regarding the privatization of Pearson Airport, such an exercise was not conducted with all the necessary transparency.

For example, the people involved included senator Leo Kolber, who made the headlines during the election campaign, when he organized for the current Prime Minister a very private dinner meeting, a simple affair where the cover charge was a mere $1,000. Senator Kolber invited well-known personalities such as Charles Bronfman, who also happened to be involved in the Pearson dealings.

Also present was Herb Metcalfe, a lobbyist with the Capital Hill group, as well as an official for Claridge Properties and a former organizer for the current Prime Minister. There were others and there will be others such as Ramsay Whitters, a Liberal lobbyist closely related to the Prime Minister. There were all kinds of people.

So, when I look at all this, I can understand that the Liberal Party of Canada did not want to embarrass its friends who probably indirectly contribute, through their interests in Canadian ventures, to the party financing, and this is probably why the government did not want to shed light on this episode.

The members opposite are upset because we name their friends and point out the major reason why such an indecent bill was tabled today by a government willing to let its friends off the hook, in spite of their involvement in the privatization of Pearson Airport.

The public has the right to know all the details surrounding this decision, and this is why the Bloc Quebecois demands a public and independent inquiry which will shed light on these dealings. The situation is so serious in fact that the Minister of Transport himself stated that the federal government was considering setting up a royal commission of inquiry. The minister made that statement on November 29, 1993. It is true that new appointees are always full of good intentions when they take over a department. I suspect the minister was quickly called to order by his party's establishment.

We must not only mention the involvement of friends of the Liberal Party of Canada. There is also a whole series of strange, bizarre and even indecent things which have occurred from a financial point of view regarding the transaction as such, and these things must be pointed out. I will just name a few. We have examined the contract in its entirety and that is why it would be interesting to have a royal commission go over these incongruities together.

• (1620)

First, the term of the contract. The term would be divided in two: a 37–year term, with the possibility to renew for another 20 years. What for? Why did the federal government accept to do this for the Pearson Airport investors at the time? To avoid paying an Ontario transfer tax whereby you have to pay some $10 million in taxes on leases with terms over 50 years.

So, with the help of the federal government, the investors were able through that clause to circumvent the Ontario tax. Have you ever heard of a federal government conniving in defrauding provincial tax?

Second incongruity: the way the rent is to be calculated. It says in the contract that it can be calculated one of two ways. I will mention just one about which there are no less than ten oddities, ten seldom if ever used clauses in this kind of contract, especially for multimillion dollar transactions like the privatization of the Pearson Airport. The contract provides that PDC, Pearson Development Corporation, must pay 30.5 per cent of its previous year gross income to the government, up to a maximum of $125 million of gross income. On any amount exceeding $125 million in gross income, PDC would have to pay to the government 45.5 per cent of its gross income in rent.

Normally, gross income includes all income generated by the operation of air terminals but, in the case of the Pearson Airport, it excludes no less than 10 deductions considered as unusual in this kind of contract. The first one relates to taxes paid by consumers, passengers and occupants which are collected by Pearson Development Corporation on behalf of the government. Second, certain unusual items do not go into the calculation of the gross income, which is unusual. If you deduct these unusual items when calculating gross income, of course this will reduce the rent to be paid.

So unusual earnings were intentionally removed from the contract so that the Pearson lease could be reduced over the 57 years. The third incongruity in this financial deal is that other types of income provided for, while not extraordinary, are not usual and do not originate from regular terminal operations, including the sale of assets. In other words, again, gross leasing costs are reduced by exempting these unusual types of income.

There were other inconguities in the provisions on investment income. I will not go into detail on this as there are actuarial tables available, but I will say that this type of investment income provision is unusual in this kind of transaction. I could mention the discounts and refunds granted by PDC to airport tenants. I could talk about the money recovered and spent by the government to occupy parts of the airport, where inconsistencies and things that are unusual in this kind of deal were noted everywhere.

We could also talk about the amounts collected by PDC on behalf of the government or any other party, which is a rather unusual clause in this type of contract. I would also like to point out another clause whereby the federal government covered Pearson's debts although it was not involved in operations in any way. In other words, it covered bad debts although it was no longer involved in airport management. It is a disgrace, Mr. Speaker.

I could also talk about the $70 million paid to Air Canada to convince it to support privatization. Imagine, convincing Air Canada to support a privatization project as inappropriate and unusual as the Pearson airport deal.

• (1625)

We could also mention the severance allowance for employees of Transport Canada. The Government of Canada had offered severance allowances to 160 of its employees, although their jobs with Pearson Development Corporation were guaranteed for two years, under conditions similar to those in their current jobs. This severance allowance was supposed to cost Canadian taxpayers the trifling sum of $5.5 million.

It is also appalling to see, especially in a transaction of this nature, the total lack of any financial analysis, of any sound and independent projections of the main parties' revenues, and I am referring to the two investment corporations which later

merged, and also the lack of any analysis of these investors' status. When we look at Paxport and the other party to this transaction, it is clear that all was not rosy. The financial situation of Paxport was appalling.

So we could talk about all kinds of anomalies, and we could go on for ever, because when you look at the fine print, there are always questions that arise regarding this deal.

So by going ahead with the bill before the House this morning and by refusing to conduct a public inquiry into this matter, the government has lost its credibility, a government that during the election campaign claimed that it was going to restore the confidence of citizens in government by opting for transparency and integrity. I think they are off to a very bad start.

I think it is time Liberal members opposite, who look rather depressed by the course of events, decided to wake up. It is time they did, because my colleagues and I have the impression they are being manipulated by the establishment of their party and by their minister who comes to caucus meetings with instructions to vote for this and support that and do the other. They are mainly being manipulated by the leaders of the Liberal Party establishment.

I beg them to wake up, because the public is starting to wake up. It is fed up with patronage and money going to the friends of the party, fed up with the lack of policies for public funding, fed up with the lack of transparency and integrity—in other words, fed up with people who for years criticized the previous government's lack of integrity in condemning a deal which they practically endorsed, because friends of the Liberal Party of Canada are involved, and they are directly involved.

For all these reasons, I will vote against Bill C–22, and on behalf of my colleagues, and the Leader of the Opposition made the same request this morning, I ask that a royal commission of inquiry be appointed to investigate this matter.

Thank you, Mr. Speaker, and I hope my colleagues opposite wake up some day, because their behaviour today is irresponsible.

[*English*]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the statements made by the hon. member are, to say the least, absolutely unfounded. To accuse this party, that did what it said it was going to do and cancelled the deal, and call us puppets, is absolutely ridiculous.

We are not the party that is trying to abrogate its responsibilities to the Canadian public. We are, by this legislation, doing what we promised before the election and what we promised since we have been elected: cancel the deal because we knew it was not in the public interest. Even the Bloc admits that the process is bad and that the substance of the agreement is not good.

I wish the member would be a little more generous with his terms. It was his leader who was party to that gang of hoodlums, as we knew the previous government, for a good many years. I am getting sick and tired of listening to your hypocrisy, pointing fingers here—

The Acting Speaker (Mr. Kilger): Order. I would like to remind members to direct their interventions through the Chair, please.

• (1630)

Mr. Fontana: Mr. Speaker, through the Chair, he is a hypocrite and so is his leader and—

The Acting Speaker (Mr. Kilger): Order. That is not acceptable. The Chair will ask the parliamentary secretary to withdraw that unparliamentary remark.

Mr. Fontana: Mr. Speaker, it is only unparliamentary when it is not true. I will not withdraw the comment because we are taking all kinds of accusations—

The Acting Speaker (Mr. Kilger): Order. I know that members feel very strongly about issues that they bring to the floor of the House. By and large each and every one of us conducts ourselves in a respectful manner to uphold the traditions of this House and I think also to fulfil the expectations of our constituents across this great land of ours. In the Chamber at times there is a great deal of passion in our discussions and deliberations, but I would ask the Parliamentary Secretary to the Minister of Transport to reconsider and to withdraw that remark.

Mr. Fontana: Mr. Speaker, I do withdraw the remark, my apologies to the House.

Some hon. members: Hear, hear.

Mr. Fontana: I would hope that the member on the other side would find it possible not to also send out derogatory remarks such as calling members on this side of the house puppets because that is impugning the character of members on this side of the House.

The Bloc has put forward an amendment and a proposal asking for a public hearing. I want to know how the member can justify the great delay that would take, the great expense that would also entail and would it not be prudent to put this behind us? The bill is pretty clear as to what we will pay and what we will not pay. We will not pay lobbyist fees, we will not pay loss of profits, loss of opportunities but we will pay out of pocket expenses. The bill is pretty explicit. In fact it says that we negotiate on those terms. If we cannot negotiate on those terms, 30 days after proclamation there in fact will be no further negotiations and the people will get nothing.

The Bloc talks to us about fiscal responsibility, talks to us about transparency, talks about getting on with building this country, building Pearson and so on. How can it put forward a proposal that will cost the Canadian taxpayers more money, not less money, and in fact delay the process even further?

The Acting Speaker (Mr. Kilger): Before I recognize the hon. member for Saint–Hyacinthe—Bagot, I want to express on behalf of all chair occupants my respect and appreciation to the member for London East for his reconsideration and withdrawal.

[*Translation*]

Mr. Loubier: Mr. Speaker, I accept my colleague's apologies.

Why should we convene a royal commission of inquiry? I will give you several reasons why. First, to respond to the recommendations of Mr. Robert Nixon who brought to light a number of irregularities. At one point, he said that lobbyists had played a very crucial role in this whole affair, along with friends of the Conservatives and the Liberals.

Therefore, a royal commission would shed some light on this deal and would perhaps prompt the lobbyists running around on Parliament Hill trying to influence ministers, members, caucuses and the Prime Minister to behave as good citizens, not as schemers acting in cahoots with former senior officials with close ties to the Liberal Party.

If the collective conscious of the members opposite is clear, why are they so reluctant to convene this royal commission of inquiry, in keeping with a recommendation made not so very long ago by the Minister of Transport? Why do they refuse to set up a royal commission? Second, I find my colleague to be somewhat of a complete cynic when he states that, with this bill, the palms of those who likely benefited from other projects, albeit perhaps not on the same scale as the Pearson deal, will no longer be greased. Once a professional lobbyist, always a professional lobbyist, in so far as federal areas are concerned.

• (1635)

How can he say that no more palms will be greased as far as this project is concerned, when it is stated that the Minister of Transport can choose whether or not to compensate the parties involved and when the final decision as to the amount of compensation to be paid, and to whom, rests with him? Imagine, he enjoys a virtual dictatorship.

Therefore I would ask my colleagues not to be so cynical and to stop boasting.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I want to say to my colleague that I agree with him that a royal inquiry is needed.

[*English*]

I want to say to the member that I agree with him and his party in their request for an inquiry into this matter, especially in light of what Mr. Nixon had to say.

Some hon. members: Hear, hear.

Mr. Nunziata: I want to quote again from Mr. Nixon's report: "To leave in place an inadequate contract arrived at through such a flawed process and under the shadow of possible political manipulation is unacceptable".

He goes on to say: "The role of the lobbyist was extensive, going far beyond what I consider to be appropriate activities of consultants that are available to businesses to approach government".

One could almost conclude that the activity bordered on the criminal. Mr. Nixon conducted his report—I have considerable respect for Mr. Nixon—in private, his investigation in private. While we were in opposition and while in government we complained about the process that lead up to the signing of the contract with the Pearson Development Corporation.

Mr. Nixon conducted his hearings in private. Mr. Wright now is conducting the negotiations in private and in my respectful submission I want to say that in order for Canadians to understand exactly what happened, Mr. Nixon did not name any names and perhaps names should have been named publicly so that Canadians can come to a conclusion on whether compensation ought to be paid.

We are being told here by this bill that there should be some compensation for out of pocket expenses. In my submission there ought to be no compensation at all.

With an inquiry or if Canadians are apprised of the total facts in this particular situation they too, I believe, will agree that no compensation is necessary.

I would like to put a question to my friend from the Bloc Quebecois. Would he not agree with me in light of the information that he has available today that there ought to be no compensation at all?

If that is the case would the Bloc Quebecois support an amendment that would delete paragraph 10 from this bill which is the paragraph that allows the minister in effect to have a blank cheque in order to pay out of pocket expenses?

[*Translation*]

Mr. Loubier: Mr. Speaker, my party will examine the hon. member's suggestion on its merits. One thing is for sure, we welcome the hon. member's remarks and we are relieved to see that not all the members opposite are puppets or marionettes.

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, first of all, I would like to congratulate my colleague from Saint–Hyacinthe on his brilliant speech, in

which he set out troubling facts arguing for a royal commission of inquiry.

I would also like to make a comment about my colleague and friend, the hon. member for London, who spoke against a royal inquiry. He also accused our leader of using unparliamentary language and linked him to decisions made by the previous government which went along the lines of the decisions concerning Pearson Airport. I think he should reconsider and agree with us on the need for a royal commission of inquiry. Then, he would see who the real players were, on both the Conservative and Liberal sides. He would understand better why it is so important that all the information be made available to the public.

• (1640)

So, I would invite my colleague, as well as his colleague, to support this request for an inquiry. I think that, following tomorrow's caucus meeting, the government members will sing another tune. I am convinced that, by tomorrow afternoon, they will readily support the Bloc Quebecois amendment proposal.

The Acting Speaker (Mr. Kilger): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Leeds—Grenville, Ethanol; the hon. member for Lévis, Youth Action Plan; the hon. member for Kamouraska—Rivière-du-Loup, VIA Rail.

[*English*]

Mr. John Nunziata (York South—Weston): Mr. Speaker, I am pleased to have the opportunity to make some submissions with regard to this bill before Parliament, Bill C-22.

As a member from metropolitan Toronto I took a particular interest in this matter not only during the election campaign in the fall but indeed a number of years before when I chaired a federal Liberal Party task force studying the future of Pearson International Airport.

The committee submitted its report on June 12, 1989 and in this particular report we concluded that it would be a mistake to proceed with privatization of any of the terminals at Pearson. We as a party have maintained that position throughout the last number of years.

Much to our chagrin the previous Tory administration decided in its wisdom, if you will, that it would privatize terminals 1 and 2 at Pearson, having already allowed private interest to build and operate terminal 3.

It became abundantly clear over the last year and the months preceding the general election campaign that what was happening with regard to the privatization of the airport terminals was that Tory ministers and, I would submit, the Prime Minister, Mr. Mulroney, and Prime Minister Campbell knew exactly what was going on with regard to the privatization and in fact gave their blessing to a process that Mr. Nixon would subsequently call flawed and have a lot of very strong comments on.

The negotiations took place behind closed doors. The deal was consummated in the shadows. Lobbyists were involved. Lobbyist earned hundreds of thousands if not millions of dollars as a result of what was occurring.

I keep repeating Mr. Nixon's quotation: "My review has left me but one conclusion, to leave in place an inadequate contract, arrived at through such a flawed process and under the shadow of possible political manipulation, is unacceptable". He went on to say: "The role of the lobbyist was extensive, going far beyond what I consider to be appropriate activities of consultants that are available to businesses to approach government". He also pointed out in his report that senior transport officials were replaced when they objected to the contract.

Imagine, the previous government when faced with bureaucrats who had as their preoccupation the public interest objected to this particular contract. They in effect were constructively dismissed from their positions and put elsewhere. They were replaced with people who would agree with a contract that in effect rewarded Tory loyalists and supporters.

During the election campaign the government, indeed the consortium, recognizing that the Conservative government was on its last legs, tried to and in fact did sign the contract on October 7, 1993, two and a half weeks before the general election.

• (1645)

It thought that having signed the deal the new Liberal administration would not cancel the contract. It had another think coming because during the election campaign the Prime Minister, as the leader of the Liberal Party, made it clear in advance of the signing of the contract that if elected he would cancel the contract.

He said on October 6: "I challenge the Prime Minister to stop the deal right now". He went on to say: "You do not make a deal like that three weeks before an election when hundreds of millions of dollars are at stake. We will not accept it. I am dead serious. To anybody involved in that, I say: 'Don't get too excited tomorrow. We will review the deal when we form a government. If it is not a good deal, we will not proceed'".

He also said: "It is the Mulroney mentality at its worst. They are really trying to put one over on us at the last minute and I say it is totally unacceptable". This is the Prime Minister speaking in the election campaign: "I am warning everyone involved that if we become the government we will review this transaction. If necessary, legislation will be passed to overturn the deal".

What could be more clear from the Leader of the Opposition in advance of the signing of the deal? What could be more clear that his government would cancel the deal? To have Mr. Charles Bronfman and the consortium come to the taxpayers of Canada, cap in hand, after doing what they did to get this deal signed and after signing the deal when warned by the man who was destined to become the next Prime Minister, for them to come seeking $200 million from the taxpayers of Canada, that takes a lot of balls. It takes a lot of audacity to do that.

I say shame on Mr. Bronfman and shame on his corporation for having the audacity to do that after what Mr. Nixon had to say and what the Prime Minister had to say when he was the Leader of the Opposition.

This bill allows for limited compensation. I have to take exception to any compensation being paid at all. No one has established why any compensation should be paid. All kinds of reasons can be given. We have heard from various members as to why there ought not to be any compensation at all. I have not heard anybody say that because they were acting in good faith or because they expended money unbeknownst, they were innocent, they deserve some compensation. I have not heard that reason.

There is not a reason. That is why members have not heard any justification or rationalization or rationale for paying the Pearson Development Corporation any money at all. For that reason I believe that paragraph (10) which allows the minister to pay compensation should be deleted from this bill.

I would urge members of the committee who study this bill to delete paragraph (10) because that is the paragraph that empowers the minister, in effect gives the minister a blank cheque, subject to no compensation for lobbyist fees or lost profits but short of that, to compensate not only the Pearson Development Corporation but everyone involved with them for out of pocket expenses.

I would submit that it would be unconscionable if they were paid any money whatsoever not only because of what was said during the election campaign, and what happened behind the scenes, but also because of the very clear statement and the request for proposals that was put out in March 1992. At paragraph (8.6.3), it says this. Again Mr. Bronfman and all those who were participating in this contract were well aware of what was in the request for proposals.

It said: "All costs and expenses incurred by proponents relating to proposals will be borne by the proponents. The government is not liable to pay for such costs and expenses or to reimburse or to compensate proponents in any manner whatsoever for such costs and expenses under any circumstances, including the rejection of any or all proposals and the cancellation of the project".

• (1650)

What could be more clear than the statement in the request for proposals that said to all those who wanted to contract with the Government of Canada, that wanted to enter into this contract, that you are doing so at your own risk, that not only might your proposal be rejected, but even if it does happen to be the best proposal the government reserves the right not to proceed with the project.

Why then would there be any compensation at all? The request for proposals goes on to state at paragraph 8.7.1: "The government has the right, number one, to reject any or all of the proposals; number two, to accept any proposal, and three, to elect not to proceed with the project, all as it so determines in its sole and absolute discretion".

What could be more clear? If that is the case and they were all aware of what they were doing, why would the poor taxpayers be requested to pay anything at all to the Pearson Development Corporation, which is majority owned by billionaire Charles Bronfman from Montreal?

That is the question the committee and Parliament has to grapple with. I would submit that the overwhelming majority of members of Parliament would agree that in the circumstances there should be no compensation.

There is a Latin phrase which says: "Ex turpi causa non oritur actio". It is something they taught us in law school way back in first year. When you go to court you have to go with clean hands. You cannot be the author of your own misfortune or you cannot be party to a fraudulent transaction, or you cannot be culpable in any way, shape or form and then expect to go to the court to seek out justice, equity or compensation.

It could hardly be said that Mr. Bronfman and the Pearson Development Corporation and its predecessors, Paxport and all those involved in putting together this unhappy and unfortunate transaction were not aware of what they were doing and what was going on behind closed doors.

The Canadian people were hoodwinked by the previous Tory administration. We were told for example that there would be competition at the airport and yet the contract was awarded to a friend of the Prime Minister, Mr. Mulroney. Then, for financial reasons, he goes to Mr. Bronfman and says: "I can't carry this out". Mr. Bronfman, who owns terminal 3, all of a sudden becomes the monopoly owner of all the terminals at Pearson International Airport.

Where was the public interest? Was there anybody considering the public interest throughout this whole sorry matter? I would submit not. There were a lot of people who were more concerned and people who are presently before this Parliament seeking compensation, were more concerned about somehow gathering and squeezing out of the taxpayers as much money as possible. They were prepared to border on activity that could be

conceived as criminal or fraudulent in order to strike a deal which, as I have said, is totally unconscionable.

All the responsibility lies with the previous administration. The present Prime Minister made it clear during the election campaign that he would cancel the deal and that is what he did. No one could ever call into question the integrity of the Prime Minister as far as the cancellation of the Pearson contract deal is concerned. He conducted a review. The review took place and the deal was cancelled. In effect, the deal was cancelled on December 3, 1993. The bill before Parliament today gives legal effect to the decision of the Prime Minister on December 3. It goes further. While I agree in principle that the deal ought to be cancelled, I disagree fundamentally with compensation being paid pursuant to paragraph 10. More important, I disagree with the proposition that Parliament be called on to discuss, in effect, a proposal that we do not know about.

• (1655)

The consortium led by Mr. Bronfman has put forward a claim. I would submit that the people of Canada are entitled to know exactly what that claim is. Where is the claim? What exactly does he want to get paid for? We know he is not going to get paid for lost profits, but he is still seeking, reports indicate, some $30 to $35 million in compensation for out of pocket expenses.

Before Parliament can effectively deal with this matter, the committee should request and Parliament must have a detailed listing of exactly what the compensation is for if Parliament is to give the consortium anything at all. In my submission it ought not to be given anything.

I hope the minister is not prepared to sign a cheque to the consortium and keep the taxpayers in the dark as to what the cheque is for. I have considerable confidence in the integrity of the Minister of Transport and I know he will not allow that to happen, and that the claim will come before Parliament. At committee I hope a request will be made that whatever claim is being made the details will be put forward.

Those are my submissions on the issue of compensation. I agree that the deal has to be cancelled by law. It is obvious that the consortium, the Pearson Development Corporation, will not simply walk away. It should, in effect, be told to take a hike but it appears it is not. It is pushing the issue.

The other issue that has to be dealt with is the future of Pearson International Airport. In the few minutes remaining I want to make a few comments about that.

Having decided to cancel the transaction, the government now is faced with making a decision as to what ought to happen at Pearson International Airport. The debate will decide ultimately whether a private group, a local airport authority, should control Pearson or whether Transport Canada should continue to have direct control over a federal government asset that generates close to 100,000 direct and indirect jobs and is responsible for billions of dollars in economic activity.

A more thorough debate will have to take place but in my respectful submission, given the importance of Pearson airport to the national economy, to the national transportation system, the Government of Canada should continue to have direct control over Pearson through the Department of Transport. We ought not to transfer responsibility to a local airport authority. A local airport authority would be concerned primarily with the local area of metropolitan Toronto, in this case, as opposed to the impact that Pearson will have on the nation as a whole.

I hope the minister at some point will allow Parliament to deal with the greater question of the future of Pearson International Airport and who should control it. I think most members will agree that it ought not to be privatized, that that is a mistake. Our main international airport should not be handed over to the private sector for private profit and gain.

We all want to see Pearson refurbished but some say that the government simply does not have the money to refurbish Pearson. That is not quite true. Looking at the profit and loss statements of Pearson International Airport over the last 10 or 20 years and in particular over the last few years when we were in the midst of a recession, the airport in effect has been making significant profits. Those profits could be used to refurbish.

• (1700)

Some 20 million passengers travel through Pearson annually. If push came to shove, given the numbers of passengers, if a $5 fee were levied to refurbish Pearson which is not unreasonable then the necessary funding could be received without having to privatize the airport.

Given the importance of Pearson, the task force I was part of recommended that a royal commission of inquiry look into the future of Pearson International Airport, its purpose and use, the problems with air traffic control, the need for additional runways and their environmental impact. I do not believe we can look at any one aspect of Pearson in isolation from the overall picture.

I urge the minister to engage this Parliament in a debate as to the future of Pearson and what the best mechanism will be to determine what route should be taken.

In closing let me reiterate this bill must be amended to make it absolutely clear that no compensation should be paid whatsoever to the Pearson Development Corporation. In any event, before this Parliament can effectively deal with this bill the claim that is being put forward by Mr. Bronfman should be made public so the taxpayers of Canada know exactly what the nature of the claim is.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, I would like to commend the hon. member for his clear presentation. I think that he knows the issue quite well—that is pretty obvious.

I would like him to tell us what effect it will have on the people of Quebec and Canada not to hold a public inquiry in a situation like that, if, as it seems very clear, there were many underhanded dealings in this case, many people who took advantage of the over-representation by lobbyists and the questionable lobbying practices.

So I would like to know from him what he thinks the impact on the public and on the future of the present Liberal government would be if we were led to believe that it is a free-for-all and that we will continue to operate with the same kind of system, and at the same time, what message does it send to those who are not part of this wonderful system where special contacts and having friends in the right places are what counts.

For ordinary people who are caught in the current economic bind, with all the attendant difficulties, and who are being hit with an increase in the number of weeks needed to qualify for unemployment insurance, for example, what message does it send when a whole government tolerates such situations and would let them be by not holding a public inquiry that could clarify matters?

[*English*]

Mr. Nunziata: Mr. Speaker, I can tell the hon. member that the Prime Minister promised integrity in government. Last year on December 3 he sent out a very clear message to all those who would like to do business with the Government of Canada. That message was if you wanted to do business with the Government of Canada the public interest must be paramount, public concern must be discharged and he would not hesitate to denounce and cancel any transaction that was consummated in a fashion contrary to that public interest.

To his credit the Prime Minister has always maintained there ought to be fairness and equity in deliberations with the Government of Canada. I think that message has been well received by the people of Canada.

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, it seems clear that clause 10, including all of its subclauses, is a means by which compensation is going to be paid. That seems to be clear. Therefore one can conclude this clause is a direct result of representation being made to the government by someone.

• (1705)

Consequently what appears to be happening is that compensation is going to be paid. Someone has made application to the government for compensation and probably the sums have been clearly articulated. Through clause 10 this document is going to allow for that payment to be made.

The hon. member has laid this out so well and he seems to be clearly in opposition to what his own government is doing. Would the hon. member respond to what appears to be surfacing, that the application for compensation has been made, the legislation is in place under clause 10 to provide for that compensation and there is nothing we can do about it.

Mr. Nunziata: Mr. Speaker, I disagree. I think there is a lot we can do.

This bill is before Parliament. We are all parliamentarians. We have a responsibility to make sure this bill discharges the public interest. I expect all hon. members who feel as I do to speak out for the repeal of clause 10 in this bill.

If you read clause 9 of the bill it says that no one is entitled to any compensation from Her Majesty in connection with the coming into force of this act. This makes it clear that the deal is cancelled, but I have very serious reservations about clause 10.

The hon. member is correct. It is the vehicle by which a cheque could be written to Pearson Development Corporation and that is wrong. In my view it ought not to be paid anything.

I am not part of the transport committee, but I expect and hope that members of the transport committee will move an amendment rather than being sidetracked on issues such as a royal commission. That is a separate issue. With regard to the bill before Parliament, I hope that hon. members will move an amendment to delete clause 10. The deletion of clause 10 in effect will not allow for any compensation at all.

[*Translation*]

Mr. Ghislain Lebel (Chambly): Mr. Speaker, I would like to commend the hon. member for York South—Weston for his frankness and courage. Unfortunately, we have not observed the same qualities in all members of the party opposite.

I would like to ask the hon. member if he thinks, based on his experience, which I have tremendous respect for, because he has been in this House for a long time now and his reputation and honesty are well established, and based on the legislative program presented to us or which we can expect, if we will have a chance, as the hon. member for Thunder Bay—Nipigon said earlier, to review this whole Pearson Airport saga, especially when the famous legislation on conflicts of interest or lobbies on Parliament Hill is presented. In any case, it is rather hard to get an idea of what kind of legislation is coming, but I think that

he knows to what legislation I am referring. Does he think that we will then be able to deal with all that, as the hon. member for Thunder Bay—Nipigon said?

[*English*]

Mr. Nunziata: As I indicated earlier, Mr. Speaker, it is important that all the details of the Pearson deal be made public. I am not sure what vehicle should be used, but all the documents should be made public.

Mr. Nixon made some very strong comments but he did not go into the details. The details are necessary so we know for example exactly which lobbying firms in Ottawa were part of the deal and which individuals who are presently dealing with the Government of Canada partook in an activity Mr. Nixon found to be totally unacceptable. Public interest requires all those details to be made public. For that reason I support an inquiry.

• (1710)

The transport committee could conduct an inquiry. A three–month royal commission with a limited mandate and a limited budget could serve the same purpose. Or, Mr. Nixon who has already been involved in this matter could conduct the inquiry in an open fashion so that all the evidence could be heard and Canadians would know the exact details.

I do not think the decision or the desire to pay them compensation can be adequately discussed or debated unless we rely on the details presently available. As I said earlier based on the information I have and the statements made by Mr. Nixon, my conclusion is that there should be no compensation at all.

For future reference, given that we will be discussing an ethics package before Parliament, this deal could serve as a very strong example of how governments and lobbyists can harm the public interest in its deliberations and the type of activity that ought to be avoided.

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, I appreciate the opportunity to speak on this issue. I certainly appreciate the member's comments in opening up the matter quite clearly for all of us. I also hope this will peak the interest and raise the ire of Canadians across the country.

The privatization of Pearson airport and this government's hasty reversal of the privatization decision smacks of a political soap opera with very real consequences for the people involved, for Torontonians and for all Canadians. At this rate the soap opera will not have a happy ending.

The privatization of Pearson was a complex animal right from its conception. One of the reasons is that it was all done behind closed doors. It was a decision which grew more complex with, the passing of time and the ever increasing involvement of political players.

Now Bill C–22 comes along. It is not really a complex piece of legislation on the face of it. However the simplicity of its prose I am afraid masks what many believe is a complexity of intent on the part of the government.

Needless to say the Reform Party supports the cancellation of the privatization deal for Pearson, despite the fact that privatization of most if not all government industries would represent a great leap down the road to a new Canada. It is truly a shame the previous government and previous governing party was so mired in scandal and pork that it could put such a bad light in the minds of Canadians on this whole concept of privatization.

Of course Bill C–22 is no solution or remedy to the mess created by the former government. It just creates a new mess of its own. That is why it is imperative we scrap Bill C–22 by passing the motion of my colleagues in Her Majesty's Loyal Opposition and start from scratch to untangle this web of political intrigue, patronage and bad politics.

As we untangle this web we may find a new list of names along the way which played a prominent part in this whole episode. That I fear is the motivation in proposing carte blanche out of pocket compensation in Bill C–22, a bill that will not fix the Pearson problem but only make it go ever so quietly away.

I refer to the Pearson saga as a soap opera, but this soap opera has real players who have been genuinely hurt by this mess. As usual, the people who have the least to do with creating the problem are most likely to be hurt by it and least likely to be helped by the solution proposed by this government.

I refer to the residents of Toronto. They so very badly require Pearson to become a world class air terminal to serve a world class city. I refer to the men and women who would have done the work to modify Pearson. Those people were counting on jobs. I refer to all Canadians who whether they know it or not depend on Pearson, the most important hub airport in Canada, to keep business flying, to take Canadians efficiently to overseas trade destinations and to bring foreign traders in.

• (1715)

It is always the case that there is a ripple effect whenever a government makes a decision of any kind. This is precisely why government must learn to restrict itself, for it is inevitable that government when it acts will often disrupt the lives of people who have no stake in whatever particular project is undertaken.

Again, privatization is to be encouraged but when that privatization breaks down due to mismanagement and corruption, as it did in this case, then the reversal of that privatization must be undertaken with the greatest of care, even if it takes a bit of time.

That is not what happened here. This government wants to ram Bill C–22 down the collective throats of this House. It wants to ram Bill C–22 down the throats of Canadians. Whenever traditional government takes the decision to study something and issue a report, it is customary to expect that with the amount of time involved before bureaucrats get around to actually concluding something, so much dust will have settled and the pages turned so yellow with age that the problem will have evolved into something entirely different.

That was certainly the case for the last government and was also most certainly the case when this party was last in power. It is not in this case. I have become so sceptical about the workings of traditional politics that I cannot help but be suspicious that the sheer speed with which this government published its Nixon study and decided to allow for compensation reveals that this government has something to fear when it comes to leaving this issue on the table for too long.

The Pearson deal as it was struck needs to be revoked. Let us do that. Then, rather than granting the minister the power to dole out vast sums of money, somewhere in the neighbourhood of $30 million to $40 million for out of pocket expenses, a politically suspicious phrase if I have ever heard one, let us dig deeper into the issue to discover a couple of things. Number one, let us find out the degree to which the previous government bungled this deal.

A public inquiry, that is one dead horse that deserves to be beaten a bit more for fear that it may rise from the dead and trample once again on the political process in Canada. Let us take time to find out just how wide the web of political blunder has been woven. In particular, let us find out precisely the role of the lobbyists in this deal. Let us discover how many people have been needlessly and through no fault of their own adversely affected by the Pearson debacle in order that this government can provide restitution where restitution is due.

It is interesting to note the players who have come into being and whose party or whose companies and names have been published in other manuscripts. They should be examined closely. Let us use this as a case study in politics gone wrong so that it hopefully will never happen again.

We need to see just how much of a liability Pearson has been for the government. We know that a major liability has been incurred already and will grow if Bill C–22 is passed, especially with section 10.

Last, let us re–examine the privatization of Pearson to see just how to make it work. This time around I hope the government in power will exercise the political will and common sense wisdom necessary to bear in mind that political decisions like this affect more than just the political players involved. They affect everyone, the people who work at Pearson, the people who would rebuilt Pearson, and all Canadians who depend on Pearson in so many ways.

There is a valuable lesson to be learned from Pearson. By proposing Bill C–22 this government has proven to the Canadian people that they have learned nothing, especially with the compensation package. I hope that it will redeem itself by supporting the amendment to kill this bill, to stop the blind power of the minister to make huge repayments without accountability and by starting over.

• (1720)

If not, this government will have proved that narrow political interests are still at work controlling Ottawa and that the interests of hard working people have yet to be adequately represented by traditional political parties.

[*Translation*]

Mr. Ghislain Lebel (Chambly): Mr. Speaker, I want to congratulate the member who just spoke because his comments are very much to the point.

Since the hon. member is also in favour of setting up a royal inquiry commission, I want to ask him if he agrees with the Liberal member who said earlier that the costs related to such a commission would be somewhere around $27 million.

[*English*]

Mr. Hanger: Mr. Speaker, it is a good question as to the evaluation of costs. What do out of pocket costs or expenses mean if one is talking about repayment? I do not think I can evaluate that compensation package at this point. It would have to be exposed to the public and a clear examination done.

The hon. member mentioned something about a royal commission. I question whether a royal commission is necessarily the way to go. I certainly agree to an inquiry to have the package exposed to public scrutiny but not necessarily to a royal commission.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière–du–Loup): Mr. Speaker, I want to go back to the comments made by the previous speaker, who said that we must distinguish between privatization under circumstances which justify such a measure, and privatization under rather dubious circumstances such as in the case of the Pearson Airport.

I want to ask the hon. member if, in some future legislation on lobbies, it would be appropriate to include specific provisions on the concerns related to lobbies under particular circumstances where privatization is anticipated. Should we have specific rules concerning lobbies which could apply to this case, but which could also apply to any case, so as to be sure that those who have a vested interest are kept at arm's length?

[*English*]

Mr. Hanger: Mr. Speaker, lobbying has been around for as long as politics has been around. To really stamp it out through legislation may be a very difficult thing.

One matter that must be brought forward on any deal, compensation package or transaction the government involves itself in with private industry is if it is all laid out on the table for it to be examined by the public and everyone knows exactly where they stand in any operational deal, one is going to avoid a lot of questionable activities. If it is protected and hidden behind closed doors, the lobbyists will be the most effective. Exposing it to light, of course, they are the least effective.

From that point of view I would like to see things certainly brought to the forefront when it comes to any kind of privatization deal in the future.

[*Translation*]

Mr. René Laurin (Joliette): Mr. Speaker, there is an aspect of the issue which concerns me somewhat. Several members expressed concern regarding the cost of such an inquiry, and whether a royal commission is the way to go. Perhaps we could have another type of inquiry. The important thing is to have an instrument, a commission which will have the power to find out the truth. When it comes to deciding between a material interest related to the quick construction of an airport terminal and the common interest, we should not even hesitate if we want the public to trust institutions such as ours: we must favour the common interest and ensure that the public is protected.

• (1725)

If we have to wait a further six months before a third terminal can be built at Pearson, then so be it. During this time, the taxpaying citizens will know that their tax dollars are being used wisely. Moreover, if the government party's conscience is clear with regard to the former government's transactions and if the current government believes that it is not acting in a similar fashion, then it should have nothing to fear from a commission of inquiry. It would have no reason to fear that a commission would uncover some deals in which it may have been involved itself.

A transparent government like the one the Liberal Party likes to boast about should not have any concerns about inquiries conducted by a royal commission. It should not be afraid of answering questions put to it. Yet, the government continues to object to this request. Taxpayers may very well begin to question this government's sincerity. They may start asking themselves why the Liberals are trying so hard to avoid appearing before a commissioner of inquiry. When someone's hands are clean, there is no need to fear the truth, or investigators. There is no reason to fear disclosing someone else's past activities because they may be associated with ours.

I think that the comments made were sincere, but this should not be the end of it. We must ensure that the truth comes to light, that the public is informed of it, and above all, that with respect to other projects—it could be Hibernia or maybe the helicopter contract, another cancelled deal—the same questions will not come up again. When questions do arise and when the public interest is at issue, there should be no reason to fear asking the questions openly.

[*English*]

The Acting Speaker (Mr. Kilger): I do not know if the member for Calgary Northeast wishes to comment to the last intervention.

Mr. Hanger: Mr. Speaker, I do not believe there was a question there. There was certainly a considerable amount of information passed through his five minute presentation.

Again, going back to the royal commission and looking at taxpayers' dollars, what is to be gained by striking a royal commission? In looking at previous royal commissions they have been very expensive in nature. Can this matter be handled in a much more efficient way than a royal commission and the expenditure of millions more?

I know that Mr. Nixon did a study on the matter and there were certain recommendations and I believe that we should be looking closely at those recommendations. If they indicate that there should no compensation then there should be no compensation. I am certainly much in favour of that.

Apart from that, I really do not have anything more to say in reference to the member's comments.

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, I consider it a privilege to speak in this debate on Bill C–22. In the last election campaign, the leader of the Liberal Party of Canada travelled from coast to coast to promise a transparent government, among other things, to the Canadian people. Where is this government after six months in office?

I will quickly go over a few facts that, in my opinion, are revealing in this regard. As promised, the government cancelled the helicopter contract but we and the Canadian people still do not know how much this decision really cost.

Last December, when hardly anyone was paying any attention to what was happening in Ottawa, and while we were busy setting up our offices in Ottawa and in our respective ridings, the government announced an increase in unemployment insurance premiums. In its February 22 budget, the government tried to portray itself to Canadians as a generous and understanding government and a very good manager by announcing a premium reduction that will, however, only come into effect in 1995. This government does not want to let Canadians know that it has brought premiums back to where they were before it increased them.

• (1730)

In the Ginn Publishing affair, the government did not fool anyone who followed the case, and Canadians did not fall for the very strange and contradictory explanations given by the various ministers questioned on this subject.

The Official Opposition tried by every means available to shed light on the sale of a Canadian publishing house to an American giant. It was all in vain. All Liberal members and ministers continued to act in collusion, preferring silence to clear and unequivocal answers. They prefer to swim in neutral waters where only spoken words leave traces and where the Liberals feel tied by a verbal agreement apparently made by a minister from the previous government. According to a legal opinion given by the Department of Justice at the request of its client, the Department of Finance, this information is subject to solicitor–client privilege pursuant to section 23 of the Access to Information Act.

Given the lack of transparency of this government, it was impossible for the population to know for sure who was protected in this deal and who really benefited from it. This was followed by another troubling situation: serious allegations to the effect that the Museum of Nature was mismanaged. There was a general outcry from Canadian and international scientists, who asked the government to intervene before it was too late.

The Official Opposition pointed out, once again, before the Committee on Canadian Heritage that the population had the right to know whether or not the allegations were founded since the $18 or $20 million budget of this museum comes from taxpayers. Both Opposition parties demanded the right to let the committee hear witnesses so we could listen to both versions of the story. No such luck! The Liberals who are so proud of their transparency refused, once again, to let us shed light on this issue.

I will not pretend that I undertook an exhaustive review of this government's first six months in office. My purpose is rather to draw the public's attention to one constant in the few examples I have just given. The constant is this: every time the government could follow up on its promise of integrity and openness, it chooses subterfuges, even though, in the red book and in his speeches throughout the campaign, the Prime Minister said in various ways that openness was necessary if people were to regain confidence in government and in politicians.

Now let us take a closer look at Bill C–22, an act respecting certain agreements concerning the redevelopment and operation of terminals 1 and 2 at Lester B. Pearson International Airport. I will go right to the point and highlight briefly, in my own way, some of the events which began in April 1987.

First, the Conservative government agreed to entrust the building and operation of terminal 3 at Pearson Airport to a real estate company owned by Charles Bronfman. This first group of friends included Herb Metcalfe, a lobbyist for Claridge Properties Inc. and former organizer for Jean Chrétien; Leo Kolber, a Liberal senator who, as has been mentioned on many occasions, held a party at $1,000 per guest during the election campaign; Peter Coughlin, president of Claridge Properties Inc. and general manager of Pearson Development Corporation; Ray Hession, who was deputy minister of everything important in previous Liberal governments and has ties to Paxport Inc., as the *Ottawa Citizen* pointed out.

• (1735)

Later, Brian Mulroney's government went back on one of its decisions and in December 1992 decided to turn the redevelopment and operation of terminals 1 and 2 at Lester B. Pearson International Airport over to private enterprise. The deadlines were very short and only two firms could answer the government's call for tenders and bid: Claridge, for Charles Bronfman, and Paxport, for the Matthews group. Paxport Inc. was selected.

This time we find the Conservative government's real friends, including Don Matthews, president of Paxport Inc., who was president of Brian Mulroney's leadership campaign in 1983; he is a former president of the Conservative Party and chaired many fund–raising campaigns. His son–in–law, David Peterson, was Premier of Ontario. Mr. Chrétien asked Bob Nixon, a former Peterson Cabinet minister, to investigate, behind closed doors, the transaction that he promised to cancel on the very last day of his campaign.

Otto Jelinek, a former minister in the Conservative government, is a member of the board of directors of Paxport and president of an Asian subsidiary of the Matthews Group. Fred Doucet, a professional lobbyist and long–standing friend of Brian Mulroney, will be hired by Paxport; his name will also come up in the Ginn Publishing affair. As you can see, Mr. Speaker, it all holds together.

Bill Neville, another Paxport lobbyist, and a former chief of staff—a very interesting character, as you will see—of Joe Clark when he was Prime Minister, member of Brian Mulroney's inner circle and head of Ms. Campbell's transition team. He will have served all three of them; in his case, it was wall to wall.

Paxport Inc. was to demonstrate the financial viability of its proposal by February 15, 1993, but the government did not hold firm on this condition. Since its financial backing was not solid enough for this transaction to go through, Paxport will have to turn to their pal Charles Bronfman and ask him: "Come to our rescue, competitor dear. Let us merge and acquire a controlling interest in this highly profitable airport. This will allow us to add millions to our respective family trusts". As a result, T1 T2 Limited Partnership was established; it was the only way to go on with negotiations with the government. Furthermore, Cla-

ridge, the rival company, became a majority holder, with 66 per cent of the shares, while the company initially selected to implement this project found itself holding a mere 17 per cent of the shares of the new company, based on what it could afford.

To make this enterprise very profitable for its friends, the government undertook to divert passenger traffic to that airport and curb, if not stop, any airport development activity within 75 kilometres of the Lester B. Pearson Airport.

Since the government apparently had unlimited funds available given the possibility of making deficits, it dug out several other millions to complete this privatization which would allow the government's friends to get rich on the backs of the taxpayers. To sell privatization to key groups, the following compensations were offered: severance pay for Transport Canada employees, for a grand total of $5.5 million and this, in spite of the fact that all jobs had been protected for at least two years with Pearson Development Corporation.

Add to that a 15 per cent contribution toward the rent paid by Air Canada and foreign airlines using the facilities at Terminal 2.

• (1740)

Moreover, while the government had expressly committed itself to not finance the construction, repair or renovation of terminals 1 and 2, it secretly decided otherwise by agreeing to a 40 per cent carry over on rent, through a good clause in a contract which is about that thick. I saw it this morning and I was rather surprised. The money will be paid back later, with interest based on the Bank of Canada rate, plus 2.5 per cent.

The Lester B. Pearson Airport generates profits, and this could make it attractive for third parties. Yet, in a contract that thick, the Canadian government did not even include a clause to enable it to oppose such a transfer, so that the airport operations could fall in the hands of foreign interests and the government would not even be able to do anything about it.

There seems to be sufficient reasons to justify a public inquiry. Indeed, in the report which recommended cancelling the privatization of Pearson Airport, Mr. Nixon mentions that the role of lobbyists in this case went largely beyond what is normally acceptable, especially as regards the reassignment of several senior civil servants. The report also points out that to conclude a transaction of this scope during an election campaign flies in the face of democratic practice.

The first eight sections of the legislation cancel the transaction and prohibit any suit against the Government of Canada and its officials. Fine. The Liberal government had made a promise and, for the second time, it gets out of a written commitment involving several million dollars. First, it got out of the helicopter contract and now, through a piece of legislation, it is getting out of a hastily drafted contract regarding the Lester B. Pearson Airport.

How can this same government claim, as it has been doing for months now, that it was not able to get out of an oral commitment made by a minister of the previous government, while it gets out of the written agreement? This government is not fooling anybody, and the inquiry could reveal other things.

What is really behind the cancellation of this whole deal? Is it that too many Conservatives and not enough Liberals were benefitting from the transaction? Or, was there some fear that the scheme would eventually be discovered?

There is reason to be worried, and Canadians will come to know the contents of this bill. Just when they are being asked to tighten their belts and prepare for a review of their social security net, the government wants to enact legislation favouring those who let certain political parties come to power.

Pursuant to clause 9, there will be no compensation in connection with the coming into force of the Act. But, according to clause 10, compensation may be awarded if the Minister deems it appropriate. This is doctoring, Mr. Speaker! I was very happy to hear other members say that to leave all that power in the hands of the minister was dangerous, as some bleeding is occurring and God knows when it will stop.

Here is my conclusion: This government is hog–tied thanks to friends of the system who, year after year, continue to fill the campaign coffers of both the Liberal and the Conservative parties.

• (1745)

And I will remind hon. members that the Leader of the Opposition very clearly demonstrated this morning that the five largest Canadian banks split their donations fifty–fifty between both traditional parties, handing out almost half a million dollars, that is $250,000 to the Liberal Party and $250,000 to the Conservative Party.

These old political parties take into account the best interests of those who make it possible for them to take turns running the country, while ignoring the best interests of the public.

The time has more than come to put public finances on a healthy footing by introducing a bill concerning the financing of political parties, something similar to the legislation passed by the Quebec government.

In this case, we do not have any other choice but to set up a royal commission to clarify this very dismal and shameful instance of patronage.

This commission could, if necessary, recommend the amounts of money to be paid following the cancellation of the current contract. However, it is understood that this money could not be used to cover any potential profit T1 T2 Limited Partnership

could have made from Terminals 1 and 2 at Pearson Airport or to cover the fee paid for the purpose of lobbying a public office holder.

To put it plainly, that covers any fee paid to the lobbyists who made the government do their bidding by reminding them who in fact is responsible for their election.

Canadians are sick of this government's lack of openness. They are sick of these secret promises that cost a bundle to Canadian taxpayers.

Canadians have had enough of this government protecting its friends and paying back those who financially supported its election campaign. They have had enough of the promises made in the red book—which, when I was young, referred to the used cars listing—and which makes the government look good and projects an inaccurate picture of its true identity.

In short, Canadians are sick of promises that keep the wheel turning, that allow the rich to get richer, the poor to get poorer, and the traditional political parties to take turns at running the country and taking a slice of the pie.

Canadians have reached the threshold of tolerance and have lost confidence in a government which, in a very short period of time, has missed all the opportunities it was given to restore confidence and refused to show any openness.

On their behalf, I too call for a royal commission to get to the bottom of this shocking deal.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, I want to thank the hon. member sitting next to me for her clear demonstration. It was very instructive and we can see that her experience as a teacher is now useful when time comes to give very clear examples.

I really liked the comparison she made with Ginn Publishing. Whereas the Pearson Airport situation is the doing of the previous administration, the Ginn Publishing matter is the responsibility of this government but, in both cases, we see the same pattern of unclear behaviour which maintains the behind-the-scene influence of the lobbyists. I would like my colleague for Rimouski—Témiscouata to give us more details about the changes to the financing of political parties that would be needed to correct this situation.

In a sense, this reminds us a little of what may have happened in Quebec before 1976, particularly during the first two terms under Robert Bourassa, that is from 1970 to 1976, when questionable practices were common.

We had people somehow similar to those mentioned in the speech. In Quebec, Desrochers, for example, was maybe the type of person to do that kind of work.

• (1750)

Quebec managed to break free from such practices thanks in particular to the way Mr. René Lévesque revised the financing of political parties. I would like my colleague to clarify for us the ways to eliminate the questionable relationship between governments and lobbyists.

Mrs. Tremblay: Mr. Speaker, I thank my colleague for his question and for giving me an opportunity to talk a little bit about political party financing.

It is, obviously, extremely important that the federal government address this question and make a fundamental change to prohibit all companies from making donations to political parties. The money to fund political parties must come from individuals and there must be a limit on contributions.

We have seen what has happened in the past. If we look at Mr. Desmarais' contribution in the Charlottetown referendum campaign, each of the eight members of his family, including a three-year-old girl, gave $3,000. His contribution could not exceed $24,000. That is a far cry from the $250,000 campaign contribution he could have made.

It is the same thing with Bombardier. These companies have to paint themselves red or blue. It would take too long to give a detailed answer to my colleague's question, but if we took away the right of companies to donate money to political parties, we would not have such a mess on our hands. If the legislation on lobbyists was reformed, we would know exactly how things work and we could get to the bottom of the matter.

The same applies to people who appear as witnesses before committees. We should adopt the American system where sworn testimony is the rule, otherwise the work of committees is pointless.

[*English*]

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, I think it is clear that when a government stops a deal like this the question is how can it do so without alienating very powerful people within Canada who are involved in the deal. It is obvious how the government has arranged to do that and that is through section 10. Section 10 is clear evidence that an agreement has been made. Not only that, in order to satisfy everyone that agreement has to be consummated in very short order.

Subsection (3) of section 10 states:

> No agreement may be entered into under this section after one month after the coming into force of this Act.

All the payouts are going to occur one month after this act is passed.

The agreement that has been made, and it is obvious to me and everyone who has looked at this situation, is that the compensation package has been put forward by those people to the

government. It has been agreed upon and we are simply going through the motions. Because we are in a majority government situation, this is going to be passed. This is a fait accompli.

I would like to ask a question of the hon. member who spoke so eloquently about this situation. The Bloc is recommending a royal commission of inquiry. Does the member not feel it is time that the standing committees of the House were empowered to deal with these kinds of issues? Should they not have the power of subpoena and the power to bring witnesses before the standing committees to examine them? Should not the elected representatives be playing the role that the royal commissions of inquiry have in the past at enormous costs? Ought we not to be doing that job? I am asking the hon. member if she would agree with that. If she does, would she make that recommendation to her caucus?

[*Translation*]

Mrs. Tremblay: Mr. Speaker, I thank my colleague for his very pertinent question and his very judicious comment. It is quite clear that one does not need a crystal ball or clairvoyant powers to see what is in clause 10 of the bill.

Thanks to clause 10, people will recover what they lost when their contract was cancelled. I agree totally with my colleague on that point.

• (1755)

Unfortunately, I do not believe in the work of committees. Based on my personal experience, I find these committees a sham. Unless we can have people subpoenaed and testify under oath, these committees are merely entertainment for most Liberal backbenchers, but are becoming quite a waste of time for us on this side.

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, let me first of all congratulate my colleague for her speech. What I retain from her remarks is the kind of relationship, the kind of scheming brought to light on this issue, between various successive governments.

Basically, my colleague for Rimouski has very eloquently demonstrated the relationships that the Liberal–Conservative contributors and the Conservative–Liberal contributors have had sometimes with the Conservative government and sometimes with the Liberal government. As we can see, it all boils down to the same thing. That is something to really think about. Our colleague for Crowfoot suggested that clause 10 in this bill hints that there is a deal somewhere, but that it obviously cannot be outlined in the legislation. What is stated in the bill is that the Minister may approve any agreement submitted to him within 35 days after the passing of this legislation.

I would like to hear my colleague further on that kind of deal and also on that kind of Liberal–Conservative or Conservative–Liberal buddy–buddy system, because of which we always find ourselves in that kind of situation. The people invited to a $1,000 or $3,000–a–plate dinner are not the kind of people the Prime Minister referred to as beer drinkers last week, but rather people arriving with their six–pack of champagne and generous contributions for the Liberal Party.

The only way we can resolve that problem is to pass a legislation on the funding of political parties and electoral campaigns. I like to remind people that since such a piece of legislation was passed in Quebec, no matter what government is in power in Quebec, there has been no instance of wrongdoing brought to light. How come? Because of the transparency of the funds contributed to the parties. I would like to hear my colleague speak on that.

Mrs. Tremblay: Mr. Speaker, I will be very brief. Obviously a deal has been concluded, this is very clear in this legislation. This is the only thing transparent in this bill, there is a deal. Now it has been repeated during the whole campaign, Conservatives and Liberals are six of one and half a dozen of the other, they amount to the same thing. If we are able to rise today in this House and condemn this legislation, and denounce the scheming and the patronage, it is because our hands are clean.

Some hon. members: Hear, hear.

The Acting Speaker (Mr. Kilger): It being 5.56 p.m., the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

INCOME TAX ACT

The House resumed from March 22 consideration of the motion.

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, it is a pity we have to move on to other things, because we were having a very interesting and lively debate. We will now proceed to something more technical dealing with child support payments, a subject which is rather important in itself.

This issue arises in a context of developments to which society must adjust. Broken families are more and more prevalent and, even though it may not be desirable, the government must adjust itself to these new circumstances.

The motion presented by the hon. member for Nepean reads as follows:

That, in the opinion of this House, the government should amend the Income Tax Act so that child support payments are no longer considered taxable income for their recipients.

• (1800)

This is a very interesting motion, but we should nonetheless consider both sides of its potential impact. Some of my colleagues have already mentioned that the Bloc would support this motion. That is what we will do.

But I would like to make a point. Under the current system, the parent who must make support payments—that is the father most of the time—can deduct those payments for income tax purposes. The mother who receives support payments must include them in her own taxable income.

The first goal, naturally, is to avoid double taxation and to tax the income in the hands of the recipient. Another consideration would be to allow the taxpayer with the lowest income to include the payments in his or her income in order to lower the tax amount. Those are commendable goals but they create in fact a deep feeling of injustice.

The one question that should be asked is: Who is the recipient of the support payments? They are paid to the mother and she must include them in her income. In fact, it is income that is used and should be used for the children, and, in most cases, it is used for the children. It is often insufficient, however, since it must take into account the ability to pay of the spouse or of the person who is making the alimony payments. And the person who receives the payments must pay income tax on it.

This creates a feeling of injustice because, in reality, the income should go to the child. Does the child have to pay or support income tax, finally? The child has no income, and this could be the problem. Should we really make this income taxable?

This may be where we should improve on the proposal. Insofar as the person receiving the alimony payments is not required to pay income tax or to declare these payments, we should make sure that, in establishing the amount of alimony, a judge is not influenced by a change in the tax system.

Take for example the case of a person receiving alimony of $6,000 a year or $500 a month; the person would receive a gross income of $500, and a net income of let us say $400, which would allow for $100 in income tax. We could be in a situation where a judge would take the new tax rules into account and say: "I will ask the spouse to pay only $400. He will pay tax only on $400 and the beneficiairy will receive the same amount as before".

We would then be in a neutral situation for the person collecting alimony. I do not think this is the purpose of the motion presented by the member for Nepean. I think that its objective is to ensure that the gross amount that is paid becomes a net amount, and that the spouse who is giving child support bears the tax burden, as if in fact that spouse was still part of the couple and should pay for children's expenses.

We could say: "Yes, but in fact, the simple thing to do would be not to tax either side". That is dangerous, because that would easily encourage a transfer of income from one spouse to the other, so that a good part of the income would become non–taxable. That is not really desirable. A part of the income must continue to be taxable.

The question we must ask ourselves is: Must the children support a part of that tax? For the government, taxing the spouse who is giving child support payments would have a stimulating effect on the income since that income is often higher that the one that gets the spouse who is receiving those payments. On the other side, that might encourage single–parent families. That should be examined.

There is also an aspect in this issue that should not be overlooked. A good part of the problems does not stem necessarily from the tax treatment, but often from the incapability for a spouse who is entitled to child support payments to actually get them.

• (1805)

We all know or are often told that an ex–husband or ex–wife may often have one or several unreported incomes. We all know that the underground economy is thriving and that a spouse can avoid paying alimony. In such cases, it is very difficult to do something about it and proceedings are long and expensive. We are looking at a group of people who do not take their responsibilities seriously. I am not saying everybody is like that. Despite the fact that their family is apart, many people remain very much concerned about the development of their children and take their responsibilities seriously.

In some cases, however, things are much more difficult. We should insist on the protection of ex–spouses, and in particular ex–wives because there are much more ex–wives who experience problems with alimony payments from their ex–husbands. I think these are issues that should not be dealt with separately. They should be integrated as a whole. In that sense, I think it is a good proposal but, as I said, we should take that into consideration.

After checking this afternoon, according to information we received, it would appear that judges tend to take the tax treatment into consideration before allowing an amount to an ex–spouse. That being said, if they do that now, chances are that they will continue to do that in the future and that they are going to take into account the amendments brought to the Income Tax Act.

We should clarify things so as to avoid an adverse impact from this measure. I understand that it is only a motion and that we want to set out a principle. I think that we all have to agree on that principle. Even the members from the Reform Party who said they were against the motion recognized that principle. They are not opposed to it. However, they said that they had

problems with the technicalities. That is possible, but that does not mean that there is no way to improve them.

The member from Nepean thoroughly researched her motion. She talked about the origin of the alimony, which began in the 1940s, and the way it operates for income tax purposes. She was perfectly right when she said that the context or the legislation never made any progress over the years. She talked about the principle of deduction/inclusion since it is possible to make a deduction on one hand, and on the other hand, to include the amount that has been deducted in the other income which is not correct and which, according to several people, seems quite unfair.

In that sense, I think that knowing that she has the support of this side of the House, she should now go one step further than what is proposed in her motion and talk to the minister of Revenue and the minister of Finance.

I am sure that the Department of Revenue reviewed the matter. When this was debated earlier in the House, someone mentioned that, in the United States, no distinction is made between the portion of the alimony used for the expenses that a woman must incur by the very fact that she has children, and the portion of the alimony used for the expenses directly linked to the children. There are two categories subject to different tax treatments. Perhaps this is an alternative worth considering, an interesting approach. One should also look at what is done elsewhere. There are certain things which are easy to do and which would allow a fairer system. This is the meaning of her proposal.

Finally, in introducing this motion, the member has been guided by deeply humane motives. We are going to support her proposal, but we must go one step further in the technical details so as to ensure that what we want to put forward will not have adverse effects.

[*English*]

Ms. Bonnie Brown (Oakville—Milton): Mr. Speaker, it is my pleasure to speak in support of the private member's motion put forward by my colleague from Nepean. Her initiative provides an opportunity for this new Parliament to address not just one issue but three recent phenomena which Canadians are not happy about.

The motion specifically addresses the taxation of child support payments, but more broadly asks us to examine the distribution of wealth in the country, the growth of child poverty and the cohesion between the values of Canadians and the policies of government.

First let us look at the distribution of wealth. If you put all the families in Canada together and then divide them into five equally sized groups, you see some interesting numbers. The 20 per cent at the top level of income receives 40 per cent of the income paid out. The lowest 20 per cent receives only a meagre 6 per cent of the income.

• (1810)

If we go further and combine the two lowest groups of 20 per cent and form a new group that represents 40 per cent of all Canadian families, we will find that this substantially sized group receives and lives on only 18 per cent of the total income. Compare this idea of the bottom 40 per cent living on 20 per cent of the income with the top 20 per cent living and spending 40 per cent of the income.

The remaining two groups in the middle receive 18 per cent and 24 per cent respectively, hovering close to the 20 per cent figure that the group represents.

I ask the House whether as representatives of Canadians we are satisfied with this situation? I know it is a large question but I think it is appropriate to ask it in the early stages of a new Parliament because today's debate is the first opportunity to begin to consider it and keep it in mind as we discuss tax reform and the 1995 and subsequent budgets.

Personally I am not satisfied with the fact that 20 per cent of our families struggle to exist on 6 per cent of income because I know that in those families live children who are not getting their fair share of the wealth of their country.

Second, let us look at this phenomenon of poverty of children in Canada. Statistics Canada reports that 1.2 million children under the age of 18 live in poverty. The effect of poverty on their health is particularly significant, given that poverty at the earliest stages of life has a lasting impact on health status that extends into adulthood.

This is further illustrated by the fact that the infant mortality rate of children in poor neighbourhoods is almost twice as high as that in rich neighbourhoods. In 1992, 900,000 children needed to use a food bank and about one in eight families were living in substandard housing.

I am not satisfied with these statistics either. They remind me of a situation in an emerging nation where a few live like kings and the many struggle to exist. They even bring to mind the word oligarchy where a powerful few are in control and are accepting of and tolerant of the sight of hungry children.

Canadians reject the idea that such a system is acceptable. Canadians question the appropriateness of obscene salaries for certain chief executive officers. In *Maclean's* magazine this week Allan Fotheringham in his column writes about a Canadian CEO who was paid $6.9 million last year and asks the question: "Is anyone worth $6.9 million for one year's chores"?

Many Canadians are suffering, food banks are blooming but somehow there is enough spare change in the system to pay one person $6.9 million. This is offensive to Canadians who value fairness and dignity for all. It is offensive to a people committed to peace, order and good government.

This is the context in which we address the question of the taxation of child support payments. Today on breakup of a marriage one parent usually gets custody of the children and the other parent is ordered to make regular payments. The money received by the custodial parent is considered to be income and is taxed as such. The non–custodial parent is allowed to deduct the amount transferred over the course of a year from taxable income on the annual tax form.

I believe that from the outset this is unfair compared to the situation of intact or two–parent families who file income tax returns. In a two–parent family both parents spend money on their children's welfare all year but neither of them is able to add it all up and then subtract it from taxable income.

Today we are actually rewarding the non–custodial parent by providing a tax break not enjoyed either by single custodial parents nor by the two parents who stay together.

Why did we ever do this in the first place? It was thought that if income tax was paid by the custodial parent, usually the mother who was in a lower tax bracket, that less money would go to the government and there would be more for the children. This idea was obviously developed by people who had never been divorced and who thought that the concept of the original family including mutual support and nurturence continued beyond the date of the divorce.

• (1815)

It ignored several realities, the reality that divorce is adversarial and usually leaves in its wake revenge and bitterness, the reality that divorce requires the maintenance of two households with accompanying costs, and ignored the reality that the non–custodial parent embarks on a new lifestyle with new demands and unanticipated costs. It ignored the reality that the family which remains loses one adult worker to share housework, home maintenance and child care. It ignored the reality that the custodial parent inherits the work, the worry, the emotional and intellectual strain of maintaining a home and being on duty 24 hours a day for the children.

Our tax system rewards the parent who leaves and penalizes the parent who stays.

Some would say that amounts to be paid are the business of the courts and that judges and lawyers today are calculating all these facts when they gross up support payments. But some of these decisions are 10 to 15 years old and not only are the amounts paid totally inadequate but no gross up ever occurred in the original calculations.

Some would say then it is time to go back to court for a change of circumstance review. I would say those who give such advice have never been divorced either, or at least have never lived the life of a single parent. Single parents are usually poorer than their peers who are still married. They are often exhausted because of the burden they carry.

Picture a single mother of three teenagers who has been divorced for 10 years. Chances are she has already been back to court several times attempting to secure arrears owed to her, or perhaps she has registered with the provincial system designed to chase the non–custodial parent for arrears owing. Neither system has served her or her children well.

The result of these systems that do not work on the members of a single parent family is a feeling that they are less valuable to society, that they are marginalized in their struggle to survive. The temptation is to give up.

When poor single parents read in the paper that 61 per cent of single parent families live in poverty at an average of $9,000 per year below the poverty line it confirms to them the reality that they are living every day. It is not encouraging to them.

I and the other members of this new Parliament have inherited a country where over the last nine years the free market and government inaction were supposed to enhance the economic wellbeing of all but Canadians have come together to agree that that system did not deliver the results they were looking for.

They are expecting us to shake off the political paralysis and to shed the philosophy of inaction. They are asking us to unleash the political will for changes that will restore a sense of fairness to all Canadians.

Amending the Income Tax Act so that child support payments are no longer considered taxable income for the recipients is admittedly just one piece of a much larger puzzle but this motion before us tonight is the first chance we have had to demonstrate that we too are appalled by the statistics on the poverty endured by children in single parent families and that we are committed to restoring hope to those children.

Our support of this motion sends a message that we are not timid. We are not afraid to challenge the status quo. Rather it says that we who formed this government reflect the deep held values of Canadians and that we do have the political will to make the changes necessary to reinstate fairness as the hallmark of Canadian society.

[*Translation*]

Mrs. Eleni Bakopanos (Saint–Denis): Mr. Speaker, I welcome this opportunity to support the motion presented by the hon. member for Nepean. The issue of support payments is a

very important one for many people, especially for women and children.

The current legislation discriminates against children born in poor families or families headed by single parents. This motion is needed to improve the circumstances of women and children. The legislation was passed 52 years ago and has changed very little since then, but society and the status of women have changed a great deal.

In the forties, the government introduced what was considered progressive legislation. In 1994, that is no longer true.

• (1820)

[*English*]

In 1942 when this policy was first developed the support payers, at that time mostly men, invariably earned more than their wives so that the tax brackets of the two parents were different. The husband would save more by his deduction than the wife would pay in tax and that net savings would conceivably be passed on to the child. In some cases of course this has happened, though to so few that it makes little difference. Three facts make support of this motion essential.

To begin with the reality of separation and divorce is rarely so easy, and I am sure we all know of cases where children have become pawns in parental disputes. Children who generally never have a say in such matters are left without a voice in their own future.

Change of the income tax code will not eliminate this problem but it will be a significant measure to combat it.

[*Translation*]

It is also true, that after a divorce, the husband's standard of living goes up while that of the wife and children goes down. Justice in this case is impossible under the prevailing legislation.

[*English*]

Second, since the reform of the tax code several years ago the number of tax brackets has been reduced to three. The likelihood of tax differential has dropped merely as a result of that factor alone.

[*Translation*]

Today, the likelihood that both parents are in the same tax bracket is far greater. It means giving a break to the non-custodial spouse and obliging the spouse who does to pay income tax. The system does not make sense, and when all is said and done, the money saved rarely goes to those who need it most, in other words, to the children.

[*English*]

Third, when one also considers that more and more women are part of the labour force than when this law was introduced, it becomes even clearer that the system has become a system of subtle discrimination against women. In other words, as women have entered the labour force their relative responsibilities regarding the family have stayed the same as witnessed by the fact that still very few men gain custody of children.

With the duel responsibilities of family and work single parent women suffer all the more because their child support is taxed back once again. This was never an intention of the original law.

Let us look at a typical situation of child support payments. Across Canada we have the problem of many so-called deadbeat dads who do not pay child support in full. If for example supporting a child would cost $10,000 per year, that income would naturally be taxed back. Often settlements will include that extra amount. Therefore the net amount would stay the same.

Unfortunately if the support is in partial default the parent with custody, and again I repeat almost always the mother, must pay tax on an amount already insufficient to support her child, whereas the defaulter would still get a tax credit on what he did pay.

If the defaulter paid half the amount, which is $5,000 in this case, the mother and the child would suffer from not having enough money and the obligation by law to pay for it while the man would receive a tax credit on the part he did pay with no penalty.

A law that allows this sort of shocking absurdity must be changed.

[*Translation*]

We often hear stories about how hard it is for single parent families to get support payments. They are often poor, and the government penalizes them even more.

I hope members of all parties will realize that this motion is not just a matter of amending the income tax, but of letting justice prevail, so that these people will have a better life than they do now.

I also want to say that the changes proposed by the hon. member for Nepean are entirely sensible and economically viable. Our social programs support many women who then have to spend money they do not have to pay taxes. Often poor women cannot work because it would be too expensive. Being on welfare undermines a person's hope and dignity.

• (1825)

The purpose of social programs is not to help divorced spouses. The current system is unnecessarily costly.

[*English*]

We have to remember some important facts about the broader issue of single parent families. Large portions of poor children come from mother supported single parent families. Single parent families most often live either just on the edge of or below the poverty line.

I think we should all recognize that to fail to change this law would result in some people—I remind all members that these are living, breathing children not just numbers out in space somewhere—not succeeding where a relatively minor measure, from our point of view, might help them to succeed in their endeavours.

However, if you look at the law it seems that we actually try to hurt our youth. Youth issues have always been important to me and I am sure to all my colleagues and I must oppose any measure which we know makes life even more difficult for the youth of Canada.

As my colleague pointed out when she introduced this motion, Canada seems to be unique among first world nations in that it taxes child support. The United Kingdom, the United States and Australia were all among the nations she cited then as being more progressive than Canada.

It is at this point that I wish to criticize the member for Calgary Centre who asserted in the House on March 22 that because child support would then become income exempted the government would receive less money and therefore damage the economic wellbeing of the country.

Once again the Reform Party is failing to take into account the long term. Not helping our children now might lead to greater family insecurity, welfare dependency and even crime, subjects I know all members are currently concerned about.

I must disagree with his analysis of the validity of this motion.

[*Translation*]

Can we truly say that the system is fair? No. Many experts agree that the legislation should be changed as soon as possible. This is not just a debate between men and women. Children are the ones who are affected most by separation or divorce, and in all cases, it is the children who suffer.

Can we tolerate the status quo, when measures taken by the government today discriminate against youth? We cannot, Mr. Speaker. Young people are our resource for the future. Our government has many programs that are very important, and I am glad to support them. However, what we give with one hand, we take back with the other. We will never achieve prosperity if we maintain measures that discriminate against young people who have not had all the opportunities to which they are entitled in a country as rich and strong as Canada.

Once again, I want to commend the hon. member for Nepean for presenting this votable motion. I hope that all members of this House will take note of this motion and support it without hesitation.

[*English*]

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I am particularly pleased to rise and to speak to this motion this evening. It addresses an issue of importance to our nation and it is of importance to families, whether together or apart, and that is taking responsible action to ensure that our children are well provided for.

Having said that, I believe that the Income Tax Act should be revenue neutral when considering taxable income for families that remain intact and for those that separate. Presently it is not revenue neutral.

I want to make it crystal clear from the outset that I support this motion in principle. However, it does not go far enough. It is because of the manner by which it does not fulfil the principle that ultimately I cannot support it.

I will explain how the motion goes right and how it goes awry. In keeping with the practice established by my Reform colleagues in this House, I will propose constructive suggestions for making this motion more acceptable.

I commend my hon. colleague, the member for Nepean, for having identified a piece of legislation that is in absolute and desperate need of reform. She pointed out that the legislation was enacted during a time when women seldom worked outside of the home. The year was 1942 and for those post war times the legislation was developed in good faith.

• (1830)

However, the relevant section of the Income Tax Act has become severely outdated. It no longer properly reflects the contemporary reality of divorce. In particular, it fails to address the reality of the millions of Canadian women who work outside the home. Let me share a little of today's reality for those women whose spouses have left and who are raising children on their own.

Statistics Canada has indicated that a large and growing number of single parents, particularly women, suffer a decline in their standard of living in income relative to the parent who no longer lives with his or her children. We have heard that argument numerous times in this debate.

The Income Tax act provides for deductibility of child support payments by the payer and their inclusion into income by the recipient. If the payer had remained in the family unit, his or her ability to deduct child raising expenses would in most cases be reduced.

For example in 1993, the main income earner in a typical husband, wife and one child family would have received a child tax credit of $1,002 for a dependent child. That is if they lived in Alberta and the child was between seven and eleven years of age. If the family income was above a threshold level, then no child tax credit would be paid and the cost of raising the child would provide few, if any, tax deductions. If the parents separated in 1993 and the highest income earner supported the child only through fully tax deductible payments, $500 a month for example, he or she would obtain this significant tax deduction.

It is estimated that by allowing the deduction for the non–custodial parent and taxing the payment received by the custodial parent, generally the one with the lower income, it cost the government $235 million in tax revenue in 1992. With tougher laws enforcing more parents to pay child support it is expected this amount will grow. One can call that a moral hazard, if you will.

I agree with my colleague across the House that the Income Tax Act seems to treat the parent who leaves a relationship and who has fewer responsibilities for raising the children better than the parent, usually a woman, who remains with the children. Let me give an example of how this is the case. This example does not just come out of thin air. It reflects a number of real Canadian situations and actually comes out of my riding of Calgary Southeast.

This is the case of a married man and woman. He made $85,000 a year and she was a homemaker who received no income. This couple divorced and the woman received custody of the children. He continues to earn $85,000 a year and she now has a job that pays $17,000 a year. As part of the settlement he agreed to pay his former spouse $6,000 a year in support payments for his children.

What we need to look at is the $6,000 given as maintenance support. Under the present tax system, the recipient of the $6,000 pays income tax on this amount and the payer, the former husband in my example, receives a $6,000 tax credit. This system provides tax incentives for spouses who leave marriages and who do not raise the children.

A person who divorces, thanks to the existing legislation, receives a windfall for leaving the marriage. Certainly it is not the intent of the legislation to financially benefit a person for leaving family responsibilities behind.

The Income Tax Act as it now exists for reasons I have just mentioned contributes to a perception that there is little legislative support for families torn apart by divorce. This situation is intolerable. Ultimately it hurts the children.

The present system as I see it is flawed for two reasons. The first is allowing the ex–husband to claim a tax credit for his maintenance payments and the second is taxing the ex–wife for the amount she receives. Both of these problems show a failure of the government to encourage or recognize the importance of stabilizing the family unit and responding to the ongoing responsibilities of caring for the children involved.

• (1835)

The motion my colleague has proposed recognizes this inequity to be sure and attempts to redress it. However, I am concerned that her motion fails to be equitable. The pendulum may have been too far on the side of inequity, but the answer is not to swing it all the way in the other direction.

What is needed is some real compromise that will ensure ultimately an effective standard of financial support for the children who are affected and that will treat all affected parties fairly.

The motion allows the recipient, regardless of his or her income, to not have to claim the maintenance he or she receives. It is the lack of recognition of the income component received that is inequitable.

There should be a means test applied to the recipient in order to determine when and if he or she should pay any tax on the maintenance payment. This could be done quite simply. I suggest a recipient should pay no tax on maintenance payments up to $1,000 a month. Any maintenance payments over $1,000 a month should be included as taxable income by the recipient parent.

The changes I would like to see to this motion would in effect see no tax being paid on the amount that is paid in child support up to an acceptable limit by either the custodial parent or by the spouse providing the support. My suggestion is that the child support payment not be taxed as part of the income of the custodial parent unless that amount exceeds $1,000 a month. For example, if it was $1,200 a month, the $200 per month would be added to the income of the recipient and that portion would be taxed.

This may not result in loss of government revenue over all, but it is really too early to tell what the net effect may be. It is unclear at this point if there would indeed be a net tax loss through such an approach. In fact, in the long term it may ensure greater financial support for the children.

I spent quite a bit of time over the break developing this particular thesis. Perhaps it is not quite the same approach my colleagues on this side of the House have taken to this point. However I felt it was also very important to express my views on behalf of those constituents who have approached me for a very long time on this matter.

In conclusion given that the motion refers to changes in the Income Tax Act, I must mention the following. My colleague wishes to make the Income Tax Act more fair for all parties. A good place to begin is with a flat tax system. It could be the case that if such a flat tax were implemented then we would not have to be looking at yet more complicated changes to an already complicated tax system.

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton): Mr. Speaker, I rise today to speak in support of Motion No. 14, introduced by my colleague, the hon. member for Nepean.

The motion urges the government to amend the Income Tax Act so that child support payments are no longer considered

taxable income for the recipients. This debate presents an opportunity for Parliament to correct a contentious longstanding problem with the Income Tax Act.

The provisions in the tax legislation which provide for tax deductible child support payments were brought into force in 1942. Canadian society has progressed a great deal since the 1940s, but unfortunately where the issue of child support is concerned the tax laws have lagged behind the new realities of today's society.

In Canada today there are nearly one million single parent families, or 20 per cent of all families with children. Eighty per cent of these one parent families are headed by women. Over half of these households live in poverty. Although they represent a small number of Canadian households, only 3 per cent, these single parent families headed by women bear 17 per cent of this country's total poverty burden.

• (1840)

The issue we are debating today involves more than changing legislation. The fundamental issue in this debate is justice for single parents, especially single mothers.

During this debate we must examine the intent of the current legislation and the effect it has on today's families. Because 98 per cent of child support recipients are women, it is fair to say that the present child support provisions in the Income Tax Act have a detrimental effect upon women and children of single parent families.

The tax treatment of child support payments actually decreases the ability of single parent women to support their children after separation and divorce. It creates even greater disparities between custodial and non–custodial households. The income of support payers is roughly double that of recipients and their dependants.

It is a fact that after divorce women and their children tend to suffer a decline in their standard of living while the man's tends to rise. With 57 per cent of single parent families headed by women living below the poverty line, the Income Tax Act must be changed to reflect the realities faced by single parent families in the 1990s. By changing the legislation the government would be helping to foster a healthy environment for children of single parent families.

The finance department views the tax deduction provided to child support payers as an incentive to make support payments. However, the Canadian Advisory Council on the Status of Women has stated that studies show child support payment default rates as high as 85 per cent.

Furthermore the finance department feels that the current deduction also encourages higher support payments. Since taxable income is shifted from the payer who is presumed to be in a relatively high tax bracket, to the recipient who is presumed to be in a lower tax bracket, there results an overall tax saving which will lead to greater resources and therefore increased support payments. In reality this is rarely the case.

When the original legislation was written 52 years ago the assumption was that the custodial parent, the mother, had less income than the payer, the father. Today this assumption is no longer always valid. Even though women comprise a large part of today's workforce wage disparity still exists, yet this is not reflected in the current taxation structure.

The only way a single parent mother can benefit from the current legislation is if she happens to be in a low income tax bracket. Fortunately, Canadians have been working toward more equal treatment of women in the workforce and equal pay for equal work. The current tax situation impedes this progress for single parent working mothers by chipping away at their income and thus increasing their burden.

Studies by the Canadian Advisory Council on the Status of Women have shown that in 49 per cent of situations the child support payer's tax saving did not exceed the recipient's tax obligation which resulted in no overall tax benefit. In 20 per cent of these cases the child support provisions in the Income Tax Act actually decreased the resources available for child support.

The Income Tax Act needs to be amended so that it reflects current realities and provides support where the support is needed most, with the custodial parent. In one parent families, the non–custodial parent is given a tax incentive even though the parental responsibilities remain.

When a divorce occurs neither parent's responsibility toward their children changes. Child support payments should therefore not be considered taxable income of the custodial parent, but merely a continuation of the responsibility of the non–custodial parent for the care and maintenance of the children involved.

I have touched upon some of the points surrounding this issue but I would like to come back to my central theme which is justice. Most one parent families are headed by women. The majority of these households live below the poverty line and bear a disproportionate amount of this country's total poverty burden. The current Income Tax Act only contributes to this unfortunate problem.

• (1845)

Clearly this is not justice. We have an opportunity to take a step toward fairness for women and for single parent families. It is my sincere wish that this motion be adopted by the House and embraced by the government in the form of amendments to the Income Tax Act.

Mr. Geoff Regan (Halifax West): Mr. Speaker, what we are discussing today is a 1942 tax law which defines the regulations for child support payments following a divorce settlement. I am

pleased to join the debate because I believe that a wise society should strive to give its children the best possible start in life.

Canadians were appalled when in 1993 the United Nations committee on social, economic and cultural rights blasted Canada for the fact that half of all single mothers and their children live below the poverty line. In conclusion the report stated that Canada has not outlined any new or planned measures to remedy the situation.

The question we are debating today is whether the tax laws should be altered in the interest of fairness where child support payments are concerned. As our system stands presently, payers of child support are given a tax break, whereas recipients of child support, the mothers who have the custody of the children, are required to treat those payments as taxable income.

I ask the public, my colleagues and the bureaucrats who defend this 1942 regulation to clarify in their own minds whether it is the principles of the income tax system or whether it is the rights of children that must be defended?

Fifty–two years ago when the policy was developed there were 10 tax brackets for Canadian citizens. The parent paying support was usually in a higher tax bracket than the recipient parent. As a result it was determined that providing the donor with a tax break while taxing the recipient in a lower tax bracket would reduce the total amount of taxes paid on this sum.

At the same time these bureaucrats reasoned that allowing the non–custodial parent to deduct payments from their taxable income would provide an incentive to maintain regular payments. While this is convincing in theory, it fails miserably in practice.

The speakers today have waxed eloquent on the outdated basis of the child support taxation policy. In 1942 it was likely that by giving the non–custodial parent at tax break and taxing the custodial parent more money would end up benefiting the children. Today it is much more likely that both parents fall into the same tax bracket.

We must decide, given the 1990s setting, which parent will benefit from this subsidy. I believe that the mother who is in 98 per cent of instances the recipient of child support should not have to pay taxes on her child support payments.

Although it is true that women still on average earn less than men, they are much more likely than before to be in the same tax bracket as their former spouse. As pay equity legislation takes root we hope women will reach parity with men's wages in this country. Therefore a child support system which assumes that women make less than men is anachronistic and must be revised.

The revisions we seek are those that will divert moneys from the tax system to the children. In Nova Scotia one in five children lives below the poverty line. These proposed changes would be one small step to help those children.

One alternative that has been proposed and that is currently before the courts offers that income be considered the child's income and be taxed accordingly. Another option is for the parents of the children to negotiate among themselves the tax break they generally receive to ensure this is channelled toward the children's expenses.

Discussion of the intricacies of the tax system or tax reform should not sway us from the larger issues at play here. A report by Ellen Zweibel and Richard Shillington for the Policy Research Centre on Children, Youth and Families stated that the basic pre–tax child support amount being awarded is stunningly low.

Our government will prove its commitment to youth by following through with the promises in the red book.

• (1850)

Apprenticeship programs will ease the transition from school to work. We are establishing a youth services corps and we are restoring full funding to the national literacy program. But we must start earlier. We must invest all available resources in our children during their formative years.

A House of Commons resolution in 1989 to abolish child poverty by the year 2000 was adopted by the entire Parliament. We must recommit ourselves to this challenge and redouble our efforts.

In 1991 more than 1.2 million Canadian children were living in poverty. I was involved for five year in the metro food bank society in the Halifax—Dartmouth area and I know that sustainable and systematic changes are needed.

In 1992 an estimated 900,000 children were fed by one of the 436 food banks across this country and these numbers are growing. As a matter of fact in 1980 there were no food banks in Canada and now we have more than 400 food banks. That is astounding and appalling.

To reverse this frightening trend we must make the required changes to the Income Tax Act so that children are not financially devastated by their parent's divorce or separation. We must ensure that fathers, and in 98 per cent of cases it is the father who is the payer, keep up with their child support payments.

Some insight into the breakdown of the whole system can be derived from statistics from the legal world. In Nova Scotia the family court system administered maintenance payments for about 13,000 families. In 1990–91 that court issued 7,000 summonses to individuals who had failed to pay court ordered

support. These are not meaningless numbers. For each summons there is a story of hardship.

I mentioned earlier that the tax break for non–custodial parents was meant as an incentive—some incentive. Fifty–two years later child support dodgers are rampant in our society. We have made some inroads in this area. There is legislation in every province to garnishee wages from defaulters. That is not enough. A lot of work is needed to standardize child support levels and enforcement mechanisms across this country.

Loopholes abound in our system of taxation with no clear rationale for who benefits and who does not. Commons sense tells us and groups that have coalesced around this issue insist that women despite gross–up payments should not be paying tax on child support payments. Adopting this resolution as the shared opinion of this House is a positive step, one that makes sense.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I wish to congratulate the hon. Member for Nepean for introducing a bill to amend the Income Tax Act.

Her amendment deals mainly with regulations dating back to 1942, that are 52 years ago, at a time when child support payments were paid to the mother, who generally had custody of the children. It allowed the father to deduct support payments from his taxable income.

As you know, the Divorce Act is administered by the provinces and the amount of child support is determined by provincial court judges.

We also know that, compared to 1942, the number of divorces is very high. This is regrettable, but this is a fact of life in our society.

[*English*]

I have a report from the federal–provincial–territorial family law committee that suggests that if tax implications are to be taken into account there are number of issues to be considered. There is no guidance in the Divorce Act nor provincial or territorial legislation as to how the calculations should be made or how the benefit of the deduction should be shared between the parties.

• (1855)

Reference is made to a Divorce Act evaluation from May 1990 from the Department of Justice that stated: "It is important to consider this issue in the context in which it actually occurs, namely that two–thirds of Canadian women and children live in poverty following divorce".

I am going to take the liberty to read parts of a letter I received from a constituent of mine after getting permission from this person to read extracts. Mrs. Jackie Cloutier wrote to me regarding the taxation of child support. She is proud to give me permission to read these extracts from her letter: "Taxing child support in the hand of the already impoverished parent is wrong. Many women like myself lose up to two–thirds of their child support to income tax. We do not live in fancy homes or drive fancy cars. We do not take lavish vacations. We cannot afford to plan for retirement. We struggle every day to make ends meet, most often living from pay cheque to pay cheque and regularly running out of money at the end of the month. Every year in April we are faced with this unnecessary debt to Revenue Canada".

She concludes, and I jumped some parts of her letter: "The report released by the United Nations on the status of women and children in Canada clearly stated that we are living in poverty. Please take the necessary steps to change this law now. Don't let another year go by where women and children suffer needlessly at the hands of the tax system".

[*Translation*]

Therefore, I am pleased to support the initiative of my colleague from Nepean and to ask the federal government that it change the Income Tax Act to exempt child support payments from taxation.

[*English*]

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired.

[*Translation*]

Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

ETHANOL

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, it is a pleasure to participate in the adjournment proceedings tonight in accordance with Standing Order 37(3) on the subject of ethanol.

The ethanol gasoline mixture to replace regular gasoline has been highly successful in western Canada and for many years highly successful in the United States. The proposed ratio of mix here in Canada is 90 per cent gasoline and 10 per cent ethanol, that is a 90 per cent non–renewable source of energy and a 10 per cent renewable source of energy.

This fuel mix has been available in western Ontario and is now becoming available in eastern Ontario. There is talk of a plant, and hopefully it will materialize, in my own riding of Leeds—Grenville. The manufacture of ethanol started with a group of farmers, about 135 farmers, who got together and each threw in $2,500. I think it shows commitment.

We can talk about the advantages of using ethanol mixed with gas and we can do it from various viewpoints, but a former colleague of mine, the hon. Ralph Ferguson, was a pioneer of blended fuel in this House in the last Parliament. I became interested in blended fuel from listening to the hon. Ralph Ferguson, the former Minister of Agriculture, because he spoke on it many times. I think maybe we could name it Fergie's fuel because whenever you got talking to Fergie he would want to promote the idea of ethanol. He really believed in it as a source of energy for Canadians.

Because of the time restraints I have to summarize a bit. The biggest winner in the blended fuel business is the environment. There is no question about that. The exhaust from a car using blended mix will contain 30 per cent less carbon monoxide and 6 to 10 per cent less carbon dioxide. The manufacture of ethanol from grains, primarily corn but it can be other grains, makes a great market for corn farmers and for farmers in general.

• (1900)

One gets about 10 litres of ethanol from a bushel of corn. The byproduct, once the starch is removed from the corn to make the ethanol, is an excellent source of feed for beef and dairy cattle. The ethanol is manufactured from a renewable resource, so there is a real plus for everybody. That is not the case with fossil fuels.

What prompted my original question to the Minister of Finance is the cost of production. That is the problem. If we applied the federal excise tax to ethanol and put the provincial excise tax on ethanol, the product would be just out of the question. It would be too costly. People would not buy because of the price. Nobody would choose it as an alternative fuel.

We would miss the manufacturing of it, the sale of it and everything that is associated with it but most important, we would miss the environmental advantages of this friendly product. The assurance I got from the Minister of Finance was okay as far as it went, that the government would not impose an excise tax on ethanol.

Governments come and governments go and these people are looking for a little more assurance than that. What the ethanol industry wanted was assurance similar to the one that Ontario gave the industry not too long ago. The Government of Ontario announced that if a future provincial government wanted to reimpose the provincial excise tax on ethanol, the manufacturers would be compensated. The ethanol industry is asking for that kind of assurance from the federal government.

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it gives me great pleasure to participate in this discussion of an issue important to many members of the House.

Hon. members are no doubt aware that the 8.5–cent per litre excise tax exemption for the ethanol portion of gasoline fuels was introduced in the 1992 budget to provide "a level playing field in the taxation of alternative fuels". Prior to 1992, federal excise taxes on motor vehicle fuels did not apply to propane, natural gas or pure methanol or ethanol used as motor vehicle fuels. However the excise tax was imposed on all gasoline fuels, including ethanol and methanol blends.

The exemption from the excise tax for the ethanol and methanol portion of blended fuels was introduced to ensure that all alternative fuels were subject to the same federal excise tax treatment during a period of technological and marketing development of these fuels.

I should note that the excise tax exemption is limited to gasoline blended fuels that use ethanol and methanol made from renewable feed stocks such as corn, grain and wood. Ethanol fuels derived from biomass offer a number of environmental benefits that generate, for instance, lower levels of carbon monoxide than in the case of gasoline.

[*Translation*]

The excise tax exemption for gasoline–ethanol blends continues to be entirely consistent with the government's current policies on the tax treatment of alternative fuels. Therefore, I would like to assure members that the ethanol and methanol that are produced from biomass and used in gasoline–type fuels will remain exempt from the 8.5 cent per litre excise tax during the course of this government's current mandate.

By encouraging the blending and marketing of ethanol–gasoline blends, this commitment should be of significant assistance to Canadian ethanol producers. It should also benefit the agricultural sector by providing additional domestic markets for grain and corn, as well as the potential for new markets for wood and agricultural waste products.

• (1905)

YOUTH ACTION PLAN

Mr. Antoine Dubé (Lévis): Mr. Speaker, on April 14 last, I put a question to the Minister of Human Resources Development concerning his youth action plan.

Instead of answering my question about the jurisdictional conflicts arising from his action plan, the Minister of Human Resources Development merely criticized the fact that I was denouncing his action plan. This is rather odd, since I thought it

was the duty of an opposition member to criticize the government's actions and that this was not the least bit unusual. This is what I was told. Yet, there was the minister criticizing me.

I felt an even greater duty to criticize the plan since it represented another intrusion into an area of provincial jurisdiction, namely education. Let me show you what I mean.

First, let me read the title of the action plan. I have no problem with the first part of the title, "Youth Employment". This is, admittedly, an area of shared jurisdiction.

The second part of the title reads as follows: "And Learning Strategy". Can this title make it any clearer that education is involved? May I remind hon. members that education is an area of exclusive provincial jurisdiction. Yet, there was the Minister of Human Resources Development announcing on April 15 last a strategy which is one more example of federal intrusion in the field of education.

Let us begin by examining the first measure, Youth Service Canada. The first stream identified as a priority area for projects is community development and learning, to quote the action plan, "in the area of education". No effort whatsoever is made to hide the fact.

A second Youth Service Canada component which pertains to education is the education voucher. Following a period of service lasting nine months, participants receive a bonus of $2,000 in the form of an education voucher.

The second measure is the Youth Internship Program. This is a new title designed to avoid any reference to apprenticeship programs. We now speak of youth interns. What does the action plan have to say about youth interns? In the second paragraph, it says that "the federal government is acting to implement new entry level training models". Further on, on page 6, third paragraph: "The standardization of existing training plans will ensure that programs are based on common standards and thus have applicability across Canada."

I will skim over the Summer Employment Program which poses no problems as far as jurisdiction goes, as well as the increases in student loans, although I would like to mention here that among students, notably those in Quebec, 16 per cent are unable to repay their student loans and are forced to seek protection under the bankruptcy legislation. And what is the minister doing? Well, he is increasing the level of indebtedness of students.

On page 11 under Learning Initiatives, mention is made of setting national training goals, of updating existing training measurement tools, of putting multimedia resources and computers in place in schools, of facilitating the dissemination of information on key learning issues and, finally, of maintaining the stay in school program. All of these are education–related initiatives.

Following the unveiling of this program, three provinces decided not to attend the federal–provincial meeting scheduled for the following Monday. That very same day, the Liberal Party and the Parti Quebecois joined forces in the Quebec National Assembly to unanimously pass a motion calling upon the federal government not only to refrain from any further intrusion in, but also to withdraw from the field of manpower training.

Finally, last Friday, the *Conseil permanent de la jeunesse*, a paragovernmental agency in Quebec, held a press conference to denounce as well federal intrusion in the area of manpower training. I would have liked to put my question to the minister, but I see that his parliamentary secretary is not present. I hope that someone is on hand to speak on his behalf. Normally, we should get an answer to our question.

• (1910)

When will the federal government withdraw from this field—

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General): Mr. Speaker, the federal government, like the Government of Quebec, is committed to investing in Canada's youth, especially by providing our young people with the knowledge and skills needed for the jobs of tomorrow.

In so doing, the federal government does not intend to question provincial jurisdiction over education. It is the government's intention to help young people in this country through programs that complement, and I do mean complement, those that the provinces offer.

[*English*]

In fact there have been ongoing discussions with all the provinces on all four components of the youth employment and learning strategy.

[*Translation*]

The federal government's role is more that of a presenter. The provinces will take part in implementing pilot training projects for young people. These projects will be based on current provincial programs and will respect provincial priorities.

We will also encourage the provinces to establish, adjust or propose mechanisms in addition to the three which already exist in the youth training program, namely sectoral initiatives, work–study co–op program and project–oriented training.

[*English*]

With regard to internship in Quebec, we have received very positive feedback from the province and the provincial education ministers on youth internship programs.

[*Translation*]

Our government wishes to harmonize its training initiatives for young people with those of Quebec and other provinces. We will pursue productive and effective discussions with the provinces to find the best ways to help all young people wherever they live in Canada.

VIA RAIL

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, on March 24, 1994, I questioned the Minister of Transport on the rationalization of VIA Rail operations. The minister gave me the following answer:

> If there is no dramatic improvement in VIA Rail's ability to provide service within the budgets allocated by the federal government, then some major changes will certainly be made.

I urge the minister to consider the November 1989 report of the federal Liberal task force on VIA Rail, whose members included over 15 Liberal members now sitting in this House and which made recommendations on what VIA Rail should do and on what could be done to make it profitable and efficient. One of the conclusions was this: "We must however show foresight by immediately introducing a program of expenditures—they were not talking about cutbacks or rationalization—of investments aimed at upgrading the whole VIA Rail network".

This report signed by more than 20 federal Liberal members shows how they felt about all this. The Minister of Transport would be well advised to consider it and perhaps to make it his policy to ensure that VIA Rail becomes profitable and efficient in the future, so that we in Eastern Quebec can stop working desperately to keep our rail service, as we have been doing for at least 10 years.

I urge the federal government to assume its responsibilities in this area before dealing with education and other issues. It is always advisable to look at the consequences of our actions to see if we did the right thing. I am thinking in particular of the hon. member for Bonaventure—Îles-de-la-Madeleine who has a major responsibility in this area because rail service in his region is cast in doubt year after year. The whole line that goes as far as the Maritimes is also called into question year after year.

One would think that, when federal parties go from being in opposition to forming the government, their vocabulary suddenly changes and they start defending regional underdevelopment, when we could turn rail line development into an important tool to provide our regions with the basic transport infrastructure needed for the development of small and medium-sized businesses in our communities, thus contributing to local growth, instead of always being on the defensive and only seeing the little cuts that can be made here and there.

What I found rather surprising is that when the Liberal Party of Canada was in opposition, their recommendations were, for example, to improve the equipment and infrastructure; to upgrade and introduce high-speed trains—they settled for low speed instead; to revive track-guided buses; to make fares and schedules more flexible; to involve the public.

In this sense, we think it is important to impose a moratorium on the elimination of rail service in Eastern Canada, as was done in Western Canada. Especially since we know that, in a 1989 report written in the last Parliament when it was in opposition, the government advocated involving the public in the future of VIA Rail. I would ask the current government why it does not honour the commitments it made when it was in opposition. We are not talking about independent members but about an official report of the national Liberal caucus, several members of which are now ministers who should make appropriate representations to the Cabinet.

I hope the hon. member for Bonaventure—Îles-de-la-Madeleine will convince his government to stand firm and honour the commitments it made in the report of the national Liberal caucus.

Mr. Joe Fontana (Parliamentary Secretary to the Minister of Transport): Mr. Speaker, I am pleased to reply to the comments made by the hon. member for Kamouraska—Rivière-du-Loup. It is always important to put one's comments in perspective. The Minister of Transport did not hide the fact that the government has no other money to give to VIA Rail.

[*English*]

The future of VIA Rail will depend on the availability of financial resources both from the government and from passenger revenues and will be affected in large part by the outcome of the current labour negotiations that are under consideration now. After these negotiations VIA will present its plans to the government at the appropriate time and we will deal with them then.

The government supports VIA's current efforts to maximize efficiencies of its operations before a decision is taken on the long term future of the corporation. For my friend's information, VIA has made fantastic gains in the past three years in terms of efficiencies in its operations, in terms of manpower, in terms of locomotives, in terms of equipment. They have made great gains but more can be done.

Clearly there can be no immediate service changes. VIA must present a proposal to the government. I repeat there can be no cuts without the government's approval.

It is very important that the Canadian people and goods be moved efficiently throughout the country. Canadians want to see a workable, affordable transportation system. It would be premature to speculate on service changes, aside from the fact that VIA will operate a network which Canadians can afford.

In addition, the member spoke about the Liberal task force. I was one of the co–authors of that task force, as many of my colleagues know. We will take some of those task force recommendations into account as the minister and the government take a look at the options available. We will also look at ways of modernizing the VIA network. We will look at those recommendations, as I said.

More important, the member should understand that. He talked about whether the government should intrude in areas of provincial jurisdiction. This is one place where in fact the federal government would work with the provinces, as it has in Ontario. We would welcome co–operation with the Quebec government, municipalities, the private sector, community groups, all to come and play and be part of the solution so that we can maintain a viable national VIA network across the country.

The Acting Speaker (Mr. Kilger): It being 7.18 p.m., this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.18 p.m.)

HOUSE OF COMMONS

Wednesday, April 27, 1994

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*Translation*]

BOVINE SOMATOTROPIN

Mr. Bernard Patry (Pierrefonds—Dollard): Mr. Speaker, I want to take this opportunity today to express my concerns about recombinant BST or bovine somatotropin.

Although this hormone is found in cattle in its natural state, artificially increasing the rate of BST will not improve the quality of the milk, which is the most important consideration here.

Furthermore, the consumer backlash may be substantial. There is no particular rush to approve the use of this hormone, especially not before appropriate consultations with consumer associations.

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[*English*]

NATIONAL PAROLE BOARD

Mr. Myron Thompson (Wild Rose): Mr. Speaker, last week I attended a justice meeting in which a review of the National Parole Board was the topic of discussion.

The result of this meeting left me questioning the accountability of the parole board. During the course of the discussion it was proven again that the current system is flawed. One of the results of the meeting was the Solicitor General's proposing a disciplinary scheme for members of the parole board. The time and thought given to these cosmetic disciplinary changes has been wasted time. We should not be spending time on how to get rid of people, we should be ensuring that the board is competent from the beginning.

The public wants concrete changes, not cleanup measures. For accountability to be restored it has to begin at the top. This means the Solicitor General should consider placing a moratorium on the release of dangerous offenders coming up for parole until this whole system is revamped and meets the standard.

[*Translation*]

IMMIGRATION

Mrs. Christiane Gagnon (Quebec): Mr. Speaker, in the years to come, Quebec will receive a major influx of immigrants. The need to make these people welcome and to integrate them into Quebec society would seem paramount, non only to guarantee the continued existence of the French language but also to strengthen economic links between new immigrants and Quebec's institutions.

The Mouvement des caisses populaires Desjardins, one of the motors of Quebec's economic development, has shown leadership in this field.

* * *

[*English*]

SOUTH AFRICAN ELECTIONS

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, on behalf of the Minister of Foreign Affairs it is my honour to pay tribute to the democratic process which is unfolding in South Africa today.

The Government of Canada is committed to the advancement of human rights and our support continues with some 150 Canadians currently in South Africa to observe the elections and to provide electoral expertise in the first democratic and non–racial elections.

At present the Secretary of State for Latin America and Africa is leading the official bilateral team of electoral observers, while many other Canadians are serving with the United Nations, the Commonwealth and non–governmental organizations during this historic transition.

I salute all the people of the new South Africa. Today marks an end to the past and is hope for the future.

* * *

[*Translation*]

THE ENVIRONMENT

Mrs. Eleni Bakopanos (Saint–Denis): Mr. Speaker, last Friday, I celebrated Earth Day with students from the Collège de Bois–de–Boulogne, some of whom are here today. We released the results of environmental programs put in place at the college

and officially launched the composting system set up by the students.

I would like to draw your attention more particularly to the work of Environnement Jeunesse, ENJEU, which makes students more aware of and educates them about the environment in Quebec. I was delighted and inspired by their commitment and the projects they have started. They have convinced me of the need to provide strong support for all youth initiatives.

[*English*]

In a time when we are desperate for more opportunities and initiatives for youth, Collège de Bois de Boulogne has succeeded in creating new and innovative ways to involve its students and enhance their awareness of the issues.

This demonstrates that with perseverance and commitment success is possible. Projects such as these are great achievements and should serve as an example for all our youth to follow.

I applaud the college administrators, the private sector and the community for making this idea a reality and I urge my fellow colleagues to encourage such initiatives.

* * *

SOCIAL SECURITY

Mr. John Finlay (Oxford): Mr. Speaker, I rise today to inform this House of meetings I hosted with regard to the social security review.

Residents in my riding had three opportunities to make their views known on the changes they feel would help to modernize our social security network.

Today I was able to present a report on behalf of my constituents to the Minister of Human Resources Development. The minister has assured all members that our constituents' opinions are important to this process, and I ask the hon. members opposite to stop characterizing such meetings as smoke screens to hide something which they suggest has already been decided. The people of Canada may conclude that the opposition is out to torpedo the work that is being done through these public consultations.

• (1405)

In closing, I want to thank the Parliamentary Secretary to the Minister of Human Resources Development for speaking at my public meeting and for listening to the concerns of my constituents.

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[*Translation*]

TELECOMMUNICATIONS

Mr. Gaston Péloquin (Brome—Missisquoi): The Supreme Court decision handed down yesterday with regard to telecommunications did not surprise anyone in Quebec. For the third time since 1993, Quebec is having powers in the area of communications torn away by the federal government. After broadcasting and cable television, Quebec is now losing control over telephone companies, control which is essential to the province's social and economic development as we embark on the electronic highway.

Once again, the Supreme Court takes a "Canadian" and centralizing view of the Constitution to continue chipping away, little by little, year after year, at the powers of the Quebec National Assembly. That is the true face of federalism in Canada, Mr. Speaker.

This Supreme Court decision confirms the necessity and urgent need for the people of Quebec to have a sovereign state of their own.

* * *

[*English*]

OVERSEAS TAX CREDIT

Mr. Stephen Harper (Calgary West): Mr. Speaker, thousands of Canadians who work abroad in natural resource industries benefit from the federal overseas tax credit. In return for spending six months of the year away from their families and working often under very difficult conditions, these Canadian workers have had their annual tax liabilities reduced by the credit.

Now as reported by *Alberta Report* magazine, Revenue Canada has decided to retroactively disallow the overseas tax credit to those Canadian workers employed by U.S. parented companies. In some cases this disallowance may extend back three years. This move will be an annoyance to the companies in question but it will do great harm to hundreds of ordinary Canadian workers, most of them Albertans.

I am told that the unforeseen tax bill of up to $50,000 will cause some of them to lose their homes. This is a shameful way for the Minister of National Revenue to accomplish his goal of closing a so–called tax loophole.

* * *

ROUGE RIVER VALLEY

Mr. John Cannis (Scarborough Centre): Mr. Speaker, this past weekend I had the opportunity along with my family to participate in a reforestation project in the Rouge River Valley system.

The 10,000 Trees for the Rouge River Valley program has been operating for five years and has steadily increased its profile within the community. This year over 1,200 Scarborough residents planted 8,000 trees. Over the past five years this program has planted close to 60,000 trees on about 80 acres of land.

The Rouge Valley is a unique and valuable environmental resource and I urge the Minister of the Environment and The Minister of Canadian Heritage to continue their support and

negotiations with the provincial government and to move quickly to protect this region.

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OFFICIAL LANGUAGES

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria): Mr. Speaker, the leader of the Reform Party said last week that he will gore the Official Languages Act, therefore attacking our Charter of Rights and Freedoms, our Constitution, our history, our country.

To bring some perspective to the leader of the Reform Party's goring agenda, I want him to know that his goring expedition—

The Speaker: Order.

* * *

KIDS SENSE WEEK

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, April 27 through May 1, 1994 is Kids Sense Week across Canada sponsored by the International Council of Shopping Centres, a non–profit trade organization. Shopping centres across Canada as we know are significant contributors to the economy as well as entertainment centres and effective forums for public service programs.

This morning I was pleased to be at the Merivale Mall in Nepean along with kids and parents and police and others. We could see that the Merivale Mall and all other shopping centres are providing important community services. They are raising awareness of safety issues in conjunction with the national observance of Kids Sense Week.

I am delighted that this week is Kids Sense Week in Ottawa–Carleton and I encourage our young people and their parents or guardians to involve themselves in this vital community service activity.

* * *

SARAJEVO

Mr. David Iftody (Provencher): Mr. Speaker, I want to bring to the attention of all members of Parliament a letter and a painting I received from a constituent of mine, a 7–year old girl whose name is Milaine Curé.

The painting depicts a house getting blown up by a tank and shot at by people with guns.

• (1410)

The letter reads: "Dear Mr. Iftody, how can I help the children of Sarajevo? The children are very sick and they do not have any medication".

We often forget how news can have a profound effect on our children. I felt the fear of this child by the madness and suffering that have resulted from this war. Yet, I also felt the promise of hope from our own children.

Canadians care and we will not abandon our duty as citizens of the world.

* * *

[*Translation*]

PROVINCIAL ELECTION

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, yesterday, the Prime Minister could barely hide how anxious he is to take an active part in the coming election campaign in Quebec. What is disappointing is that he refused to promise publicly to abide by the spirit of the Quebec legislation on election expenses. The Bloc Quebecois strongly deplores that the taxpayers are made to pay against their will, through their taxes, such breaches to democracy.

Also, in light of the Prime Minister's refusal, are we to understand that he intends to authorize massive, illegitimate expenses to be made in Quebec during the election campaign, as was done at the time of the 1980 referendum? We believe that the Prime Minister should take the advice of the Quebec Premier and mind his own business.

* * *

[*English*]

BATTLE OF THE ATLANTIC

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, Sunday, May 1 will commemorate the Battle of the Atlantic across Canada. We will honour the Canadian veterans who fought so courageously and with such great sacrifice to keep the enemy from our shores and to gain control of sea lanes so that allied forces could bring World War II to an end.

We honour those who served in the RCAF coastal command, the Royal Canadian Navy and our merchant navy. During the bloody and bitter conflict in the Atlantic, each one made a vital contribution to destroying the German U–boat menace which extended from Britain right into the St. Lawrence.

They made possible the transport of vital troops and supplies to beleaguered Britain. Without their heroic efforts there would have been no Normandy landings on D–Day.

This year we commemorate the 50th anniversary of the end of World War II through the Canada Remembers program. This Sunday let every Canadian who cherishes freedom remember those who fought so well and who made the supreme sacrifice in the Battle of the Atlantic.

Oral Questions

COMMUNITY VIOLENCE

Mr. Harbance Singh Dhaliwal (Vancouver South): Mr. Speaker, I rise today to bring to the attention of the House an issue which has brought tremendous sorrow and shock to members of my constituency.

Last Saturday a deplorable tragedy occurred in Vancouver south. Mr. Glen Olsen, an innocent bystander, was shot and killed while walking his dog down a street in my riding.

It is with profound sympathy that I pass my condolences on to Mr. Olsen's family and friends. I want them to know that the horror of this event has not gone unnoticed.

I have spoken to the Vancouver police department and I have full confidence that it is doing everything possible to bring those responsible to justice.

As the federal representative for my community I would like it to know that I will do everything in my power to ensure that these types of incidents do not occur in our communities. I will continue to fight for stricter gun control and stronger crime prevention measures so that tragedies like this do not occur in the future.

For the sake of the victims I implore all members of this House to support initiatives which will make our streets and our communities safer places.

* * *

TOBACCO TAX

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, during the debate on the lowering of the cigarette tax this party presented several very good reasons why it should not be done.

It would increase smoking among youth according to Statistics Canada and would also increase smoking among the general population and add to our health costs.

Today we see that total Canadian production of cigarettes reached 5.8 billion in March, the highest in eight years. Clearly the policy of this government to reduce cigarette taxes is going to add to our health care costs, add to the illness of Canadians.

I call on the Minister of Health to finally stand up for the health of Canadians, to fight on behalf of Canadians and to fight this policy which has only led to more smoking among Canadians and greater health risks.

* * *

• (1415)

INFRASTRUCTURE

Mr. John Duncan (North Island—Powell River): Mr. Speaker, the federal government has decided to build its own $11.9 million office complex in Sault Ste. Marie. This steel, brick and glass building will include 120,000 square feet on two storeys to house the Canada Employment Centre, the Income Securities Office, Revenue Canada, Health Canada, Public Works and Government Services, and the RCMP.

Local property managers are outraged by this needless political project. A recent survey indicates there is over a 20 per cent vacancy rate in major downtown buildings. There is existing vacant office space, and a new federal building will create more vacancies.

Does the government not have better ways to put people back to work than pumping money into unneeded facilities in competition with the private sector?

ORAL QUESTION PERIOD

[*Translation*]

HIGH-SPEED TRAIN

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister.

Speaking yesterday to the greater Montreal Chamber of Commerce, the Chairman of VIA Rail unveiled his agency's proposal for a high-speed train in the Quebec City-Windsor corridor. VIA Rail is proposing that the federal government support the project financially using part of the grant it awards each year to the agency. This would allow the government to build the HST without it affecting Ottawa's budget.

Can the Prime Minister tell us if the government is interested in VIA Rail's proposal which has the advantage of requiring no additional outlay on the part of the federal government?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have indeed indicated that we are interested in this venture. We have said that if this project can be carried out without the government having to incur significant costs, then we would be happy to proceed with it. However, if one proposal seems more acceptable at this time, I am certain the government will review it carefully. There could be a problem though in that it will be hard for a high-speed train linking Montreal and Toronto to be forced to stop for inspection at the border, once Quebec becomes independent, as the Leader of the Opposition hopes will happen.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I asked a serious question to someone who, I thought, took things seriously. Instead, he responded in a joking fashion.

The HST project has been under consideration for many years. Governments have been studying it for at least three years. Why is the Prime Minister so reluctant to announce his support for the HST, given that this project will generate

activity, create thousands of long-term jobs and, at the same time, strengthen our competitive position in a high-tech sector?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, the hon. leader of the Opposition surely knows that the governments of Quebec, Ontario and Canada have already invested just under $6 million in a high-speed train study. The three governments expect the report to be ready by this summer and we will, of course, be reviewing it with a great deal of interest. The study is being carried out jointly by the aforementioned three governments and I hope the Leader of the Opposition is interested in seeing the results, just as these three governments are.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, what reasons can the Prime Minister give, I wonder, for his reluctance to state clearly what he thinks, and where he stands on the HST project, when all the while, the federal government has invested and will continue to invest—I would even say waste, at least in the case of Hibernia—billions in Hibernia, not to mention the exorbitant sums spent on upgrading the rail system in the West?

Why is the Prime Minister holding off on disclosing his views on an HST that will link Quebec and Canada with the United States?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, if we want to talk about decisions made by this government, I would point out to the Leader of the Opposition that the most successful company in Montreal is Canadair. It was during my tenure as Minister of Industry and Trade that the government bought Canadair back from private interests, got it back on track and invested money to develop the Challenger jets and other aircraft responsible for Canadair's current success. This was all due to the intervention of this government.

• (1420)

The Leader of the Opposition is always asking us to work with the provinces, but the Minister of Transport has just said that he is working very closely with provincial governments on this matter. Now the Leader of the Opposition is suggesting that we not listen to the provinces.

We do listen to them and, when the proposal is ready, we will respond. If it represents no cost to us, then of course the project will get the green light. However, if the costs are exorbitant, we will have to take into consideration this government's financial situation.

* * *

PHARMACEUTICAL INDUSTRY

Mr. Michel Gauthier (Roberval): Mr. Speaker, according to the Minister of Industry, the federal government apparently wants to review the drug-patent law. This legislation extended to 20 years, need we remind you, the protection offered to patented drugs and led to the announcement that nearly $1 billion would be invested in research and development in Quebec by 1996. By the year 2000, the total value of investment projects could reach $5 billion in Canada.

Does the minister admit that it is because of pressure from lobbyists representing the interests of generic-drug companies, mainly concentrated in Toronto, that he is about to review the drug-patent legislation?

Hon. John Manley (Minister of Industry): Mr. Speaker, I can assure the hon. member that I have no interest in lobbyists' efforts. What I care about the most is Canadians' interests.

We promised during the election campaign that we would review Bill C-91, and that is what we explained again yesterday. We are interested in drug prices and in the investment and R and D track record here in Canada.

Mr. Michel Gauthier (Roberval): Mr. Speaker, Quebec's Minister of Industry and Commerce stated this morning before a parliamentary committee in Quebec City that the mere mention of a review of Bill C-91 caused the immediate postponement of a $50-million investment in Quebec's pharmaceutical industry.

Does the Minister of Finance, who is also responsible for regional development in Quebec, admit that a review of the drug-patent legislation would be disastrous for the brand-name drug industry, which is mainly concentrated in Montreal?

[*English*]

Hon. John Manley (Minister of Industry): Mr. Speaker, this is the same kind of exaggerated hyperbole that we have heard on both sides of this debate for too long.

We are trying to deal with the facts and we are going to determine what the facts are. The facts will indicate what policy direction the government should take in the future.

I want the hon. member to understand, because he was not here when Bill C-91 was passed, that law contains within it a statutory review that would occur within four years of its enactment in 1993. That is already in the bill. There is nothing new about saying that we will review legislation passed by the previous government.

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HEALTH CARE

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

Recently the Minister of Human Resources Development was forced to cancel a federal-provincial meeting on job training because several of the provinces objected to the federal government's approach.

Now it appears the Minister of Health may scuttle the planned forum on national health care with her ill-advised tax on provincial health care initiatives in Alberta and British Colum-

bia. National health care reform requires more co–operation, not less, between federal and provincial governments.

Will the Prime Minister instruct his Minister of Health to stop antagonizing and start listening to the provinces on health care reform?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have a very clear law of Parliament that medicare in Canada is free for everybody.

• (1425)

We have a law in Canada that says there will not be a two tier system of medicare, one for the rich and one for the poor. We also have a law in Canada which says that if one province is engaged in that direction we shall cut off funds to it.

The minister is doing what is right. She is making sure that the laws of Parliament are respected.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, the root of the financial difficulties of health care lies in the fact that federal transfers to the provinces in support of health care have consistently declined over the last 15 years. Just last week the finance minister promised further cuts to federal transfers.

If the Prime Minister is really committed to health care, will he commit today to maintaining federal transfers to health care at present levels and to making deeper spending cuts elsewhere required to support that commitment?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, this is another good day. Now the leader of the Reform Party is pleading with us not to cut. I hope the Minister of Finance will note that.

In our platform we said that we were to maintain the level of transfers to the provinces, that they were not to be reduced, and they were not reduced in the last budget.

We say to the provinces that we want to sit down with them. The Minister of Health is organizing the conference that I will be presiding over in June wherein we will make sure that free medicare is portable for all our citizens whatever their financial means, respected and operated efficiently. We will have that meeting to do that and I hope the Reform Party will support this process. In fact, yesterday when I said that we should keep that system in Canada I saw many of his members applauding.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, the Prime Minister is avoiding the issue. When national medicare was introduced the federal government made a solemn commitment to carry 50 per cent of the cost to the provinces.

Today federal transfers in support of health care in provinces like British Columbia cover only 36 per cent of the cost. Yet the federal government continues to use the Canada Health Act to tell the province how to finance and operate the system. In other words, health care is being choked between reduced federal transfers and an outdated national health care act.

My question to the Prime Minister is very simple. Will he stop the choking? Will he promise that federal transfers in support of health care will be maintained and instruct the health minister to give the provinces more latitude, not less, in developing solutions to their health care needs?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, of course there are some problems in the administration of medicare. We have said that and we have said that is why we need a conference.

It has been a good system. It is a system the Canadian people want to maintain. We have to sit down with the provinces to make sure that it is revisited at this time and that it is operating properly. It has been a great service to Canada since it was established. I think all Canadians want to keep it.

We want to work to maintain it. I am happy to see the Reform Party supporting the notion that we should have free medicare and not two types of medicare for people in Canada.

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[*Translation*]

Mrs. Pauline Picard (Drummond): Mr. Speaker, my question is for the Minister of Health. After 22 months of waiting, BioVac has still not received approval for its BCG cancer vaccine, while Connaught of Toronto obtained such approval after only a 14–month wait. I reminded the minister yesterday that her department was applying a double standard.

My question is this: Now that she has had the time to do the necessary checks, can the minister tell us when BioVac will receive its authorization?

• (1430)

Hon. Diane Marleau (Minister of Health): Mr. Speaker, an application for the BCG therapeutic product used in treating cancer of the bladder was filed by Connaught Laboratories on March 2, 1989. The notice of compliance was issued on April 25, 1990. The approval process thus took 13 1/2 months.

The Biochem file on BCG cancer, a product intended to treat bladder cancer, was received on June 10, 1992. The hon. member must realize that we receive a growing number of submissions of new research drugs and new drugs that qualify for priority evaluation; this increase is mainly due to progress in the biotechnology industry.

These priority applications take precedence over regular ones that are already being processed in order of receipt. Many physicians wishing to obtain the product from Biochem in order

to treat patients in their care can do so through the Emergency Drug Distribution Program.

Mrs. Pauline Picard (Drummond): Mr. Speaker, I personally met with the minister. I wrote to her. I asked her a question in the House yesterday. I ask her the same question again today: When will BioVac have its approval? When? Is that clear?

[*English*]

Hon. Diane Marleau (Minister of Health): Mr. Speaker, let me remind the hon. member that my function is to ensure that any medication which receives a notice of compliance is safe and efficacious.

I will only issue a notice of compliance when my department and scientists are absolutely sure it is safe for the people of Canada.

That is the process we follow. It is the process we will continue to follow.

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IMMIGRATION

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, my question is for the minister of immigration.

It has been revealed that one of the individuals arrested in Toronto in connection with the Just Desserts killing had an ongoing involvement with Canadian immigration officials and the minister's department.

This individual had been ordered deported in 1992 but had been given a stay of proceedings on that deportation order again by the minister's department in 1993. Had this individual been deported on time he would not have been charged in connection with the murder of Georgina Leimonis.

Why was this individual given a stay on his deportation order in 1993 by the minister's department?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, this is a difficult situation. We should be careful and try not to be in contempt of court so as not to prejudice this very important case many Canadians are looking at. Let me say this tragedy moved more than the city of metropolitan Toronto. It moved the whole country to think about that senseless killing.

Let me also put into focus this department moved on the basis of inadmissibility grounds to deport that individual. I can tell the hon. member and this House I believe when we moved to deport that individual the case was made before an immigration appeal member. This is not controlled by my department but is a quasi–judicial independent tribunal.

I will say the system failed us on this case. That strengthens my convictions that the amendments I have been discussing with my officials to strengthen the criminality provisions and to close the loopholes are the right course.

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, the individual in question was issued a stay on his deportation order in 1993 despite the fact he had a criminal record as long as his arm, and that was with the knowledge of the department.

• (1435)

When will the minister finally acknowledge that his department's system of background checks and enforcement is not working? How many more lives are going to be lost before the minister takes action to ensure the safety of Canadians?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, this member of Parliament does a disservice to the facts of the issue and to the concerns both of us and both sides of this House share. You do not have a monopoly on concern—

Some hon. members: Hear, hear.

The Speaker: I would remind hon. colleagues to please address the Chair.

Mr. Marchi: Mr. Speaker, my department wanted and pushed for deportation. An independent quasi–judicial body stayed the deportation. The adjudicator who made that decision was not reappointed to that board. She was not reappointed by this minister. Therefore we need no lessons from the hon. member.

[*Translation*]

DEFENCE INDUSTRY PRODUCTIVITY PROGRAM

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, in the past, the Liberal government has recognized on numerous occasions the need to set up a reconversion assistance program for the defence industry Indeed, the situation of these companies is very precarious and no specific assistance is currently provided to those interested in restructuring their operations.

Does the Minister of Industry recognize that the defence industry productivity program, or DIPP, does not provide any specific assistance for conversion purposes, and that the defence industry wants a fund to be set up, using money from the current DIPP budget to support conversion initiatives? Indeed, the budget of this program should be used for that purpose.

Hon. John Manley (Minister of Industry): Mr. Speaker, I am pleased to hear the hon. member refer to that project, because the rules regulating DIPP will be expanded so as to include conversion projects for the defence industry.

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, I understand that the minister is referring to the future, because right now this program cannot be used to support conversion initiatives by these companies.

Consequently, why does the minister not give us a concrete and specific schedule regarding his conversion support strategy?

[*English*]

Hon. John Manley (Minister of Industry): Mr. Speaker, I do want to assure the member that as was announced in the budget, the broadening of the terms of the DIPP is being worked on at the present time.

The member is aware of the financial limitations the government has. That is why we are also looking not only at making the DIPP contributions repayable in their entirety, but creating a revolving fund. Therefore not only do we aid projects that are directed at defence conversion presently, but we build a fund based on commercial viability that will sustain such projects and those companies that are involved in those sectors of our industry into the future.

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CHALLENGER JET

Mr. Myron Thompson (Wild Rose): Mr. Speaker, my question is for the Prime Minister.

It is with a heavy heart that I once again must ask the Prime Minister why he continues to waste tax dollars, this time on a sun and fun holiday among the palms of a Caribbean island.

It is reported the Prime Minister not only used a Challenger jet for a personal vacation, at a cost of slightly more than $250,000 using the Auditor General's formula, he allowed his hangers on and his flight crew to enjoy 10 days in the sun as well.

When will this Prime Minister realize Canadian taxpayers will not accept his free spending ways?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I have already explained they have asked me to travel on these planes for security reasons. I was already in Mexico and I stayed south for a few days. The member would have complained if the plane had travelled back and forth like it did when it was a trip for the Governor General.

• (1440)

I think they are doing a big disservice to an industry. I was talking with Canadair the other day. That type of question talks down on Canadian airplanes because you pretend it costs tons of money and that is not true. The figure you use is not the real one.

The Speaker: Colleagues, I recognize that in the heat of debate we sometimes forget the Speaker. I would ask all of you to please address your remarks to the Chair.

If the right hon. Prime Minister has not finished, I invite him to finish. If he has, I will go to the next question.

Mr. Myron Thompson (Wild Rose): I have a supplementary, Mr. Speaker. What did not happen was we did not address the extravagance. It sounds like a two tier system to me. Security for the Prime Minister is extremely important. We realize that.

Did the Prime Minister check the private charter prices? I did and he could have saved $125,000. Why not save money for a change? Quit being so reckless. Will he stop being reckless?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I am doing that. It is a plane that is owned by the Canadian government to be used by the Prime Minister of Canada.

I have checked too. I asked Canadair if these planes were transferred to them how much they would charge the government for travelling. They said it would be less than $3,500 an hour. That is the real cost of using these planes.

Not only that, when you calculate the cost of the pilots, you have to understand these are national defence pilots. They have to be in the air so many hours in a month anyway to keep their licences. However you charge the cost to the government when a minister is on board and you do not complain when they use the plane for training.

Be a bit respectful. The Prime Minister of the country should be able to travel like the RCMP requests.

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[*Translation*]

SOCIAL PROGRAM REFORM

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, my question is directed to the Minister of Human Resources Development.

Profound differences remain between Ottawa and the provinces regarding the reform of our social programs. As you know, a federal-provincial conference on the subject was cancelled at the last minute because of objections raised by several provinces.

Furthermore, the minister promised to release a policy paper early next month, setting forth the government's choices and options. Does the minister intend to proceed according to schedule and release his action plan next week, as he promised?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, contrary to what the hon. member alleges, all the provinces are still very much committed to participating in the process of reform.

I spoke to provincial ministers over the last several days both face to face and by telephone. All of them indicated a continued willingness to work together to find important measures to

deliver programs more effectively and more efficiently to Canadians.

When the hon. member asserts there is great conflict and problems, he is not describing what in fact takes place. We postponed the meeting for a period of a couple of weeks to allow the provinces to have more time. I have indicated that we will have a meeting of deputy ministers within a couple of weeks to go over this documentation and based upon that we will then set a new timetable for ministerial meetings.

• (1445)

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, will the minister confirm that the federal-provincial conference, already cancelled once, has been postponed once again, this time indefinitely, because of the continuing deadlock with British Columbia, Alberta, Ontario and Quebec?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the hon. member lives in a world of fiction and fantasy. He simply makes up things and then tries to launch them as facts.

That is simply not true. I told him before he read the second question he had prepared that I have talked to all provincial ministers in each province who have indicated their continued willingness to co-operate to get social reform in this country, to put people back to work, to provide a better sense of security and to give some hope back to Canadians.

* * *

INFRASTRUCTURE

Mr. Tony Ianno (Trinity—Spadina): My question is for the Minister responsible for Infrastructure.

As the government moves forward with the renewal of Canada's environmental, communications and transportation infrastructure, many of my constituents in Trinity—Spadina are looking forward to the new jobs that will be created by the program for today's and tomorrow's economy.

Can the minister tell us how many jobs Canadians can expect to have generated by this program and its spinoffs and when will these badly needed projects commence?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, I thank the hon. member for the question which gives me the opportunity to give more good news to this House on how this Liberal government is getting Canadians back to work.

Since I reported last Friday, we have an increase of $8 million of projects that have been approved, another 400 people, and we are now up to 5,500 jobs. We have approved over 350 applications and we have another thousand in the pipeline. What is more, there are people in rural Saskatchewan at this very moment constructing and reconstructing roads for the benefit of the citizens in those communities.

Finally, the original estimate of 60,000 jobs has now been revised as a result of accurate data from Statistics Canada.

* * *

TOBACCO

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, my question is for the Prime Minister.

When the federal government lowered the cost of cigarettes in an attempt to cut off smuggling, it spawned new problems including increased smuggling of alcohol and interprovincial smuggling of cheap cigarettes.

I ask the Prime Minister if the government has any realistic plans to put out the fires that his cigarette policies have lit.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the program that we put in place to stop the smuggling of cigarettes has been a great success. There were reports that there was an increase in smoking but the articles did not report the fact that cigarette export sales declined while domestic shipments increased.

In terms of consumption, when you look at the total number of cigarette shipments a year ago compared to the total number of cigarettes shipments this year, there was a decrease of 3 per cent.

Mr. Jack Ramsay (Crowfoot): A supplementary, Mr. Speaker, for the Prime Minister.

Earlier this month the premier of Alberta in his role as chairman of the most recent western premiers' conference wrote to the Prime Minister asking for his co-operation to combat the potential flood of smuggled tobacco from central Canada into western Canada. One of the recommendations was to implement a uniform federal tobacco tax rate across all of Canada to lessen the incentive for interprovincial smuggling.

Can the Prime Minister tell the House if he has made any effort to adopt this proposal from the western premiers?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we made exactly the same offer to all the provinces. Some decided to take it, others decided not to take it. We have offered exactly the same to all the provinces. We did not treat any province differently.

• (1450)

[*Translation*]

COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, the Minister of National Defence has repeated many times that the government would soon make public its decision on the future of the military college in Saint–Jean, on the basis of consultations and recommendations, especially from the Government of Quebec.

Can the minister tell us his intentions on a new military role for Saint–Jean and report on the outcome of the negotiations with the Government of Quebec?

[*English*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, my colleague the Minister of Intergovernmental Affairs, who is ill today, is looking into the alternate uses of the Collège militaire royal de Saint–Jean but I wish to reaffirm that the government in its budget of February 22 did announce that we will be moving to one college which will be located in Kingston, Ontario.

I made a statement yesterday in the House and the member's colleague from Charlesbourg replied on behalf of his party in terms of how we will make Kingston much more bilingual than it is already. I also announced that the commandant of the Collège militaire royal de Saint–Jean, General Emond, will start in July of this year as the new commandant of the Collège militaire royal located at Kingston to ensure that there is an equitable transition and to make sure that we do indeed continue the very excellent tradition of having a bilingual officer formation in the Canadian Armed Forces.

[*Translation*]

Mr. Claude Bachand (Saint–Jean): With reference to the minister's statement yesterday, Mr. Speaker, he announced two plans: one to make the military college in Kingston bilingual and the other concerning curricula.

Can the minister tell us how much these measures will cost and can he confirm that these additional costs will cancel for all practical purposes the meagre amounts he intended to save, starting next year, by closing the military college in Saint–Jean?

[*English*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, we have covered this a number of times in the House.

We expect the closure of Royal Roads Military College and the Collège militaire royal de Saint–Jean to accrue about $35 million annually to the federal treasury. There are one–time costs associated with the reformation in Kingston but that was all in the budget statement. The hon. member should read that.

* * *

CANADA PENSION PLAN

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, my question is for the Minister of Human Resources Development.

Last week the minister's parliamentary secretary confirmed that Canada Pension Plan premiums will have to be increased from the current 5.2 per cent of earnings in order to cover payments to our aging population. In fact at the current rate in less than 25 years these premiums will eat up 10 per cent of every worker's paycheque.

Has the minister looked at this problem? What is he doing to keep premiums in check?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I want to report to the hon. member that I have read the press reports.

It would be very important to refer him to a study or assessment that was undertaken by the Canadian Institute of Actuaries which noted that the financing of the Canada Pension Plan is on an actuarially sound basis. The formulas are there.

We all understand that as the population changes and as we go into the future where there will be a larger number of Canadians who are in retirement age, there will be some pressures on the Canada Pension Plan. That is the reason why my colleague, the Minister of Finance, announced in the budget that we will put forward a paper that will make some assessment and analysis of what those kinds of issues will be. We will have an opportunity for a public debate, assessment or dialogue on what some of the resolutions or responses should be.

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, we look forward to that public debate.

The surplus fund or contingency fund that the minister mentioned is presently invested in low interest provincial government bonds that subsidize the debt of provincial governments.

What is the government doing to ensure a better return on investment so that Canadians can count on having the pension they spend their whole lives contributing to?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, just to put this matter in its proper context, the managers of the fund have maintained throughout that this was not an unexpected development of the contingency fund, that it would have some pressures.

Certainly for the next three years it has full funding to cover any possible change or alteration in the situation of the fund. It is certainly actuarially sound and has sufficient contingency funds within it.

As the hon. member knows, according to legislation there must be changes in premium rates along the way. That is one reason why we have emphasized in the budget the importance of bringing down the cost of payroll tax, things like UI premiums and CPP premiums, so that we can maintain an active incentive for the private sector. That is one reason why the paper that the Minister of Finance announced will be a very important document for us to study.

* * *

● (1455)

GROUNDFISH LICENCES

Mr. Derek Wells (South Shore): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

In December 1992 the government announced a freeze on all inactive groundfish licences. As a result of this, in order to demonstrate their attachment to the fishery and to avoid losing their licences, fishermen felt compelled to increase their fishing effort. Last week, in announcing the Atlantic groundfish strategy, the minister promised that he would review this policy.

Will the minister advise the House as to what action has been taken on this issue?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I want to thank the member for the question. Indeed, he and virtually every other member of the Atlantic caucus raised the issue of frozen or inactive groundfish licences with me.

Following consultation with members of the Atlantic caucus and consultation with the Canadian Council of Fish Harvesters, I have come to a decision to put in place a new professional standard affecting the fishermen that will have the effect of thawing or releasing the freeze on the vast majority of those so–called frozen groundfish licences.

This decision will have the effect of contributing nothing to capacity as it affects only professional or bona fide fishermen. It will increase not one cent the cost of the Atlantic groundfish strategy, but it will do a great deal in the sense of fairness and, may I say, simple justice to restore the trust between fishermen, professional fishermen, bona fide fishermen and their government.

I thank the member and indeed all members of the Atlantic caucus for their active input in assisting me in making this decision. I think we sure tried.

[*Translation*]

REPRODUCTIVE TECHNOLOGIES

Mrs. Pierrette Venne (Saint–Hubert): Mr. Speaker, my question is for the Minister of Justice.

Last February 9, the minister stated that the recommendations in the Baird report on new reproductive technologies were being thoroughly reviewed, but the government has still not indicated what it intends to do with these recommendations. I want to point out that Canada is one of only a handful of industrialized countries with no legislation on reproductive technologies.

Does the minister agree on the need to act and regulate practices related to reproductive technologies, as is recommended in the Baird report, and will he undertake to table a bill before the House recesses for the summer in June?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I decline to give the undertaking. I think it is premature. The royal commission which reported in February delivered some 300 recommendations to government, most of which were for my colleague, the Minister of Health, but many of which affected the Ministry of Justice in so far as they suggested changes to the Criminal Code.

As I mentioned to the hon. member on the last occasion when she raised this important matter, there are complex questions arising from the recommendations such as, for example, the intersection of criminal law where it tries to prevent horrendous interference with genetic matters and, on the other hand, legitimate research in the university setting which can go to push back the frontiers of medical knowledge.

I say to the hon. member that I share her sense that these issues are important, that they should come before Parliament, but I will not bring them here until we have assessed them thoroughly so that we can form the issues properly and members of this House can make a decision based on all the facts.

[*Translation*]

Mrs. Pierrette Venne (Saint–Hubert): Mr. Speaker, does the minister intend to amend the Criminal Code and prohibit the marketing of human embryos, which is a measure recommended in the Baird report and largely supported by the public?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, with respect to the hon. member, I decline to give a piecemeal position of the government on these issues. I would rather have the matter come forward in its

entirety with the complex underlying issues fully assessed. Therefore, I will respond to her question at the appropriate time.

* * *

FIRST NATIONS

Mr. John Duncan (North Island—Powell River): Mr. Speaker, my question is for the Prime Minister.

The wife of the chair of the Standing Committee on Aboriginal Affairs and Northern Development has been hired by a federally funded Assembly of First Nations as a media relations officer.

My colleague from the Official Opposition has asked for the chairman's resignation. A spokesperson from the Prime Minister's office is quoted as saying of this arrangement: "This is not a conflict". Does the Prime Minister agree with this statement attributed to his office?

• (1500)

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I am answering the question in my capacity as House leader. I point out to the hon. member that a committee chairman is not a member of the government. Therefore the concerns which underlie the hon. member's question do not apply.

Furthermore, I think we have reached the time in our society when spouses can be considered independent of members of Parliament and have their own careers.

The Speaker: Order. As I mentioned last week in a brief statement which I made, committees really stand on their own. Questions with regard to the specifics of committees should probably be addressed in the committees themselves. If, however, there are questions of a general nature which I feel impact upon the administration of government then by and large I would permit these questions to be in order.

I would urge hon. members, if they have questions with the administration of government in mind as opposed to committees, to put them as such.

Mr. John Duncan (North Island—Powell River): Mr. Speaker, this is another example of the need for this long awaited ethics counsellor.

Will the Prime Minister agree that the long awaited ethics counsellor would find this arrangement to be a blatant conflict of interest?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the answer given by the House leader is the appropriate one.

In our society a member of Parliament is a member of Parliament and the career of his or her spouse should not be affected by the status of a member of Parliament.

There are some restrictions for cabinet ministers that must be respected, but spouses of members of Parliament have the right to earn a living. They have the capacity to earn a living. This is the fundamental right of equality in our society.

* * *

HANDGUNS

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, my question is for the Minister of Justice.

On Monday the Minister of Justice met with representatives of Concordia University, the Canadian Safety Council, the Canadian Bar Association, the Ottawa Chief of Police and others who asked for a ban on handguns.

Since handguns are not used for hunting but are very often used for criminal purpose, will the minister propose legislative amendments to implement these proposals? What was his answer to these groups on Monday?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I enjoyed the meeting on Monday. The delegation that came to see me in my office was as described by the hon. member and served to remind me that the vast majority of Canadians want effective gun control in the country.

It is recognized that this is only part of the solution. It is recognized that we have to deal with the smuggling of illegal arms and deal properly with those who use firearms in the commission of offences. At the same time it is important to recognize that guns are used in suicides, over 1,000 each year, and that 3,000 firearms are lost or stolen from the homes of lawful owners each year and then turn up in the hands of criminals who subsequently injure or kill with them.

While respecting the legitimate rights of lawful gun owners in the country, the government is committed toward more effective gun control. We will be responding to concerns such as those expressed on Monday last in my office by those who visited on the occasion described by the hon. member.

ROUTINE PROCEEDINGS

• (1505)

[*English*]

INCOME TAX ACT

Mrs. Beryl Gaffney (Nepean) moved for leave to introduce Bill C–241, an act to amend the Income Tax Act (child support payments).

She said: Mr. Speaker, the current tax treatment of child support payments requires custodial parents to pay taxes on the support they receive while non–custodial parents are allowed to fully deduct the amount.

Canada's tax policy taxes child support payments unlike what we see in the United States, Australia, Britain, Sweden, and many other countries of the world.

While the average child support order covers less than half the minimum cost of raising a child, up to one–third or more of the support payments that are meant to help feed and clothe children are taken away in taxes.

This private member's bill will alleviate this injustice and will work to bring fairness into our tax system, particularly as it relates to the future of our children.

I might add that I am paralleling this private member's bill with my private member's motion. The issue is relevant and this injustice to our nation's children must be corrected.

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

* * *

PETITIONS

CRIMINAL CODE

Mr. Jean–Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have two petitions signed by about 40 constituents of mine.

The first petition deals with the sanctity of human life. The petitioners pray that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no change in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

The second petition deals with the sanctity of life but for a different reason. The petitioners pray that Parliament act immediately to protect the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

PORT OF CHURCHILL

Mr. Elijah Harper (Churchill): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present certified petitions from over 100 of my constituents and others in support of the increased use of the port of Churchill.

The port of Churchill is an untapped national resource. The petitioners call on Parliament to direct the hon. minister responsible for the wheat board to maximize the port's use and to ship at least 5 per cent of Canada's annual grain shipments through the port.

The Canadians who built the port and the railway to Churchill had a vision of Canada and of the north. I join the petitioners in hoping that this vision can live on.

• (1510)

ETHANOL

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, I rise today to present a petition on ethanol. The ethanol industry will certainly create a boon for the agricultural industry. Ethanol is one of the most environmentally friendly fuels available.

Residents in the Chatham, Essex and Kent county areas are very concerned that the government show a consideration on taxation with regard to ethanol.

They humbly ask the Parliament of Canada to allow a decade of tax allowance in order that the industry may get under way. The economic values to the industry are far greater than the tax costs.

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, I too rise in the House today to present a petition in support of ethanol as a fuel. Its time has come in Ontario.

Some 200 petitioners call on the government to extend the exemption on the excise portion of ethanol for a decade to allow the strong and self–sufficient ethanol industry in Canada to go forward.

I present this petition on their behalf.

Mrs. Rose–Marie Ur (Lambton—Middlesex): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present on behalf of the constituents of Lambton—Middlesex and area a petition which has been duly certified by the clerk of petitions.

It requests Parliament to maintain the present exemption on the excise portion of ethanol for a decade, allowing for a strong and self–sufficient ethanol industry in Canada to go forward.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, I would suggest that all questions be allowed to stand.

The Deputy Speaker: Does the House agree?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, I would suggest that all notices of motions for the production of papers be allowed to stand.

The Deputy Speaker: Does the House agree?

Some hon. members: Agreed.

* * *

POINT OF ORDER

PETITIONS PRESENTED IN THE HOUSE—SPEAKER'S RULING

The Deputy Speaker: Dear colleagues, the Chair is now ready to deal with the point of order raised by the hon. member for Chicoutimi, on Monday, April 18, 1994, concerning the manner in which certain petitions have recently been presented in the House.

The right of the public to petition Parliament is very important because it constitutes the only means by which individual Canadians can directly place grievances before this body and make their concerns known. As is noted in *Bourinot's* Fourth Edition at page 231, the signing and presentation of public petitions is highly appreciated by Parliament and in many cases assists it in forming its opinions and in taking appropriate action.

[*English*]

Since individual Canadians are not permitted to address the House directly, as members know, petitions are presented by members. Groups and individuals with petitions for the House must therefore enlist the aid of MPs to have their petitions certified and presented. Citation 1038 of Beauchesne's sixth edition states that members are not bound to present petitions and cannot be compelled to do so. Nevertheless, it is not unusual for members to present a petition to the House whether or not they agree with its contents.

Under the provisions of the standing orders a petition may be presented in one of two ways. Standing Order 36(5) states:

> A petition to the House may be presented by a Member at any time during the sitting of the House by filing the same with the Clerk of the House.

This is also known as tabling by the back door. The second method of presenting a public petition is prescribed by Standing Order 36(6) which states:

> Any Member desiring to present a petition, in his or her place in the House may do so on "Presenting Petitions", a period not to exceed 15 minutes, during the ordinary daily routine of business.

As noted at page 111 of the Annotated Standing Orders, several conditions apply to the presentation of petitions in the House during Routine Proceedings, the most notable of which is the prohibition contained in Standing Order 36(7) on "debate on or in relation to" petitions presented.

On February 26, 1986, Speaker Bosley issued guidelines which not only reiterated provisions of Standing Order 36(7) but also invoked the practices which had evolved here on the manner of presenting petitions, and I quote:

> In presenting a petition during Routine Proceedings, the member may make a brief—

• (1515)

I underline the word brief.

> —summary of the prayer of the petition, state the parties from whom it comes and the number of signatures it contains, but may not make a speech or enter into debate on or in relation to the petition. The member should also indicate that the petition has been certified in order, pursuant to the standing orders.

[*Translation*]

Therefore, commenting in any way on the merits of a petition could be considered a form of debate on the petition. In this Parliament, on several occasions some Members have commented favourably or adversely on the petitions they are presenting, prompting other members to voice various objections to those comments.

Since there is only a limited period during each sitting when members may present petitions, saying anything other than what is normally permitted takes time away from other members who wish to present petitions. Members should bear in mind that the Member presenting a petition in the House or filing it with the Clerk is acting as a messenger or intermediary between Parliament and the petitioners.

If the rules permitted debate on petitions or if the subject of the petition were to come before the House for debate in some other manner, the member's view on the subject matter would be relevant and vital to the process. As things stand, however, the role of the member, while essential, is limited.

Therefore the Chair would ask members to refrain from commenting on petitions they present other than to simply note the prayer of the petition, the number of signataries, and their place of residence.

[*English*]

Finally, should members choose to present petitions with which they disagree they may do so during Routing Proceedings without comment or simply file them with the Clerk of the House at any time.

Both methods of presentation fulfil the requirements of the standing orders and both are equally valid.

[*Translation*]

I hope this brief statement will help explain the procedure on presenting petitions to the House.

I thank the hon. member for Chicoutimi for raising this matter and thus allowing the Chair to provide the House with an explanation of the process.

GOVERNMENT ORDERS

[*Translation*]

PEARSON INTERNATIONAL AIRPORT AGREEMENTS ACT

The House resumed consideration from April 26 of the motion that Bill C–22, an act respecting certain agreements concerning the redevelopment and operation of terminals 1 and 2 at Lester B. Pearson International Airport, be read the second time and referred to a committee; and of the amendment; and of the amendment to the amendment.

Mr. Philippe Paré (Louis–Hébert): Mr. Speaker, Bill C–22 will be an opportunity for me to demonstrate the unfair treatment given Jean Lesage Airport in my riding, compared with other Canadian airports.

Since the opening of the 35th Parliament on January 17, we have on many occasions heard Liberal and Reform Party members boast of the advantages of Canadian federalism for Quebecers. In my speech on Bill C–22, I will try to show how different the real situation is by looking at the problems we have with air transportation.

First of all, we condemn the centralizing approach of Transport Canada in decisions that affect Quebec. For instance, there is the story around the selection of Mirabel as a second airport for Montreal. The result: 20 years of economic disaster. Mirabel is still finding its feet, Dorval has stagnated, and Toronto has emerged as the big winner from Transport Canada's planning disaster. From 1970 to 1991, Air Canada moved 12 per cent of its employees from Montreal to Toronto, and from 1977 to 1991, Montreal lost 22 per cent of its pilots, while the number of pilots in Toronto increased by 34 per cent. In 1988, Air Canada transferred its pilot training services to Toronto, and in 1991, 12 management positions were transferred as well.

The centralizing approach of Transport Canada has affected air traffic control as well.

• (1520)

Terminal control units have been transferred to regional control centres. Halifax, Thunder Bay, North Bay, Regina, Saskatoon and Sault Ste. Marie each lost their radar control facilities.

The terminal at the airport in Quebec City will be closed in July 1994, which means that after that date, aside from the seven regional control centres, only Ottawa and Calgary will be allowed to maintain their air traffic control units.

Nearly $1 billion has been spent as part of a plan that has created a number of security problems by making vast areas extremely vulnerable, in case of a malfunction in regional radars or if regional control centres have to be evacuated in an emergency, and I will get back to this later on.

I would now like to make some comparisons to illustrate how ignorant Liberal and Reform Party members are when they claim Quebec is complaining on a full stomach.

The airport in Quebec City was built on 633 hectares of land, the airport in Halifax on 930 hectares, Winnipeg on 1504 hectares, Toronto on 1714 hectares and Edmonton on 2669 hectares.

Liberal and Reform Party members will have to admit that Quebecers paid approximately 25 per cent of the cost of these locations, which are much bigger than the site at Jean Lesage Airport in Quebec City.

These properties have cost Quebecers a lot of money. Only the airports in Newfoundland, Charlottetown, Regina, Yellowknife and Whitehorse are on sites smaller than the location in Quebec City.

If we compare air terminal areas, Quebec has 12,126 square metres, Ottawa has 18,044, Winnipeg has 24,834, Halifax has 24,870 and Edmonton 34,374. Liberal and Reform Party members will have to admit that Quebecers paid 25 per cent of the cost of the air terminals in these Canadian cities, while they have to make do with an area two to three times as small. Once again, the other provinces have cost Quebec a lot of money.

My Liberal and Reform Party colleagues might want to justify Transport Canada's neglect of Quebec, by assuming that the volume of air traffic at the airport in Quebec City is smaller than at other Canadian airports.

Here are some more figures to demonstrate the greed of Transport Canada. What we have here is the increase in transborder and international flights from 1988 to 1992: Halifax went up 12.5 per cent; Winnipeg, 13 per cent; Calgary, 15 per cent; Quebec City, 179 p. 100.

I did not make this up. These figures are from Transport Canada.

This was about increases in volume. If we compare the flight volume in Quebec City with the volume at the other airports I mentioned, we see that these volumes are comparable. It is therefore not surprising that, with a comparable flight volume and an operating area two to three times as small, the quality of service provided by Transport Canada at Jean Lesage Airport is very poor. In fact, according to Transport Canada's own criteria, the level of service at the airport in Quebec City, rates an F, which means: system saturated, congestion and unacceptable delays. So much for the profitable federalism you are trying to sell Quebecers!

Everyone refers to Jean Lesage Airport as a bush airport. Considering the millions of dollars invested in other Canadian airports and especially in Toronto, the situation in Quebec city is

a disgrace. The only explanation is the irresponsible attitude, if not bad faith, of Transport Canada and the Liberal and Conservative members who sat and sit on the benches opposite.

This is one more indication that, under Canadian federalism, Liberal and Conservative members from Quebec have always done the bidding of the English Canadian majority and never had any real power. The presence of Prime Ministers from Quebec was, and still is, merely an illusion of power.

• (1525)

Let us now go back to air traffic control. While the regional centres in other provinces serve, on average, some 2.6 million people, in Quebec, according to Transport Canada plans, the Montreal regional air traffic control centre will be serving a population of 7 million. This is what we mean by profitable federalism for all Canadians, except Quebecers, who are paying to provide other provinces with services they can only dream of.

We are not fooled by all this! Why is Transport Canada trying to close the Quebec City airport terminal air traffic control unit? The reason invoked is savings. However, we do not believe it, because we can prove that a series of decisions proposed by Transport Canada will require much larger investments than what is requested by the people involved in the Quebec City area. We believe that the real reason, although nobody would admit to it, is the elimination of a French-speaking air traffic control centre. Then Canada would be left with only two officially bilingual centres, one in Montreal and one in Ottawa.

Speaking of bilingualism at the Ottawa airport, how do you expect francophones of this country to feel that they get some respect, when they know that Transport Canada has been trying unsuccessfully for five years to render air traffic control bilingual at the airport of the national capital of a country which claims to have an official languages policy. This is the Prime Minister's Canada.

By the way, why was the Ottawa airport terminal air traffic control unit not transferred to Toronto, like all other units within a given region? Air traffic control in Ottawa was supposed to become bilingual, so if it were to be transferred to Toronto, could that centre be expected to become bilingual one day? The answer is obvious.

This is one more example of the so-called profitability of federalism as it applies, this time, to air transportation. Over the years, Quebecers have come to realize that Canadian federalism cannot be reformed and cannot be profitable. I should add, by the way, that if the other provinces had not come to the same conclusion, that is to say that Quebec is profitable for them, why would they be so strenuously opposed to Quebec sovereignty?

As for the possibility of the Canadian government compensating people who were about to extort millions of dollars from Canadians, it is outrageous. If we should compensate friends of Liberal and Conservative regimes for profit losses, how should we compensate Quebecers for 125 years of federalism that kept them unemployed and dependent? This unfair treatment of the people of Quebec began in 1840, when England imposed the Act of Union between Upper and Lower Canada. In doing so, England wanted to make Canadians living in Lower Canada, French Canadians, pay part of Upper Canada's debt. Quebec has already paid its share of compensation and then some.

Therefore, Mr. Speaker, clearly, I will vote against this bill.

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, listening to the analysis presented by our colleague opposite, it appears to be a black and white issue. His view of history betrays prejudices which have no room in our world.

Sure, if you look at our history, you will find that not everything was perfect, but an analysis such as yours is bordering on slander. I wonder where you found all those data to reach such a negative conclusion. It is unfair. There are two sides to every story and you must take it into consideration when analyzing situations like this one, especially going all the way back to 1840.

Would you be willing to consider the benefits of our confederation, one of the best in the world? It will be difficult to convince you that, were it not for the Canadian federation, you would not have been able to maintain a second official language. It would have been impossible anywhere else but in Canada. We are the only living proof of that in the world.

The Deputy Speaker: Before recognizing the member, I would like once again to ask you to address your remarks to the Chair. It lowers the chances of friction.

• (1530)

Mr. Paré: Mr. Speaker, most of the data I quoted in my speech come from reports published by Transport Canada. To compare the situation at the Quebec City Airport with that of airports in other capitals, be it in the provinces or the Northwest Territories, I relied mainly on statistics from Transport Canada. To compare the increased frequency of flights between those airports, I used Transport Canada data. To compare air traffic, again I used Transport Canada data.

Mr. Speaker, Quebecers have studied history. We may not have had the same history books as our colleagues opposite, however, I can assure you that, in the next few months, we will be prepared for the upcoming debate on nationhood for Quebec. Rest assured that the system has given us all the arguments we need to prove what I just started demonstrating. It is only a matter of time. We only have to read the official reports published by the federal government and Statistics Canada, to find the necessary data. We will make them public and circulate

them among Quebecers, who will, no doubt, come to the proper conclusion.

The Deputy Speaker: I inform the House that, after five hours of debate, we will now proceed to the ten-minute allotted time period for speeches without questions or comments. The member for Chicoutimi.

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, I rise to speak on the amendment to Bill C-22.

First of all, I would like to briefly review the sequence of events. In 1989, Paxport Inc. spontaneously submitted a proposal for the privatization of Terminals 1 and 2. The government of the day nixed the idea. That was in 1989. However, in October of 1990, the government invited the private sector to submit proposals for the redevelopment of Terminals 1 and 2. In 1991, Terminal 3 opened for business under the management of Claridge Holdings Inc. On March 11, 1992, the government formally issued requests for proposals for the privatization of Terminals 1 and 2 at Pearson. This preceded the decision on the proposed expansion of the runway system at the airport. Only a one-phase process was called for, involving no prequalification, whereas the bidding for the privatization of Terminal 3 involved a two-stage process, initially soliciting interested parties and selecting a short list of bidders, and then encouraging detailed submissions.

As for the competition process itself, the Nixon report states the following on page 2, and I quote: "The Request for Proposals did not set out many of the fundamental aspects of the proposed development, but left these to bidders to define for themselves". Therefore, it was left to bidders to make projections on passenger traffic at the airport. Yet, data on passenger traffic is critical to determining the pace and scope of the redevelopment. With a project of this magnitude, how could it have been left to the bidders to define such crucial parameters?

Moreover, only 90 days were provided for responses. This is an unusually short deadline, considering that we are dealing with a highly complex, long-term contract covering a period of 57 years. What reason could there be for setting such a tight deadline if not to give an advantage to certain companies, such as Paxport which had submitted an earlier privatization plan in 1989, and Claridge which was already managing Terminal 3 at Pearson? In the end, the government received only two bids, one from Claridge and one from Paxport.

On December 7, 1992, the Paxport proposal was selected as the best of the two bids. The company was required to demonstrate by February 15, 1993 that its proposal was financially viable.

• (1535)

As it could not do so nor, according to its president, obtain the necessary capital from other sources, Paxport and Claridge established T1 T2 Limited Partnership less than two months later. In fact, Paxport created a joint venture with its only competitor.

Why did the government then in office award a 57-year contract worth hundreds of millions of dollars to a financially-troubled company that was also close to the party? All interested parties in the Toronto region knew at the time that Paxport was in financial difficulty. The government cannot claim it acted in good faith.

As you may recall, one of the reasons Paxport was chosen was to encourage healthy competition between the manager of Terminals 1 and 2 and the manager of Terminal 3.

On August 30, 1993, the Minister of Transport announced a general agreement between the two parties. He promised that a final agreement would be signed in the fall.

On September 8, 1993, the Government of Canada called an election. The Nixon report summarizes the events as follows: "Prior to the conclusion of the legal agreement the Leader of the Opposition (now the Prime Minister) indicated clearly that parties proceeding to conclude this transaction did so at their own risk and that a new government"—that is, the people opposite—"would not hesitate to pass legislation to block the privatization of terminals 1 and 2 if the transaction was not in the public interest". The legal agreement was signed nevertheless.

Under the pressure of public opinion, the government ordered a review of this highly controversial deal and the Nixon report was published on November 29, 1993. On December 3, 1993, the Prime Minister announced the cancellation of the agreement.

The Nixon report outlines the process and argues that it strongly favoured one of the proposals since Paxport had already submitted a privatization proposal.

The report itself describes in plain language the abuses that were committed in this deal: "Other management and construction firms not having been involved in the maneuvering preceding the RFP had no chance to come up to speed and submit a bid in the short time permitted".

Other companies should have been invited to bid and should have been given a reasonable deadline. No prequalification financial analysis was required in this request for proposals.

Finally, the Conservative government signed the contract in the final stretch of an election campaign. Allow me to quote from the report. "It is a well-known and carefully observed tradition that when governments dissolve Parliament they must accept a restricted power of decision during the election period". The report concludes that the privatization process was far from promoting the interest of the public to the fullest.

We demand a royal commission of inquiry. The Nixon investigation was conducted in private. In the red book, the Liberals say that people are irritated because key parts of public business are conducted behind closed door.

The government keeps harping on about transparency. Here is a chance to show us they believe in their principles and can apply them responsibly.

A government that preaches transparency has to shed some light on this whole issue. Taxpayers have the right to know and to be provided with inside information on these transactions. The government cancelled the privatization plan, yet this bill provides for compensation, although the parties were aware of a possible contract cancellation.

• (1540)

The Crown does not have to compensate investors for miscalculations. Clause 10, paragraph 2, reads as follows:

> No amount is payable under an agreement entered into under this section in relation to (*a*) any loss of profit, or (*b*) any fee paid for the purpose of lobbying a public office holder, within the meaning of subsection 2(1) of the *Lobbyists Registration Act*, in connection with any agreement.

It has to be stronger than that. Public funds are at stake.

Mrs. Pauline Picard (Drummond): Mr. Speaker, I rise today to denounce the doings of some politicians in this country. More particularly, I intend to denounce the almost incestuous practices which are part of the culture of some people who try every day to influence government decisions, using all the means at their disposal, from childhood friendships to services rendered, including election organizing and political party financing.

These people try to change the normal course of events, to trade the public interest for private gain and, sadly, to relegate to the background parliamentarians' role as their constituents' elected representatives. I therefore speak on this bitter taste left by Bill C-22, the uncertainties surrounding the privatization of Pearson Airport in which lobbyists, politicians, former senior civil servants and friends of the government seem to be involved.

The Pearson Airport issue is worth considering, beyond Bill C-22. The government is wrong in refusing to clear up the whole matter. By simply clamping a lid on it while clause 10 would pay generous compensation set in secret and at its discretion, without consulting parliamentarians, the government is showing the people of Quebec and Canada its true colours, while its red book talked about a code of ethics for lobbying.

Has the powerful lobby around it made the government change its mind? If not, as I hope, the government has the ideal issue before it to show its good will, to set a new path in the conduct of affairs of state and to give back to our fellow citizens a minimum of trust in their political leaders.

At a time when polls and all opinion surveys agree that the people mistrust and doubt their political leaders and hold them in low esteem, is it not worth confronting the old demons which haunt the halls and corridors of government and giving the people what they want: honesty, openness and the plain simple truth? The Pearson Airport issue is perfect for this exercise and I am convinced that, in a free vote, parliamentarians would listen to their conscience and go for transparency, legitimacy and restraint.

The government has the duty to hold a public inquiry on the privatization of that airport. By refusing to do so and not following the suggestion made by the Bloc Quebecois, the government would not fulfil its responsibilities; it would renege on its election promises, and it would in fact endorse methods used by Conservatives. The government would merely replace a few beneficiaries.

As Mr. Nixon mentioned in his report, the privatization of Pearson Airport is an obvious example of political interference, irregularities and maneuvering. This is why, if the government has nothing to hide or to protect, the issue must be thoroughly examined and must stand as an example to ensure that such a situation does not occur again.

• (1545)

In 1987, when the federal government implemented a new management policy regarding Canadian airports, it did so mainly to involve local authorities in the development of airport sites. This was the case for Vancouver and Montreal, among others, where non-profit corporations manage airport facilities. In Toronto, the situation was very different, perhaps because Pearson Airport was the most profitable in Canada. In a context of freer trade, which is a sacred cow, the thinking goes like this: Why should the government keep a profitable venture when it can look after so many non-profitable ones?

Far from promoting public interest, the transaction took place in the midst of an election campaign, for the benefit of the only two bidders, former competitors now united to reap the profits. Paxport Inc., whose bid had been approved by the government without any prior financial analysis, was not able to come up with the funds necessary to conclude the transaction involving terminals 1 and 2. Paxport joins forces with Claridge Inc., which already controls terminal 3 via Pearson Development Corporation.

This merger produces T1 T2 Partnership. And there you have it! Pearson, which is a very profitable airport, is completely privatized for the benefit of a single group. The financial details of the deal are kept secret, but when reviewed by Robert Nixon and other Ontario investigators, they do not seem to be compatible with public policy. How many millions of dollars are we

talking about? We have to know in order to determine how much we are ready to pay to show our appreciation to government supporters. It is in the best interest of Canadians to know these things, because it is their money the government is squandering and wasting away on such schemes.

It is also in the interest of the public to find out who took part in those deals and how they managed to come up with such irregular and intricate deals. This information will only come out of an in–depth inquiry, which the government must set up.

Right now, we only know who the lead actors in the Pearson deal were and notice that they all are closely linked either to the Conservative Party or the Liberal Party. For instance, Claridge Properties Inc., belongs to Charles Bronfman, who is well–known for his ties to the Liberal Party of Canada. Senator Léo Kolber sat on the board of directors of Claridge when the deal was signed and, during the election campaign, he held a party at $1,000 a plate, which Mr. Bronfman and the current Prime Minister, among others, attended.

Herb Metcalf, a lobbyist for Claridge, is a former political organizer for Mr. Chrétien, while Ramsey Withers, deputy minister of Transport at the time of the request for proposals process concerning Terminal 3, is another lobbyist well–known for his close ties to the current prime minister.

At Claridge, to strike a balance between red and blue, there were also Conservative lobbyists involved in this deal: Pat MacAdam, a college friend of Brian Mulroney, Bill Fox, former press secretary to and personal friend of Brian Mulroney, and finally Harry Near, a long–time party activist.

Paxport Inc. also has some Conservative friends even though it reportedly also maintains close ties with the Liberal Party of Canada. There is Don Matthew, former chairman of Brian Mulroney's leadership campaign, former chairman of the Conservative Party and of the party's fund–raising campaign. Another former chief of staff of Brian Mulroney, Fred Doucet, acted as a Conservative lobbyist for Paxport while the consortium with Claridge was being planned. Other lobbyists, like Bill Neville, Hugh Riopelle and John Legate, are all known to have easy access to Brian Mulroney Cabinet members.

Given this information and all the disturbing matters raised in the Nixon report, the government simply cannot brush aside this issue, as it is trying to do with Bill C–22.

• (1550)

In his report, Mr. Nixon talks about political manipulation, which is a serious allegation. Will we encourage this by handing to the minister, under the cover of section 10, a blank cheque for the payment of compensations as he sees fit? The Nixon Report indicates that financiers and lobbyists tried to put one over on us, the taxpayers of Canada and of Quebec, with this project. Will we help them to con us even more?

The answer is no, and I will conclude with this. Taxpayers have already paid too much, and they need to know why. Thus, we must reject Bill C–22 and soon proceed with a royal commission of inquiry.

Mr. Maurice Dumas (Argenteuil—Papineau): Mr. Speaker, lobbying has evolved considerably over the last few years. The real transformation came about in the early 70s. Before then, Canadians thought that lobbying was virtually non–existent and this subject was seldom discussed. However, in the early 80s, lobbying became part of the federal decision–making process.

In its famous red book, the Liberal Party talks about making government more transparent in order to restore public confidence. However, it is mentioned in the Nixon report that some politicians showed an enormous interest in the Pearson Airport transaction. In his report, Robert Nixon states, and I quote: "My review has left me with one conclusion, to leave in place an inadequate contract arrived at with such a flawed process and under the shadow of possible political manipulation is unacceptable".

I will now summarize the evolution of lobbying before telling you about the real players in the Pearson Airport deal.

In view of the recent death of Richard Nixon, I do not need to remind members of the Watergate scandal in the 1970s, a scandal which shook the confidence of our neighbours to the south in their political system. Need I remind members also of the Canadian Pacific scandal in the 1870s, one of the first political scandals to take place in Canada. That scandal was about making donations to the election fund. In fact, Sir Alexander Mackenzie had made honesty the theme of his Liberal election campaign, and in the process brought down the government of Sir John A. Macdonald.

Later on, under the Conservative government, draftsmen began to work on a bill stating the basic principles of a lobbyists registration system. Its foundation was Bill C–82, now entitled "Lobbyists Registration Act", afterward referred to as R.S., 1985, c. 44, assented to September 13, 1988 and in force September 30, 1989. That act was subsequently amended by Bill C–76, passed February 22, 1993.

Let us ask ourselves: What is really a lobbyist? A lobbyist can be defined as an individual or a corporation which, for payment or other compensation, makes representations for a client to ministers or officials. The basic principles can be summed up

this way: public access to government; transparency of dealings with governments; simplicity of the system's administration.

The Ninth Report to the House of Commons by the Standing Committee on Consumer and Corporate Affairs and Government Operations, tabled in 1993, stated and I quote: "When lobbying is conducted away from public view, there is a greater opportunity for decisions that undermine the public interest".

• (1555)

Thus, lobbyists are required to file returns with registrars. There are now different categories of lobbyists.

First, there are professional lobbyists who, for payment and on behalf of a client, undertake to arrange a meeting with a public office holder in an attempt to influence him or her on legislative proposals, on the passage or defeat of a bill or on the awarding of monetary grants or government contracts. These lobbyists are subject to very strict regulations.

And then, there are the other lobbyists. They are employees who, as a significant part of their duties, communicate with public office holders. Let us note that the registry of lobbyists may be consulted by the public. This second category of lobbyists is a problem because they are not subject to the same disclosure procedures.

In 1993, the standing committee recommended the elimination of distinctions between different categories concerning mandatory disclosure. It is crucial that we support those recommendations by the standing committee, since many lobbyists do not abide by the law. An anti–avoidance rule is needed. Obviously, staunch opposition is to be expected from many lobbyists.

The concept of openness should also apply to the financing of political parties. Incidentally, on March 13, my colleague, the hon. member for Richelieu, introduced a motion to restrict donations by individuals to $5,000 a year and to eliminate all corporate contributions.

That motion reminded us that the real bosses are the voters and not the big backers.

The hon. member for Richelieu went on to say: "Although the proportion has changed, the amount provided is still significant and a potential source of conflict. Since the reform of 1974 and the ensuing evolution of fundraising, small contributions from private individuals account for a larger share of the financing of political parties. Such democratization is very much due to the institution of a federal tax credit on political contributions, which was adopted in 1974".

Mr. Speaker, some people may think the current legislation is an adequate means to limit influence peddling and that there is no need to impose a ceiling on donations. However, the accusations of influence peddling made in the last ten years against members of the Senate or the House of Commons tend to prove otherwise.

More and more, Canadians and Quebecers are demanding openness. This disproportionate influence must stop and the people must regain control over our electoral system. Quebec's legislation is a model for all aspects of the electoral system. Popular financing and the requirement to disclose the source and amount of contributions are an integral part of Quebecers' customs.

The last point I want to mention is the recommendation of a code of ethics for elected representative and senior managers, which would allow for more transparency in the registration of lobbyists. This recommendation leads me to the Pearson Airport affair.

Many players are involved and the two principal political parties were largely implicated in this scheming. We find the following companies: Claridge Properties Inc., Paxport Inc., Pearson Development Corporation, and names like Peter Coughlin, Senator Leo Kolber, Herb Metcalfe, Ray Hession, Don Matthews, Otto Jelinek and Fred Doucet, to name only a few.

• (1600)

So it is not without reason that Robert Nixon, Jean Chrétien's investigator, recommended cancelling the contract last November. Having named all these players, we have to conclude that a code of ethics for elected representatives and senior managers is essential.

Given all the disturbing facts of the Pearson Airport affair, it is of the utmost importance to ask the Prime Minister to appoint a royal commission of inquiry to get to the bottom of the dealings of those involved. Transparency must prevail if Canadian democracy is to regain its true meaning.

Mr. Maurice Godin (Châteauguay): Mr. Speaker, today's debate challenges all our political morals, our habits, our customs out of this Chamber, our relations behind the political scene and the influence peddling that usually remain hidden from the public. The study of Bill C–22 provides a unique opportunity to ask ourselves about the interaction that may exist between the political authority of a government and the economic power of large corporations.

We have before us a holding which resorted to the most extreme schemes to acquire terminals 1 and 2 of Pearson Airport in Toronto. The report by Robert Nixon, who was responsible for examining the deal, is very critical in that regard. Corporate transactions, transfers of senior departmental officers, exceptional tendering procedures, no requirement for a prior financial analysis, clauses benefitting the airport at the expense of others, everything led the investigator to believe that such an inadequate contract signed in such an irregular way was unacceptable.

One can understand Airport Development Corporation, Claridge Holdings Inc., Paxport Inc. and their consortium T1 T2 Limited Partnership. Pearson Airport was a jewel for developers in the air transport industry. With 20 million passengers each year, an area covering 1 792 hectares, three terminals, 15 000 employees, and 800 airplanes landing or taking off every day for

300 destinations in 60 countries, Pearson airport is the hub of air transport in Canada.

According to a Transport Canada study dating from 1987, Pearson airport has direct economic spin–offs amounting to $4 billion for the Ontario economy and it employs 56 000 people. Yet, not long ago, it was Montreal that was the hub of air traffic.

The federal government is responsible for major changes that have affected the location of the poles of economic activity. Quebec has long been suffering from federal interventionism within its economy. Pearson airport is benefitting from the side effects of one of these federal interventions, namely the building of Mirabel International Airport.

The Mirabel decision had horrible consequences for Quebec in several regards. Initially, the idea was to meet a demand that Dorval airport could no longer satisfy. Why not stick to consolidating Dorval infrastructures into one modern efficient airport that would have confirmed Montreal as the hub for the next 50 years? No. Politicians at the time agreed to build a second airport in Mirabel, 40 kilometres from Montreal and about a hundred kilometres from Ottawa, at a spot Highway 13 has not even reached yet.

Meanwhile, Quebec representatives were thinking about locating that airport in the Montreal–Sherbrooke–Quebec triangle in order to serve adequately the metropolitan area, as well as the old capital, while opening up, through Sherbrooke, to the big market of the East coast, with several million people. The federal government refused to listen and, while Quebec was pursuing its actions and its consultations, the federal government made a unilateral decision on March 27, 1969. Its airport would be located in Mirabel to serve, it was claimed, both the federal capital, Ottawa, and the Montreal metropolis.

• (1605)

The federal government, with our money, was making a poisoned gift to Quebec. What a gift. It was depriving us of 95,856 acres of one of the best farming land. But most of all, Mirabel airport would gradually cause the Montreal area to lose its status as the hub of international air traffic in favour of Pearson airport in Toronto. While Mirabel was being built, the federal government was giving permission to all international airline companies to use the airport in Toronto, which could then provide all these services and keep expanding in one single airport.

A plot to move this economic activity 500 kilometres to the West could not have been more successful. This federal intervention resulted in a significant loss of jobs for Quebec. And who paid the bill? Quebecers themselves, with the taxes they are sending to Ottawa.

This kind of deplorable intervention by the federal against Quebec's interests is not the first and will not be the last, as long as Quebec remains in this federation. Interventionism has also affected all our oil and petro–chemical industry. In 1957, the Diefenbaker government established a Royal Commission on Energy chaired by Henry Borden. Of the six commissioners, Jean–Louis Lévesque, from Montreal, was the only one representing Quebec. The mandate of the Borden Commission was to examine all issues relating to energy, such as size of the domestic market, security of oil supply, the export volume and price.

The commission was anxious to develop this sector of the economy to become less dependent on other countries and at the same time reach the U.S. market. There was more to it, however. A jealous eye was cast on the oil refineries in Montreal, which some people wanted to see transferred to Ontario. The commission heard representations from independent producers who were in favour of building a pipeline from Edmonton to Montreal, so that Alberta crude would displace imported Venezuelan crude being refined in Montreal. However, Ontario was not really interested in this pipeline or western natural gas but in Montreal's major refineries.

Once again, as in so many other cases, the influence of the lobbyists was decisive. The project was opposed by the major oil multinationals. Finally, the commission recommended drawing a demarcation line along the Ottawa Valley. It recommended securing all markets to the west of this line for producers in Alberta. The federal government implemented this recommendation in 1961. Since the pipeline went to Toronto, Sarnia was born. The next step was to extend the pipeline to Montreal, and after taking away our refineries, English Canada was to take over the Montreal market.

We owe the disappearance of an entire petrochemical industry in East Montreal to Canada's national policy initiatives. Richard Séguin, one of our great singers from Quebec—the Parliamentary Secretary to the Minister of Industry referred to him on February 9 as a great artist—tells us in one of his songs about the incredible human cost of the disappearance of East Montreal's refineries. At the end of his song he says to his father: "J'vais prier pour toi".

Another example, equally important, is the St. Lawrence Seaway. We all know that this access way to the Great Lakes, built with our taxes, sounded the death knell of the Port of Montreal. It contributed substantially towards shifting certain activities towards the West, while destroying Montreal's position as a transit zone for goods, services and people. We could have made Montreal the biggest interior port in the world, a real international hub.

Today, a special committee is considering the future of the Seaway, but we are stuck with it, and it will probably cost too much to undo.

• (1610)

As an economic activity, transportation is central to many other activities. This is why maritime, rail, pipeline and air transportation play a role in the development capabilities of other economic activities. You can sense the appeal of that. This is clearly the reason why big investors, lobbyists and friends of the government are doing their utmost to lay their hands on this sector. Wolves follow their prey, and if we are not vigilant, private interest will prevail over public interest.

I will conclude by saying that for too long our taxes have been used against us in this federation. We no longer want our taxes to be used to enrich the friends of the government, we want them to be used to reduce the debt. The financing of our party, the Bloc Quebecois, is a model to follow. Money comes from individuals, not from large companies or interest groups seeking favours by giving money to the main parties, irrespective of their leanings. We do not owe anyone anything, our hands are not tied.

We are here to defend Quebec's interests, and they include a sound management of public funds. This is why the Bloc Quebecois is asking for a royal commission of inquiry. While waiting for Quebec sovereignty, we will try to improve Canada. Be assured that we are going to try to clean up its act.

Mr. Benoît Sauvageau (Terrebonne): Mr. Speaker, several questions have been raised since yesterday regarding the famous Bill C-22, an Act respecting certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport.

Several questions, to the total amazement of our friends opposite, had escaped them, not all of them though. Some Liberal members are more lucid than others, such as the member for York South—Weston, as demonstrated on page 3539 of yesterday's official report. I quote what he said:

> I would submit that it would be unconscionable if they were paid any money whatsoever not only because of what was said during the election campaign, and what happened behind the scenes, but also because of the very clear statement and the request for proposals that was put out in March 1992. At paragraph (8.6.3.), it says this. Again Mr. Bronfman and all those who were participating in this contract were well aware of what was in the request for proposals.
>
> It said: "All costs and expenses incurred by proponents relating to proposals will be borne by the proponents. The government is not liable to pay such costs and expenses or to reimburse or to compensate proponents in any manner whatsoever for such costs and expenses under any circumstances, including the rejection of any or all proposals and the cancellation of the project".

This paragraph shows very clearly that clause 10 of Bill C-22 makes no sense whatsoever, unless the minister, the Minister of Transport in this case, has to, heaven forbid, reward friends of his party.

Liberal members are surprised by our relentless attacks on this bill but what has happened to their commitment to transparency, now that they are six months into their mandate?

Among the promises which filled a whole chapter of the red book, what has happened to the ethics counsellor in charge of advising ministers, MPs and other public officials? The government could really use somebody like that, these days. What progress has been made in the drafting of a code of conduct for Parliament? It seems to me that it has fallen by the wayside.

What has happened to the new rules regarding lobbying? The Liberals will undoubtedly answer that it is a priority for them, but if we were to make a list of the priorities they have been talking about since January 17, I would feel sorry for issues that did not make it in their eyes because, for this government, everything is a priority, or rather, nothing is.

• (1615)

With respect to the new lobbying rules, we learned only yesterday from a report in *La Presse* that the federal government had decided to extend by one year very lucrative advertising contracts prior to establishing its new lobbying rules.

Clearly, there must be some mistake, Mr. Speaker. And yet, the government is now giving us the impression of taking care of its friends, before passing legislation to protect them, as I just mentioned. Perhaps we are mistaken, but the perception is rather different. And perception is the key to whether or not the public trusts the government. In this particular case, positions are relatively clear.

With your permission, I would like to quote the hon. member for Red Deer who stated the following yesterday, which appears on page 3529 of Hansard. I quote:

> —I certainly agree with that. I would agree wholeheartedly with the member's comments that they know better and they obviously should not be expecting any compensation.

As you can see, I have introduced quotes from Liberal and Reform members who agree with our amendments, but none from Bloc members.

It is clear that Bloc members stand solidly behind this amendment, as do Reform members and even a few Liberals. Therefore, they have no business saying that we are being paranoid and that we are nitpicking.

Not so very long ago, in addition to the member for York South—Weston, the Minister of Immigration himself, the President of the Treasury Board and the Parliamentary Secretary to the Minister of Industry spoke out on this agreement. Even the

Minister of Transport said that the federal government was considering setting up a royal commission of inquiry into the privatization of Pearson Airport. This fact was reported in *La Presse* on November 29 last. The Minister of Transport himself suggested that such a commission be established.

Why then are our colleagues opposite so surprised when barely a few months ago, they shared our position on this issue? Could it be because the members on this side have not changed their minds and are not in the habit of doing so every few months?

Why did we not change our minds? Why are we asking for a royal commission of inquiry to save millions of dollars, perhaps hundreds of millions in the long run, to the taxpayers, but above all to clarify whether the government's hands are clean? That is the whole question.

Why is it that, while the Nixon report, which surprisingly enough took only 30 days to produce, states that there has been wrongdoing in connection with lobbying, it gives no specific example of such practice?

Also, why compensate people for costs incurred in such instances? My mother used to tell me, as a child, that honesty pays. Was she right or not?

Why does the government continue to refuse to release the privatization contract concerning Pearson Airport? There are many unanswered questions, are there not? Many questions that will do nothing to improve the Liberal Party's credibility rating, if it has any credibility left.

The reason we are opposing Bill C-22 and asking the government, for its own good and in the interest of the Canadian population as a whole, to shed light onto these obscure dealings is to get all these questions answered. Of course, that is if the government has nothing to hide; otherwise, its reluctance is understandable.

In closing, let me repeat the amendment moved by the Bloc Quebecois:

> "This House declines to give second reading to Bill C-22, An Act respecting certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport, because the principle of the Bill is flawed due to the fact that it contains no provisions aimed at making the work done by lobbyists more transparent."

We also support the amendment to amendment moved by the Reform Party to add "in Canada" after the word "lobbyists".

• (1620)

Mr. Jean-Guy Chrétien (Frontenac): Mr. Speaker, as my colleagues have been doing for two days, I want to speak on the shady privatization of Pearson Airport. It is obviously a question of money but it is also a matter of principle concerning the very foundation of the federal system, namely the financing of political parties.

When stories such as this still make headlines in 1994, we wonder if democracy has made progress or if we are still facing the dubious tactics of the good old 1940s. Now, my dear friends, Mr. Speaker, I would like to relate to you a story my mother and father told me more than once. My father, an important lumber dealer and a highly-regarded Liberal organizer—back in the 1940s, of course—who raised enormous amounts of money for the Liberal Party, had the opportunity to acquire machinery no longer needed after World War II, such as tracked vehicles and tanks. He leased flat cars from Canadian Pacific in Toronto and he was always telling me what a good deal it was. He told me: "I sold one and all the others were free and clear". He was of course a friend of the government. All his friends in the community tried to buy some but they were all gone, as friends of the government had bought everything they could lay their hands on at ridiculous prices.

Before the last election, I was living quietly in my little community and looking from afar at what politicians with various levels of credibility were trying to do. Sometimes they did well, other times not so well. Political criticisms and analyses always apply to what the media choose to report. We are not so gullible as to believe that newspapers are always unbiased and always report all the facts. Not everything should be taken for granted.

So, the media report horror stories suggesting that the government is not doing its job. We object and say it makes no sense, but, deep down, we wonder what is true. Barring some exceptions, nothing is black or white. For example, there was the Malaroï case, where virtue was pitted against bureaucracy, and where my colleague from Québec-Est spared no effort. Normally, sensationalism is profitable, not subtleties. As to the case before us today, even if we were not in the House when the story first broke, we realize that the more we learn from the media, the less we understand.

Even if all members in the House know the story, I will summarize it briefly as I, the member for Frontenac, see it.

The contract to privatize Pearson Airport was signed on October 7, 1993. As we all remember, that was only 18 days before the defeat of the Conservative government. And in Quebec, like elsewhere, polls were conducted almost every day. And the closer we got to October 25, the lower the Conservatives were in those polls. Time was of the essence; this could not wait until after the election; the Conservatives were no longer in the picture. You remember as well as I do what happened. Two bidders fought hard to get a contract worth several million dollars. To succeed, the two finally merged and got the contract on October 7.

• (1625)

During the last election campaign, the Liberals, and particularly those from the Toronto area, promised to cancel that contract. These same Liberals are now attempting to cancel the contract, but they are also trying to compensate the promoters. It must be pointed out that, under Bill C-22, the government does not have to compensate these people but the legislation authorizes—and this is what I strongly object to—the minister to make certain payments to promoters, at his discretion. Let me remind you that, according to recent polls, politicians are far from being popular.

When I meet people from my region, they say: "You are O.K., but we do not trust the others. Try not to stay in Ottawa too long, otherwise you will turn out like them". My colleague for Terrebonne says that politicians are less popular than used car dealers. We do not give rebates. When such sordid stories are found out, how can you possibly hope to improve the image of politicians in Quebec? When the reputation of one of us is tarnished, we all pay a price.

The first thing that comes to mind is the fact that there is no smoke without fire. If everything is honest and transparent in a contract, why be so secretive? Why not appoint a royal commission of inquiry? If the Liberal government opposite does not have anything to hide, such a measure would settle the issue and the Conservatives might be the only ones in hot water. But the Liberal Party is afraid to set up a royal commission of inquiry with the power to question all the players in the Pearson Airport saga.

What seems contradictory at first glance is that a contract signed under suspicious circumstances by the Conservatives is not being denounced by the Liberals, who now form the government and have the necessary tools to shed some light on this transaction. Yet, during the election campaign the Liberals kept referring to the importance of transparency.

• (1630)

When I taught my ecology students the transparency of water, I told them: "It is like when you look down into a lake and you see the bottom". We say that water is transparent when we see through it. Can we say that we see through the Liberal government today? I am asking them.

Yet, in the red book, it is all there in black and white: the government is committed to more transparency. It has been six months and we are still waiting for this same transparency. This would have been the opportunity, I think, to prove that it was the transparency of a notion that was dear to them and not a media show.

Unfortunately, I was able to deliver only one part of my speech. If one of my colleagues would want to take it, I could have it passed on to him or her. I thank you for your patience, Mr. Speaker.

Mr. Yves Rocheleau (Trois-Rivières): Mr. Speaker, I welcome this opportunity to take my turn in this debate on Bill C-22 respecting certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport in Toronto.

I assume that, after listening to all the speeches we have had so far, you have realized that the very serious reservations of the Official Opposition about this bill concern section 10, which reads as follows:

> 10. (1) If the Minister considers it appropriate to do so, the Minister may, with the approval of the Governor in Council, enter into agreements on behalf of Her Majesty to provide for the payment of such amounts as the Minister considers appropriate in connection with the coming into force of this Act, subject to the terms and conditions that the Minister considers appropriate.

Mr. Speaker, I imagine you have also understood that the opposition approves of cancelling this highly improper contract because there are many reasons for doing so. I became convinced after reading the Nixon report several times from start to finish. I found out why, although Mr. Nixon is as Liberal as they come—a very well connected Liberal who is very close to the circles we are talking about, including the friends of the Prime Minister—why his intellectual honesty and his sense of responsibility forced him to use the word "maneuverings".

After carefully reading his report, one realizes why he had to use this word, which could be translated in French as "*magouillage*". The *Petit Robert* defines the word "magouille" as follows: "*Manoeuvres, tractations douteuses ou malhonnêtes*". The English definition is: "Maneuverings, questionable practices or shady dealings". So this is pretty strong language.

I thought I would simply bring to the attention of this House a few passages from the Nixon report which are self-explanatory and which illustrate the murky and shocking aspects of this affair, and as some people are saying, we may need a royal commission of inquiry to determine whether bad faith was involved.

For instance, on page 5, there is a short paragraph that gives us an indication of the maneuvring, and a theme that runs through the entire Nixon report, and I quote:

> In the calculation of gross revenue (on which rent will be based), there are 10 deductions which I am advised are unusual in commercial transactions.

Mr. Nixon also said that T1 T2 Limited Partnership, which would manage the airport, is a multi-purpose rather than a sole-purpose corporation.

> The lease does not restrict the freedom of T1 T2 Limited Partnership to carry out an undertaking other than the management, operation and maintenance of Terminals 1 and 2. Therefore, the financial health of T1 T2 Limited Partnership could be adversely affected by the financial failure of a venture which has nothing to do with the management, operation and maintenance of Terminals 1 and 2.

The report also says, with respect to air traffic:

The Government of Canada undertakes not to permit development of any airport facility within 75 km of the T1 T2 complex that would reduce passenger traffic at Pearson by more than 1.5 million persons per year, until the volume of passenger traffic at Pearson reaches 33 million people per year. Present projections predict this number to be reached by approximately the year 2005. If the Government of Canada chooses to engage in such proscribed development—

• (1635)

—we can see the manoeuvring, the understanding which exists among people who are close to the government, have undue influence and who may even, and we will see this later on, condition and intimidate senior officials—

—it must either pay economic loss to the Tenant

—we know who that is—

—or provide the Tenant with access to Area 4 at Pearson, an area explicitly excluded from

the RFP.

Another interesting and revealing point.

About the end of September 1993, T1 T2 Limited Partnership represented to the Government that it had entered into 10 contracts with non-arm's length parties—

—in other words, parties connected with and involved in the project—

—prior to October 7, 1993. One of these was said to be a construction management agreement with Matthews Construction. This information was not publicly disclosed.

The point is that Matthews is directly concerned and involved in the whole transaction and was closely connected with the activities of Paxport.

The report also says the following:

After permitting the privatization of Terminal 3 at Pearson, the process to privatize Terminals 1 and 2, the remainder of the largest airport in Canada, is inconsistent—

—this is fundamental—

—with the major thrust of the policy of the Government of Canada announced in 1987.

It was on the basis of this policy that the offer made in 1989-90 by the same parties was turned down by the government. With the passage of time and as a result of intense lobbying, the government became very interested in 1993, and we know what happened.

Another consideration in the Nixon report, a very important one this time, concerns the time frame the parties were allowed to submit their proposals.

The RFP having as it did only a single stage and requiring proponents to engage in project definition as well as proposal submission and, all within a 90 day time frame—

—we are talking about an investment of $700 million, and people are being given 90 days to position themselves.

—created, in my view, an enormous advantage to a proponent—

—Paxport—

—an enormous advantage—

—this is the maneuvering—

—that had previously submitted a proposal for privatizing and developing T1 and T2.

This was referred to earlier. It was the proposal turned down in 1989.

Other management and construction firms not having been involved in the maneuvering—

—this is Nixon speaking—

—preceding the RFP had no chance to come up to speed and submit a bid in the short time permitted. With little construction and development occurring—

—by honest people—considering the state of the economy in Toronto as well—

—others should have been sought out and given reasonable time to participate.

Further, it is significant that no financial pre-qualification was required in this competition. For a project of this magnitude the selection of a "best overall acceptable proposal"—

—that was the basic criterion—

—without complete assurance of financial viability seems to me to have been highly unusual and unwise.

Finally, the concluding of this transaction at Prime Ministerial direction in the midst of an election campaign where this issue was controversial, in my view flies in the face of normal and honourable democratic practice. It is a well known and carefully observed tradition that when governments dissolve Parliament they must accept a restricted power of decision during the election period.

There is no question that a financial deal of this magnitude—$700 million—which would have privatized a public asset for 57 years should not have been signed at that time.

• (1640)

I will end with one of the conclusions of Mr. Nixon, who believed that the process: "to privatize and redevelop Terminals 1 and 2 at Pearson fell far short of maximizing the public interest". Therefore, considering all that surrounded the "negotiation", it is imperative—and one is astonished that the report does not make any recommendation to that effect, and that the Prime minister who preaches openness in the red book has not taken any action in that direction—that we have an inquiry that can get to the bottom of that shocking event that is so damaging to the reputation of Canada, a country known for the quality of its institutions.

Mr. Paul Mercier (Blainville—Deux-Montagnes): Mr. Speaker, with clause 10 of Bill C-22, the government is in fact inviting the friends of the system—Conservatives and Liberals united as brothers this time and drooling in anticipation—to grab a piece of Pearson, a particularly juicy pie. Not only is the bill conveniently unclear about the way this pie is to be shared, but it does not explain how Pearson Airport is to be managed and what its place will be in the Canadian network. It is this latter

and no doubt less scandalous, but nevertheless important aspect of the bill that I would like to address today.

It may be a good idea to show this airport's importance with regard to air transport, and in particular in relation to Montreal's two airports.

Pearson and Mirabel–Dorval play a major function in air transportation in Canada. Competition between them can be beneficial, provided they compete on equal terms, which is not the case. The Mirabel–Dorval airport complex has a major handicap. If I wanted to make a case against the government based on assumptions and not facts, I would suspect it of, if not keeping an old wound open, at least painstakingly not helping it heal. Its persistent failure to act on this issue is really incomprehensible. I am referring to the lack of a high–speed link between Mirabel and Dorval as well as the totally inappropriate linkage of the airport complex with the road and railway system. First, a few facts.

Dorval is the point of origin of all regular flights within Canada and to the United States, while Mirabel is the boarding point for all other destinations. A passenger travelling from Quebec City to Paris will have to transfer. That is normal, but what is not quite as normal is the fact that this person has to ride, from Dorval to Mirabel, in a shuttle travelling on Highways 15, 640, and 13 and then on Mirabel Blvd. Commuting time: 40 minutes, plus waiting time. It is absolutely absurd.

To remedy the problem, it was suggested that Mirabel be closed down and all flights shifted to Dorval. What a brilliant idea! You eliminate one of the airports, thereby eliminating the need to connect them. Rather than curing the disease, it would be simpler to get rid of the patient!

A simple solution would be to extend Highway 13 another 25 kilometres to the north. It was agreed a long time ago that the costs—that is to say $78 million in 1988 dollars—were to be shared equally by Ottawa and Quebec, but nothing has been done since. Of course, for a long time, the two governments accused one another of refusing to co–operate, stating that a cheque could be made the following morning if only the other side would stop dragging its feet. I guess that is what you call profitable federalism!

• (1645)

Mr. Speaker, the sad thing is that, since then, cost estimates have risen by $50 million because of the procrastination. This will certainly not help break the impasse. The fact remains that there is a serious need to extend Highway 13 from Boisbriand to Mirabel Airport.

However, what Mirabel needs to become a world class airport is a rail link.

This unacceptable oversight could be corrected while at the same time another problem which is somewhat less frustrating could be solved. As everyone knows, most developed countries already have a high–speed train, an ultramodern means of transportation. In this as in so many other areas, Canada is lagging behind for lack of vision. The Minister of Transport is waiting for another in an endless series of reports on the Quebec City–Windsor HST project before giving consideration to eventually setting up this network. Studies already completed have concluded that an east–west rail link through Quebec and Ontario is feasible, necessary and cost–effective. A total of 120,000 jobs would be created during the construction phase of the project.

All that would need to be done is to add a loop to the main line to connect Montreal's two airports.

Connections between the two airports could thus be made in 18 minutes, instead of the current forty. Furthermore, the two provinces would be linked to Mirabel–Dorval by a high–speed, comfortable rail system, one which would leave foreign passengers with the impression this time of a country in the forefront of new technologies.

In conclusion, Mr. Speaker, to ensure that the Toronto and Mirabel–Dorval airports can continue to complement one another and to provide services commensurate with the capital invested, steps must be taken to provide Mirabel with the tools mentioned. Failing this, neither Mirabel nor Dorval, for that matter, will be able to ensure appropriate levels of user services. I am talking about extending Highway 13 from Boisbriand to Mirabel and developing a high–speed train in the Quebec City–Windsor corridor, along with a loop to provide service to Mirabel and Dorval.

Mr. Jean H. Leroux (Shefford): Mr. Speaker, I would like to state my position on Bill C–22, the Pearson International Airport Agreements Act.

The bill declares in particular that the agreements did not come into force, bars any action for damages against the federal government, and authorizes the Minister of Transport to enter into agreements for the payment of amounts in connection with the coming into force of the legislation.

I wish to draw the attention of the House to the last point. I strongly object to Bill C–22, which authorizes the government to pay the compensation it sees fit to private–sector contractors without shedding light on the circumstances that led to the decision to privatize the airport and to the hasty signature of the contract.

When the government privatizes public property, transparency must be paramount, as the government advocates in the Throne Speech delivered at the beginning of this Parliament. Part of this speech reads as follows: "Integrity and public trust in the institutions of government are essential. My ministers"—

it was the Governor General speaking—"will insist upon integrity, honesty and openness on the part of those who exercise power on behalf of Canadians".

• (1650)

The Prime Minister promised to shed light on the circumstances surrounding the negotiations and the agreement to privatize Pearson Airport. Instead, he gives us an internal review behind closed doors. Nevertheless, the study by Robert Nixon, a good Liberal, a former provincial finance minister and a former leader of the Liberal Party of Ontario, underlines the undue influence of lobbyists sympathetic to the current government.

The Nixon report contains a number of comments on the privatization process, its political dimension and the terms of the redevelopment agreements. This same Mr. Nixon says that privatizing terminals 1 and 2 is not in accordance with the government policy that such terminals should be owned and operated by local authorities. He condemns this transaction and talks about the role of patronage and pressure groups.

I would like to make myself clear. We want to shed light on this process of privatization, deals and agreements that are not in the public interest. The review of the Pearson Airport case concludes on page 9 that the role of lobbyists went far beyond the acceptable concept of consulting. "It is clear that the lobbyists played a prominent role in attempting to affect the decisions that were reached".

This is a series of troubling facts that call into question this government's openness and the legitimacy of any decision to compensate the companies involved in the case. Why compensate individuals for charges incurred by people who abused their connections? This decision is contrary to government policies on this subject. Bill C–22 deals with a very controversial development agreement which should be elucidated.

I understand that the government thinks that the bill is a way to undo an agreement that it condemns because the agreement was politically motivated and pushed by lobbyists. I understand the government wanting to avoid long and costly lawsuits if an agreement could not be negotiated.

However, despite the controversy and although the government has announced the end of the contract, why does the government still want to keep this contract secret? Would there be something to hide? Not disclosing the full identity of all parties to this agreement and other major provisions of the contract inevitably arouses public mistrust. When the government makes a decision in a case involving the public interest, I think that it has to be open. The public has a right to know all the details of this agreement and the facts surrounding the government's decision.

[*English*]

In the events leading up to the signing of the contract permitting the privatization of Pearson International Airport the various lobbyists appear to have played a disproportionate role.

I call on the government to enlighten this affair of public interest as mentioned by the Leader of the Official Opposition in this House calling for the establishment of a royal commission of inquiry before the tabling of Bill C–22.

As long as we do not know the roles played by the various players in this matter, how can we determine for sure whether investors are victims or actors in this affair?

• (1655)

Bill C–22 declares that no amount will be payable under this agreement in relation to any loss of profit or any fee paid for the purpose of lobbying a public office holder. Why then will the Minister of Transport with the approval of the Governor in Council make agreements on behalf of the government to provide for the payment of such amounts?

[*Translation*]

If the government wants to be off the hook, it must authorize an inquiry which will shed light on what might be one of the biggest patronage scandals in the history of Canada.

Initially, Mr. Speaker, the Minister of Transport himself did not oppose the idea of a public inquiry to find out the details of the circumstances surrounding the Pearson Airport transaction. And the minister even had the support of several of his colleagues regarding such an initiative.

Only after realizing that some of its close friends were involved did the government make an about–face, opting for a simple report prepared behind close doors. The government does not have the right to demand sacrifices from the public to help reduce the deficit, to make cuts in social programs, and to use taxpayers' money to compensate the key players in these dealings, when its own report states that in this case lobbies have largely exceeded the acceptable limits.

Even if lobbying is legal, the public has a negative perception of this activity, especially in a case like this, where the lobbying took place without the public knowing about it, and where the decisions made went against public interest. Greater transparency will enable Canadians to know who is trying to influence who, how, and on what issue.

For the sake of transparency and honesty, an inquiry must be held on the Pearson Airport transaction.

Mr. Speaker, I fully support the government when it is willing to improve Parliament's credibility. I am quite prepared to support the government when it proposes legislation aimed at ensuring greater transparency regarding its dealings with lobbyists.

In this case, the government has no choice but to shed light on this issue. This is why I support the motion of the Leader of the Official Opposition to set up a royal commission of inquiry and find out the details of that unfortunate saga.

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, I am very pleased to have this opportunity today to speak on Bill C–22.

I would like to point out to my colleagues and all members of Parliament that I had the privilege to sit, for four years, on the Société de promotion des aéroports de Montréal, which is considered, as you know, a local airport authority, according to a 1987 government plan. I want to show you that local airport authorities, or LAA as they are called in the air transport industry, are much less prone to scheming than private companies which take charge of an airport, as was the case at Pearson.

So, I think that we absolutely have to talk about the great openness shown by local airport authorities, and to do so, I want to use Montreal as an example, that is the airport of Montreal and its Société de promotion des aéroports, made up of 21 individuals from the Communauté urbaine de Montréal.

• (1700)

What does a SOPRAM or a promotion company do? First of all, it must get a very good representation within the greater metropolitan area as such. In the case of SOPRAM, there are three electoral colleges which form the 21 members of this promotion company. Of course, what the company will promote are these airports and with only one objective in mind, that is to re–invest the money in the community by doing repair work in these airports. That is far better than favouring a bunch of friends who are mostly interested in capitalizing their funds and ensuring that shareholders get more and more dividends in the end.

In the case of a local airport authority, it is the opposite; the money is directed towards the community and re–invested, and people are put to work in the same community.

If I go back to SOPRAM, I was saying earlier that there are three major electoral colleges; there are seven business people who form the executive of the Montreal Airport Administration. They all are business people and their distribution, as you will see, is very well thought out in terms of territorial distribution in the greater Montreal area. We also have seven elected people at the municipal level who are representatives of municipal politicians, and also, people who are responsible for the technology and the administration as such. I was myself part of the technicians and administrators category and I was delegated by the Société montérégienne de développement and the City of Longueuil.

Also on territorial distribution, it was made sure that the whole of the territory would be very well represented. Among others, we have three representatives from the South area, six representatives from the North area and 12 representatives from the island of Montreal. These people are serving their respective interests within a regional solidarity, and it is worth repeating that all the money is re–invested in the greater Montreal area.

My colleagues raised earlier the relevancy of airport duality in Montreal. That is a debate that was just completed—airport of Montreal—and what was agreed to is that both Montreal airports are extremely important. Even a major international panel confirmed it. The international panel told us that having two airports was an extraordinary advantage for us. Unfortunately, at the time of devolution, the government withdrew from its project to link Dorval and Mirabel by a special shuttle so that, today, the cost of it will have to be borne by ADM.

Let us look at the economic impact. As I said, the goal and objective of the development corporation, as far as Montreal airports are concerned is to make sure that money is reinvested in the area. At the present time these two airports bring in about $100 million. After expenses, we manage to keep $30 million which, over the next five years, will be reinvested into the communities through improvements and repairs to the airports. This will create about 1,700 jobs over the next five years. The difference is obvious. Profits are reinvested in the community, they go directly to the workers hired to improve the infrastructures and not to shareholders, as dividends, or to a bunch of friends of the government.

We can also talk of the direct impact. In 1987, it amounted to $109 million for the community of Montreal and, in 1992, it reached $273 million. I repeat, the revenues are around $100 million annually.

According to an HEC study, 42,185 jobs result directly and indirectly from the operation of the two Montreal airports and the reinvestment of profits into the community contributes greatly to job creation. We can see the importance of a local airport authority. This is not the situation at Pearson Airport. Why not?

• (1705)

Clearly, the private sector noticed that there was a ripe plum to be picked, something juicy enough to whet the appetite of shareholders. With the help of lobbyists they pressed the government by saying: "Do not give it to a local airport authority, this is a source of trouble". Squabbles occur in all local airport authorities, and Montreal had its share, but in the end, we agreed in order to protect the interest of the community.

In Toronto, the government said that a local airport authority would not work and that the private sector should have the opportunity to dip into the trough. And that is what happened. The present government, which promised during the election campaign that it would cancel the deal, in now finding that the

people feeding at the trough were not all friends of the Conservatives, there were also friends of the Liberals. This is why the minister has included in the bill provisions that would give him discretionary powers to compensate friends of his party.

We can see all the differences and contradictions that exist between the two systems; on the one hand, Montreal proceeds with a people-minded, democratic approach whereas, on the other hand, people in Toronto manage to get a piece of the action, and put the interests of the shareholders, lobbyists, and friends of the government before those of the community.

To conclude, I am indeed in complete agreement with the amendment proposed by the Bloc Quebecois because we need a royal commission to review the whole deal. I would even say that, besides a royal commission, the government should allow, without delay, Metropolitan Toronto to take matters into its own hands. I think that there are some very worthwhile people in that city who would be more concerned with the interests of the community than with strictly financial interests. There are people who were there at the time, such as the mayor of Mississauga who was very active and who would probably be willing to carry the torch to make sure that this local airport authority comes into being and that priority is given to the public interest instead of the interests of the government's friends.

To this end, I think that a royal commission is an absolute must. And I repeat that we should take this opportunity to allow Metropolitan Toronto to take matters into its own hands and say to the government's friends: "Sorry, the contract is cancelled and there will be no discretionary compensation". I think that, in this whole matter, we have to look at the government's transparency and set an example so that, from now on, in Canada, there is a clear message that you cannot operate behind the scene and favour your friends at the expense of the public purse. I believe that a royal commission is in order. Let us proceed with a royal commission and discover what is behind all this manoeuvering.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, now that the future of Quebec and of Canada is being debated, we still find ourselves talking about lobbyists. Need we remind members that lobbying is not a new activity? This country, Canada, is the end result of lobbying efforts. Consider the Grand Trunk railroad! The many lobbyists who were involved in the building of the railroad were in fact responsible for building Canada. There more things change, the more they remain the same.

The question is even raised in our history books. I pointed this out to one member, a friend who sits across from me in this House. Lobbyists were the great Canadian promoters and we are still contending with them today, albeit not the same people. However, the spirit of lobbying continues to burn brightly.

Yet, in its red book, the government promised transparency. On looking at the whole Pearson Airport deal, it becomes clear that the one thing lacking is transparency, at the very least. Let me recall a few facts for you.

• (1710)

On December 7, 1992, the federal government decided to go with the bid submitted by Paxport Inc.

Two months later, this company was forced to join forces with its only competitor to form a consortium, T1 T2 Limited Partnership. It is somewhat troubling to realize that the government was planning to award a 57-year contract worth several hundred million dollars to a company in financial difficulty, a company which besides had close ties with the governing party, which at the time, was the Conservative party.

While we could say that T1 T2 was once a Tory entreprise, over time it has become a Grit entreprise. Basically, that is what the red book is all about, Mr. Speaker. It is saying: Count on us, we will put you in the red. And we currently seem to be heading in that direction.

The policy put forward by the Conservative government as early as 1987 regarding airport administration was based first and foremost on local airport authorities of the public type—I am thinking of the Montreal ADM—or else the administration was contracted to certain firms, as was the case in Vancouver, Calgary and Edmonton. Privatizing Pearson Airport ran directly counter Transport Canada's policies.

Take also the bidding period, which was only 90 days long. This time limit seems somewhat unusual, in that we cannot talk about standard tendering. This is a 57-year contract, a long-term and very complex contract.

So, why limit the bidding period that much, if not to favour companies that had already expressed an interest in that area? Companies like Paxport, which had already submitted a privatization plan in 1989 or one which was already managing another airport, like Claridge, responsible of Terminal 3 at Pearson Airport.

Wrongdoing on the part of lobbyists was mentioned in the Nixon Report, but without quoting any specific case. Why then compensate people for their expenses if they misused their connections?

As Robert Nixon points out: "It is clear that the lobbyists played a prominent part in attempting to affect the decisions that were reached, going far beyond the acceptable concept of "consulting". That is on page 9 of the report, Mr. Speaker.

Disturbing conduct is also reported on the part of political staff members who have shown too much interest in the transaction, an interest disproportionate to reality as we know it today. That is also on page 9, Mr. Speaker.

In spite of the controversy, in spite of the fact that it has already announced the cancellation of the contract, the government persists in refusing to release the contract in question.

One can wonder why. Does the government have something to hide? Is this a case of the Ginn Publishing syndrome? Because in that case too, they refuse to show us the contract. Are we dealing, for example, with advertising contracts awarded by the minister responsible for government operations with no real tendering process, no clear criteria, basically at the discretion of the minister?

Contracts which, as we find out, are more often than not granted to friends of the system, the kind of people who carry a membership card in the Laurier Club. It is strange that things are not more open, and that there are even no parameters.

In the Quebec legislature, if contracts were awarded in this way, there would be a general outcry. We are a long way from "Vautrin's pants" in the days of Duplessis. We are not talking about a pair of pants but about an airport, Mr. Speaker.

Why was this 57-year contract, worth hundreds of millions of dollars, awarded without financial pre-qualification? On page 8 of his report, Robert Nixon concludes that such a process is highly unusual. At least we hope so. If it were usual to award 57-year contracts worth hundreds of millions without financial pre-qualification, we would be worried and with good reason.

• (1715)

We can however ask, not necessarily for the first time either, why Hibernia project we are now considering was not subjected to a thorough financial review either. We are set to invest another $1 billion in the biggest contract, private or public, in Canada's history, and no serious study was done. We are now being asked to invest another $1 billion with our eyes closed. So no prior financial study was made for Pearson Airport.

As you may recall, the Conservative government signed the contract in the last days of an election campaign. This undemocratic gesture was denounced by our friends opposite. Mr. Chrétien jumped on this opportunity to denounce these undemocratic measures flying in the face of Parliament's supremacy because the government, of course, must honour its predecessors' commitments. But there is a way to get out of it to accommodate current realities, as was the case with the helicopters. They acted, but more openly that time. That was in Quebec, and the government may have fewer friends in Quebec, but it is different in Toronto.

Private developers could not help but know that the Liberals were likely to form the next government. That is why the T1 T2 Partnership is friends with the Liberals and with the Conservatives. As everyone knows, the ranks of lobbyists do not only include Conservatives. They also need Liberals in case a new government is elected. They know how to prepare for change. These people are used to power. The party in power may change, but the ideas remain the same.

The lobbyists knew then that the Liberals would take power; they knew that there was a risk in signing such a contract. They decided to take it. That is the law of the market. They are business people, serious people who are always telling us that we have to take the risk of free competition, we must not be afraid, we must know how to take risks, and they are asking the government to compensate them for the risks they took. They made a mistake, poor things! They must be compensated. These are the same people who usually denounce the unemployed and welfare recipients. Pearson is luxury-class welfare, Mr. Speaker.

When the Conservatives awarded the contract, they knew one thing. Ms. Campbell and Mr. Charest did not seriously think that they would keep power. They knew that, but they did not know that they would be left with only two members.

The Acting Speaker (Mr. Kilger): I just want to make sure that we know that we are supposed to refer to one another by the name of our riding when we sit in the House. I just wanted to bring this to the hon. member's attention.

Mr. Duceppe: Thank you, Mr. Speaker. So the member for Sherbrooke and Ms. Campbell—I must name her because she no longer has a riding—did not suspect that their party would be reduced to two seats.

So these people said to themselves, "Before we leave Parliament and our access to government funds, we will ensure that our friends have not invested for nothing," because the names involved in the Pearson affair did not invest only in Pearson. These people invest at least every four years, even every year, with the Grits and with the Tories, with the Tories and with the Grits. Depending on who will be in power, they invest more in one side than the other. I suppose they invested more in the Liberals, who have 177 seats, than in the Conservatives, although each of the two remaining Tories must have got more than the 177 Liberals, on a per capita basis.

So Mr. Nixon says a little farther in his report, and I will close with that—my ten minutes are almost up—that his examination had led him to only one conclusion: to leave in place an inadequate contract, arrived at through such a flawed process and under the shadow of possible political manipulation, is unacceptable.

That is what we say: it is unacceptable. We must get to the bottom of it and have the resources to do so, have the power to compel people to testify, to present documents and to get a good idea of what people opposite would like to keep in semi-obscurity.

• (1720)

The Acting Speaker (Mr. Kilger): I would just add that, as Acting Speaker, I have the duty and the honour and the pleasure to protect the interests and privileges of members of this House.

I do understand that when members are outside the House, they are more vulnerable. However, I know that, whether you are here or not, I must maintain respect for these traditions in the House.

Now to continue the debate, the hon. member for Gaspé.

Mr. Yvan Bernier (Gaspé): Mr. Speaker, please excuse my astonishment. I did not expect to rise so soon in the House on this matter.

Never mind, there is so much to say on the subject, that I would be tempted to say: "Let us get on with this, the party is over". That attitude must have prompted the motion from members opposite.

If I understood my colleagues well, and what members opposite did not understand, our main objection to this bill is the fact that in principle it does not allow us to see what the lobbyists involved are doing.

On my opinion, to avoid making the same errors in the future, it is important that we review such measures. Because this is no small matter. We are talking big money here. Moreover, we are dealing with the future of transportation in Canada, which was really the issue here and which they are trying to make us forget. They want us to casually disregard what has happened.

The biggest surprise, and all my colleague agree on that, is that it was only when the election drew near, or during the last week of the campaign, that the new Prime Minister rushed in to announce that an end would be put to that "bargain".

Now, in Parliament, we are told that we must keep silent and that we will not be told what really happened. We call that writing a blank check. I must admit that I find it hard to live with such an arrangement.

What are we to think of all those things which they are trying to hide from us? The things they hide from us tell a lot about the way political parties are financed. We are talking about lobbyists. The Bloc Quebecois has very strict rules regarding party financing, and we must thank Mr. René Lévesque for that.

We must specify who gives us money, and the maximum allowable amount is $5,000. This, Mr. Speaker, is a good example of transparency. You can see who gives us money and whose interests I represent. People may contribute $5, $10 or $100. There are very few in my riding who can make a contribution of $1,000, and this brings me to another issue: the underdevelopment of regions.

Remote regions like mine do not have the monies or incentives which would allow us to be represented by very articulate lobbyists. They are capable of great things, but we are not on a level playing field in that regard. There is one thing though which the public has understood, and I will get back to this when I discuss the underdevelopment of our regions.

The public has the right to know. During the last election campaign, the Bloc Quebecois had limited funds with those $5 and $10 contributions to which I referred earlier. Nevertheless, with these small amounts, it succeeded in getting almost two thirds of the seats in Quebec: 54 out of 75 to be precise.

• (1725)

Personally, I only spent 60 per cent of the amount allowed to me by the returning officer, and that was enough to defeat two powerful organizations, two old parties. Why is that? It is because I talked to people; I did not try to buy their vote with money. In fact, I could not even afford a single page of advertising in newspapers. But I talked to people and journalists, and the public got my message.

The Liberals now have the opportunity to do exactly what the public expects from them, and that is to tell the people what this is all about. The people have to know what went on with this deal. They have to know why such a thing cannot happen ever again. It is very important.

I also want to talk about the economic underdevelopment of some areas. If the current Liberal government cannot show us how to ensure that, from now on, lobbyists will not be able to continue to influence Canadian development and economic policies in any negative way, how can we benefit from the expertise of these lobbyists? This is a good question, since all the Liberals talked about in the red book and during the election campaign was jobs, jobs, jobs. But when will we be able to work with people who know how to get money from the government to put remote areas residents back to work?

I know that I am digressing, and I will come back to the Pearson issue, but I just want to ask how am I supposed to explain to people in my riding, where unemployment is at 27 per cent and the labour force participation rate stands at 42 per cent, that I gave the government a blank cheque to pass over in silence the millions of dollars that were wasted and the nasty trick we were about to play on the Canadian air transport industry. I will never be able to explain the situation to my voters. However, if the minister or the Cabinet wants to play this little game, maybe they can try to explain the whole situation or send lobbyists to develop the remote areas that are currently underdeveloped. We have the resources, but maybe we are not developing them the right way. But we were never given a chance in the past, since each time we came up with a good idea, as many people from the Gaspe Peninsula have noticed, a funny thing happened and the project was always taken away to the city.

This leads us to believe that lobbyists have a lot of clout and that is not acceptable to us. Also it is difficult to understand that only two groups were involved in that deal as there were only two parties—and some criticized us for this. But there is now a third party, which I would call the voice of the Quebec people, that is the Bloc Quebecois. And we do not want to put up with that kind of things.

I agree with everything the hon. member for Lac–Saint–Jean and Leader of the Opposition said the other day in his speech and I would invite every Canadian to reflect on it. We make so many speeches to try to promote awareness among members on the other side. Although they do not belong to our party, our colleagues in the Opposition must also have something to say against this lobby system, which may be responsible for the increase in poverty and a wider development gap between central Canada and the rural or isolated areas like mine.

• (1730)

How can I make the government think? As an hon. member, the only means I have is the opportunity to express my views in this House. I do not have millions of dollars but I represent a riding as equal and as influential as the others.

During my election campaign, I used to say: "Local problems call for local solutions". If ever the federal government must give up its direct control over Pearson Airport, I would understand, as the hon. member who spoke before me said, that it could be transferred to a municipal airport authority. Torontonians would know how to use such a development tool, such an important link in the transportation system. However, I repeat that, before any decision is made, the government will have to clarify the role of the lobbyists in this issue. Pearson must become a reference case so that never again is such a situation imposed on the Canadian taxpayers, especially not during an election.

[*English*]

The Acting Speaker (Mr. Kilger): It being 5.30 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

NATIONAL SPORT ACT

Mr. Nelson Riis (Kamloops) moved that Bill C–212, an act to recognize hockey as the national sport, be read the second time and referred to a committee.

He said: Mr. Speaker, I want to thank my colleague from Broadview—Greenwood along with my colleague from Regina—Lumsden and many others who formally seconded this bill. I want to acknowledge my assistant, Bill Syrros, for all of the preparatory work he has done to make this a success today.

I will begin my short speech by quoting Bruce Kidd who said in the book *Welcome Home* by Stuart McLean: "Hockey is the Canadian metaphor. The rink is a symbol of this country's vast stretches of water and wilderness, its extremes of climate, the player a symbol of our struggle to civilize such a land. Unsure as we are about who we are, we know at least this about ourselves: We are hockey players and we are hockey fans".

Those words certainly ring very true these days considering what the national pastime is of Canadians from coast to coast to coast nightly.

I do not suppose there are many of us who do not recall that moment of excitement on a Saturday night when the Montreal Canadiens would take to the ice and that soft maritime chant would fill the room: "Good evening ladies and gentlemen and hockey fans from coast to coast. This is Danny Gallivan at the Forum in Montreal". Then Saturday night would be complete and life would be good.

Probably most of us in this House played hockey and skated even before we could tie our own skates. Many of us will remember those great moments when we first learned how to raise a puck, seeing that puck sailing through the air for the first time. Or maybe it was the first time we were able to complete a good slapshot and heard the sound of that puck bashing into the boards.

It is safe to say that hockey matters to all of us, in Quebec and the rest of Canada. It is part of our culture. It is key to the understanding of Canada. It is the perfect game on the perfect Canadian medium in the perfect Canadian season. We are a northern people and hockey is a northern sport. It is certainly fair to say it is much more than a game in our country.

There are few sportsmen in Canada today who on a wintery Saturday night are not seated waiting for those familiar words: "It's hockey night in Canada". The voice of the late Foster Hewitt was embedded in the minds of many Canadians from the inception of CBC radio and television. That voice united Canada from the Atlantic shores of Newfoundland to Vancouver Island and even northward to the Arctic missions.

It has been estimated that over 650,000 Canadians actually take part in some form of organized hockey.

● (1735)

To quote the late Foster Hewitt: "In our country while hockey is usually played for sheer enjoyment, its outdoor rinks and enclosed arenas are meeting places for youths of all origins where race, culture and creed are forgotten. Stewarts, Kellys, Smiths, Beliveaus, Delvecchios, Mahovlichs, the Ullmans and Howes combine for the glory of the team and in the process, Canada gains in unity and strength".

In this day, sport has become a means by which a nation attains international status and recognition. I believe that hockey is Canada's national game and is the main sports preoccupation of our young people.

It is ultimately woven in our Canadian self–image and our mythology. Paul Henderson set the tone for this image in 1972 with his dramatic goal over Russia. Indeed, hockey is more than a national game for its popularity has spread to at least 20 different countries.

It is time to recognize hockey for its impact on Canada. It is time to thank the volunteers and all the hockey teams in Canada for their contribution in a number of areas such as charity, education, competition and international co–operation.

It gives me a great deal of pleasure to congratulate Canada's championship women's hockey team for capturing its third consecutive world hockey championship in Lake Placid two weeks ago. It is no wonder that women's hockey is the fastest growing sport in Canada.

When we look at whether or not we should identify a certain sport as our national sport, it is important to look at the origin of the sport, its popularity in the country today, the reputation it has abroad and the value of a number of intangibles.

Many historians have tried to figure out where and when hockey was created in Canada. The cities of Halifax, Kingston and Montreal have all boasted that they are the true birthplace of hockey in Canada. I am sure more theories of hockey's birthplace will arise in the future.

I was interested to hear a comment last month by my hon. Liberal colleague representing the riding of Annapolis Valley—Hants who mentioned that his riding represents the birthplace of hockey.

One theory in support of Kingston mentions that an early historian by the name of Mr. Horsey wrote in his diary of 1847: "Most of the soldier boys were quite at home on skates. Shinny was their first delight where 50 or more players on each side would be in the game".

A committee appointed by the Canadian Amateur Hockey Association to determine the Canadian origin of hockey concluded: "The first hockey was played by the Royal Canadian Rifles, an imperial unit stationed in Halifax and Kingston in 1855. It is quite possible that English troops stationed in Kingston from 1783 to 1855 played hockey, as there was evidence in old papers, letters and legends".

In Montreal authorities emphatically declared their city is the original home of ice hockey. They felt that the first pure hockey game was played in Montreal at Victoria Skating Rink on March 3, 1875.

Perhaps the true cradle of hockey could have been Acropolis Hill in Greece, as there are remnants of a goal, men with hockey sticks in hand, a ball on the ground between curved blades, and an official about to give the starting signal.

Hockey remains the sport of first choice for the majority of Canadian households. It is already looked upon by Canadians as Canada's national sport. This has been proven in the past but most recently by the great outpouring of support and encouragement for Canada's gold medal national junior hockey team, five medals over the last seven years, and the silver medal efforts of our Olympic team in each of the last two Winter Olympic Games. In a recent newspaper article by the Ottawa *Citizen* it was mentioned that Canadian fans vastly outnumbered Americans as a sea of red aided the Canadian women's hockey team to a third consecutive world championship in Lake Placid, New York.

A national sport would promote national interest in times of national competition. Hockey is governed by a national organization and millions of fans follow it. National radio and television spend a great deal of money to broadcast hockey games. There is an organized hockey event in virtually every Canadian community, be it a large city or a humble village.

I received a letter of support for this motion from the Canadian Amateur Hockey Association. Its membership includes an active volunteer force in excess of 100,000 Canadians and upward of 500,000 on–ice participants.

Canada is recognized worldwide as the nation where the great sport originated. It is unquestionably looked upon as the foremost leader playing a vital role in the evolution of hockey worldwide. By the most recent estimates it extends now to not 20 but actually 51 countries that make up the membership of the International Ice Hockey Federation.

● (1740)

There is nothing more identifiably Canadian to the rest of the world than our game of hockey. Canadian Amateur Hockey Association teams at all levels of play compete regularly and successfully in international tournaments and championships around the world.

In each season the Canadian Hockey Association transfers almost 600 accomplished Canadian players to hockey–playing countries where they assist in the growth of this sport overseas in various emerging federations. All of these players are outstanding ambassadors for our country and our game. They help to sell Canada, its wholesome values and its healthy lifestyles.

In discussing hockey we can never forget the economic impact it has on Canada. A cursory glance indicates that tens of thousands of Canadians are employed directly or indirectly as a result of the game of hockey.

In 1992 Statistics Canada completed a family expenditure survey which concluded that Canadians spent approximately $400 million annually on hockey. This does not include club dues, ice time, travelling expenses or other numerous expenses relating to participation in hockey competition.

Again I cannot mention enough the appreciation for the millions of hours that volunteers contribute to ensure the success of tournaments and the education of youth in this sport.

Women's hockey is the fastest growing women's sport played in Canada today. In the past few years the Canadian Amateur Hockey Association has estimated the number of women participating in minor hockey at approximately 13,000 and that is being very modest. This has grown from the 6,000 recorded in the 1991–92 season. This upsurge has a lot to do with the success of officially sanctioned world championship events.

Women are actively challenging for positions on professional teams throughout Canada and the United States. The success of Canadian Manon Rhéaume, the first woman to play hockey in the National Hockey League, also has a lot to do with the surge of female participation in hockey.

Brampton, Ontario hosts a women's hockey tournament every year that attracts over 250 teams, including international teams from countries such as Russia and Finland.

I could go on about how hockey supports charity organizations of all sorts throughout our country. I could talk about the impact of the international Hockey Hall of Fame located in the great city of Toronto. I could talk about the impact hockey has on my hometown of Kamloops where we enthusiastically support the Kamloops Blazers. I wish them well in their competition with our friends from Saskatoon. I could go on but I want to step down to allow ample time for a number of members who have indicated an interest in participating in this debate.

I simply want to say the time has come and the timing is perfect. We are right in the middle of hockey enthusiasm and excitement in this country. It would be a great gesture of this Parliament to agree to declare hockey our national sport. I think Canadians would welcome and applaud that from coast to coast to coast.

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Mr. Speaker, during the last election campaign there was much rhetoric about how there should be more co–operation in Parliament and how MPs should actually work together to achieve objectives common to all.

[*Translation*]

We have the opportunity today to prove that co–operation works.

[*English*]

In an effort to include a Canadian sporting tradition that predates Confederation, I have asked the member for Kamloops to support the amendment of his private member's bill to recognize both ice hockey and lacrosse as national sports of Canada.

While many Canadians would certainly view the national sports status of ice hockey as a natural expression of the Canadian reality, the concept has been on ice for decades. Canadians have long recognized the significance of another sport which also originated in Canada and which is played all over the world today.

Our proposed amendment would allow for the inclusion of Canada's long tradition in the sport of lacrosse and would resolve an issue that has been left on the bench since Confederation.

In January 1967 Prime Minister Lester Pearson, a devotee of sports and honorary chair of the Canadian Lacrosse Association, said in this House: "I think we should have a national summer game and a national winter game".

• (1745)

Twenty–seven years later members of this Parliament had the chance to convert a pass from Pearson and remind ourselves of some unique aspects of Canadian culture.

As Americans remember where they were when Neil Armstrong took a great leap for mankind, Canadians remember what they were doing when Paul Henderson sent Canadians to the moon when he scored the winning goal for Canada in 1972.

[*Translation*]

Canadians can be proud when hockey is played at the Olympic Games in Norway or when the lacrosse championship is held in the United Kingdom.

[*English*]

Not only are Canadians a dominant force in both sports but we have been on top for more than a century. Both these sports are just as symbolic of Canada as the maple leaf or the *Bluenose*.

[*Translation*]

Ice hockey as it is played today originated in Canada in 1855, on Christmas Day, when the Royal Canadian Rifles based in Kingston, Ontario decided to remove the snow covering the ice in the harbour. They then attached blades to their boots and started playing with field hockey sticks and a lacrosse ball which they had borrowed.

[*English*]

In the early 1800s the Algonquin Indian tribe of the St. Lawrence Valley in Canada played a sport that is known as lacrosse, the sport that was an important element in the life and culture of First Nations. Today it is just as important in the lives of Canadians of all backgrounds.

[*Translation*]

Throughout Canadian history, we have had every reason to be proud of our athletes who participate in all kinds of sports.

[*English*]

Our nation's athletes have inspired great pride in Canadians by their world class performance in so many different sports: curling, synchronized swimming, canoeing, rugby, diving, track and field, skiing, skating and biathlon, to name a few. Today we salute Canadian achievement in all sports.

[*Translation*]

Recognizing that sports are an important element of our culture, I think it is essential that we take responsibility for the future of sports in Canada.

[*English*]

As one of the partners involved in the development of sport, the Government of Canada has a very legitimate and essential role to play in that future. We must focus on building a stronger recognition of sport as an important contributor to the Canadian cultural identity.

Douglas Fisher once said: "Most of our shared experiences and values from Bonavista to Vancouver Island are through politics and sport. We would be a much duller lot without our sporting heritage and sporting present". In short, we must make sure that our athletes are always playing at full strength.

This is one occasion when Parliament should not take one game at a time. Mr. Speaker, I think you will find that there is unanimous consent for this motion. I move:

That Bill C-212 be modified in clause 2 by deleting all the words following "national" and replacing them with the following:

winter sport of Canada and the game commonly known as lacrosse is hereby recognized and declared to be the national summer sport of Canada;

That the title and short title also be amended to include the word "lacrosse"; and

That, at the conclusion of the time provided for Private Members' Business later this day, all questions necessary to dispose of Bill C-212 at all stages be deemed to have been proposed, put and carried, and the bill passed.

• (1750)

[*Translation*]

The Acting Speaker (Mr. Kilger): Is there a point of order? The hon. member for Bellechasse.

Mr. Langlois: Yes, Mr. Speaker, about the relevancy of the amendment. I respectfully suggest that this amendment should be submitted during consideration by the committee of the whole House, if there is to be a committee of the whole House on this bill, and not at the second reading stage.

The Acting Speaker (Mr. Kilger): I thank the hon. member for Bellechasse for his remarks. I will consult with the table officers and I will get back to the House at once, on this matter.

The parliamentary secretary is asking for unanimous consent. If the House gives its unanimous consent, it would be acceptable to proceed in this manner at this stage.

[*English*]

Does the hon. parliamentary secretary have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): The motion is adopted.

(Motion agreed to.)

[*Translation*]

Mr. Antoine Dubé (Lévis): Mr. Speaker, since I was prepared to speak to the motion dealing with hockey, I will speak only about hockey, which does not mean that I oppose the amendment.

I would first like to congratulate the hon. member for Kamloops for his determination in wanting to have hockey recognized as the national sport since, according to our research, this is at least his third attempt to do so. Moreover, I learned from my own research that this is at least the tenth time that someone in this House tried to have hockey recognized as the national sport.

Let me say straightaway that we are in favour of recognizing hockey as the national sport, but for another reason than the one raised by the hon. member for Kamloops. The hon. member for Kamloops said that one of the reasons why he presented this bill is that it may contribute to national unity.

I do not intend to embark on a partisan debate today, because the reason for a national sport is to foster harmony, but I would like to indicate to the hon. member for Kamloops that our perspective may be different from his. Nothing prevents two countries from sharing the same national sport. Quebecers also love hockey. We will have to wait for a referendum, but Quebec will likely be a sovereign state in a couple of years, and it will want to keep excellent relations with English-speaking Canada. Sports foster good relations. For reasons that have nothing to do with those of the hon. member for Kamloops, we agree that hockey should become a national sport.

If there is a sport that can arouse interest here, that sport is hockey. Playoffs under way in the National Hockey League are on the mind of many people. The first item on the *Téléjournal* on April 20 was the health problems of the Canadiens' goalie Patrick Roy, and not the war in Bosnia or bloodshed in Rwanda.

Many people may condemn that editorial choice, but it shows how important hockey is for Canadians and Quebecers.

• (1755)

The method most frequently used by countries to choose a national sport is to find one which was created in that country. This is the case for hockey which is a combination of four other sports, three coming from abroad and one taken from the Indians. People probably do not know it, but hockey is a combination of bandy, originally from England, shinty, originally from Scotland, hurley, originally from Ireland, and, of course, lacrosse, a native Indian sport.

The books written on hockey do not say when and where the first real game was played. As the member for Kamloops and the parliamentary secretary said, many have their own ideas about its history. Many regions still claim, without documented proof, to be the site of the first game. However, we know that the first publicized hockey game was played in 1875 at McGill University in Montreal and that the first rules were published in *The Gazette* on February 27, 1877. All this proves one thing: hockey was truly invented in Canada.

It is also very important to look at the number of people who practice a sport to determine its popularity. Nowadays in Canada more than 650,000 men and women participate in this sport. Even if hockey is played mostly by men, more and more women play as well. Our women's national team has just won its third world championship in a row. This team's goalie is Manon Rhéaume, the first woman ever to play professional hockey.

Who has not played hockey in the street or on a frozen lake? So, when you say 650,000 players, these are players registered with the Canadian Hockey Association. In reality, there are countless players. Just about everybody has played hockey, at one time or another, more often in the street than on an rink with boards around it. The fans who closely monitor the performance of their favourite teams number in the millions. Names such as Wayne Gretzky, Mario Lemieux, Gordie Howe, Maurice Richard, Bobby Hull, Jean Béliveau, and Bobby Orr are now legendary. They are or will be inducted into the Hockey Hall of Fame, in Toronto, where most of the inductees were born in Canada or in Quebec.

When we think about hockey, we think about the National Hockey League and the Stanley Cup, one of the most prestigious trophies in professional sport. It was created in 1893 by Lord Stanley, a great sports fan who was also the sixth Governor General in Canadian history. The original trophy was only a salad bowl for which Lord Stanley had paid less than $50. But over the years, several layers have been added to it; the names of the winning team members are engraved on it. In spite of its relative lack of value, the trophy is highly coveted.

Hockey has become the national pride of Canada and Quebec; it reached its pinnacle in 1972 during the series of the century which pitted Canada against the Soviet Union.

In Quebec, there is a hockey team which greatly contributed to enhance French Canadian pride—that is what we were called in those days—the Montreal Canadiens, created in 1909. With 24 Stanley Cups, they are the most important dynasty in professional sport in North America. In the twenties and thirties, this team was one of the first to recruit French-speaking players. Lightning-fast and aggressive, they were nicknamed the Flying Frenchmen. There was Aurèle Joliat, Armand Mondou, and Sylvio Mantha, to name but a few. They played in the Montreal Forum, the legendary building at the corner of Sainte-Catherine and Atwater.

It was during the forties and the fifties that they became truly legendary, especially because of Maurice Richard.

• (1800)

He was the first player to score 50 goals in one season in the NHL; he led the Montreal Canadiens to many Stanley Cups, including five in a row between 1956 and 1960. That man was a powerful symbol for Quebecers. The suspension which he got in 1955, depriving the Canadiens from the Stanley Cup, provoked a real riot in the Montreal Forum.

The Canadiens benefitted from an almost monopoly of recruitment in Quebec for many years. That allowed them to acquire players such as Phil Goyette, Bernard Geoffrion and Jacques Plante.

The Canadiens have always had many French-speaking stars on their team over the years. I will name some others: Jean Béliveau, Jacques Laperrière, Henri Richard, Guy Lafleur, Jacques Lemaire, Guy Lapointe, Patrick Roy, Guy Charbonneau and many more. Of course, there were also English players who contributed: Howie Morenz, Ken Dryden, Toe Blake, Doug Harvey, Larry Robinson and many others. Naturally, some French-speaking players also won fame with other teams: Jean

Ratelle with the New York Rangers, Mario Lemieux with Pittsburgh, Marcel Dionne and many others.

This was to demonstrate that Quebecers have been well represented in the sport that is called hockey. It was one of their first successes. Coming from the province of Quebec, I would not forgive myself if I did not mention the Quebec Nordiques who, due to the dramatic increase in salaries, may have to leave Quebec City, as other players from other teams may have to leave cities such as Edmonton, Calgary, Winnipeg and various small towns.

It is fine to adopt today an act recognizing hockey as the national sport. But I believe that one should also consider to take rather quickly some measures which would keep teams such as the ones I just mentioned in Canada and in Quebec. It is very important.

The last point I want to make is that, to preserve this sport, I feel it is important to take measures to fight against violence in hockey, a factor which may very well discredit that sport. In closing, Mr. Speaker, I wish together with my colleagues to congratulate once again the member from Kamloops for introducing this bill.

[*English*]

Mr. Riis: Point of order, Mr. Speaker. In the spirit of co-operation and good will that exists and in an effort to acknowledge the days of work that the Parliamentary Secretary to the Minister of Canadian Heritage has put in to facilitate today, I wonder if I could seek unanimous consent of the House to acknowledge the parliamentary secretary as being one of the formal seconders of Bill C-212.

The Acting Speaker (Mr. Kilger): Members have heard the member for Kamloops. Is there unanimous consent?

Some hon. members: Agreed.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I guess today would be one of those days that you wish you were involved in this debate having been a player not only of the Memorial Cup team you played on but a coach and referee in the NHL. We are certainly all aware of your participation in this national sport.

I begin by quoting from *The Game* which Ken Dryden and Roy McGregor put together. I think it summarizes most of the spirit and the theme that the member for Kamloops is putting forward in his bill today:

> Hockey is part sport and recreation, part entertainment, part business, part community builder, social connector, and fantasy maker. It is played in every province and territory and in every part of every province and territory in this country.
>
> Once a game for little boys, now little girls play hockey as well and so do older men and women, so do the blind and the mentally and physically handicapped, and although its symmetry is far from perfect hockey does far better than most in cutting across social divisions, young and old, rich and poor, urban and rural, French and English, east and west, able and disabled.
>
> It is this breadth, its reach into the past, that makes hockey such a vivid instrument through which to view Canadian life.

I believe that Roy McGregor and Ken Dryden have captured what the member for Kamloops is trying to put forward today in this bill and I stand here in full support. I would like to talk about a couple of experiences that I have had in dealing with hockey as our national sport since I have been a member of Parliament and how I feel that it really pulls us together, not only as a House of Commons but as a country.

• (1805)

About the time when we were celebrating the 125th anniversary of our country a group of us from all parties got together. At that time most of us who were working on this idea were in the opposition. We went to the then minister responsible for national unity, the Right Hon. Joe Clark, and asked him to support us in bringing to Toronto 58 hockey teams from villages, towns and cities from all across Canada. From coast to coast, every region of our country, they all came to Toronto in April of that year to play in Maple Leaf Gardens in a 10-day tournament.

There were a few things that inspired me to believe that hockey truly is the sport that pulls us together as a country.

First I have to talk about the evening that the Dartmouth Whalers played in Maple Leaf Gardens against a team that most people thought would dominate the Dartmouth Whalers, a team in a AAA league in Toronto at the peewee level. At the end of the game the Dartmouth Whalers were victorious. They had beaten this Toronto championship team.

The following morning in the hotel I ran into the captain of the Dartmouth Whalers and I said to him: "Boy you had a pretty good game last night. We were all surprised that you did so well". He said: "Well, Mr. Mills, it was a funny experience. We walked into Maple Leaf Gardens. First of all when we looked up and saw those stands we felt the magic in the place. We felt good. But then when we got on the ice our energy quadrupled, our spirit was so great no one could beat us".

Those young peewees from Dartmouth said it all. Hockey provides an energy, a feeling and a spirit of pulling us together that I do not think any other sport in this country has. I am not

putting down any other sport, but I do believe it truly is our national sport.

I know you can relate to this, Mr. Speaker, because we both have sons who play in the Ontario Hockey League. Your son is a terrific player with the Kingston Frontenacs and I have had the pleasure of watching my son play this year with the Belleville Bulls. It is an experience going to these local rinks. I am amazed at the way it pulls the community together. It becomes the local event. The radio stations and the local TV stations and the whole community experience happens around hockey. There is a whole family experience that happens around hockey. This same experience is in every rink throughout our nation.

I am happy to stand here today in support of hockey as our national sport. I believe that hockey will be one of the things that ultimately keeps us together as a nation. I just cannot imagine the Montreal Canadiens being changed to the Montreal Blocs. It just does not work.

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, I was going to rise in the House today to speak against this, but I guess I have to change that because I have already agreed to the amendment and everything.

Why are we using valuable debate time in this House to debate and vote on a bill which dismisses our national support of lacrosse as though it never was? Perhaps this member does not know his Canadian history. Perhaps this bill is presented to this House out of ignorance.

It occurred to me that if one member of this House is ignorant of our history perhaps other members are not aware of our rich cultural heritage, a cultural heritage given to us by our first peoples. I am therefore going to present some of our history of lacrosse to this House. In 10 minutes I cannot really do the game justice but I will do what I am able.

• (1810)

There are some who try to date lacrosse back to Confederation, perhaps because many of the encyclopaedias refer to it as being our national sport at that time.

Lacrosse cannot be dated in this House. Who in this House is going to decide when lacrosse started in what today we call Canada? We have records going back to the Seven Year War, the 1700s, and the story of the English trader Alexander Henry's experience at Fort Mackinac when on the pretence of celebrating King George III's birthday on June 2, 1763 the Ojibway Indians played lacrosse outside the open gate of the fort. When the ball went through the gate the players and the onlookers went after it.

Upon entering the grounds they attacked the garrison and seized the fort. It is told that the native women concealed the weapons beneath their skirts.

Father Brebeuf, the Jesuit priest, speaks of lacrosse in his writings. Many in this House I am sure are aware of the Jesuit priests or the Black Robes who date well back in Canada's 1600s.

I am told that the Creator gave lacrosse to our native people.

I have with me today a list of 27 citations referring to lacrosse as Canada's national sport. They are recognized authorities or researchers, such as sports writers, historians and five encyclopaedias. Some of these resources date from 1877, 1902, 1911 and right up to the present.

Shribners is the earliest source which in volume 14, May to October 1877, states: "The game of lacrosse was adopted as the national game of Canada on July 1, 1859".

In 1911, *Encyclopaedia Britannica*, 11th edition, states: "Lacrosse, the national game of Canada". I do not have time to quote them all here.

When our children ask us and their teachers for facts on a subject where do we send them? We send them to the encyclopaedia for factual information.

I am not here today to build up lacrosse and tear down hockey. Both are great sports. In fact if we were to ask our national lacrosse and hockey players their opinions I wonder if we would not find many had played both sports during their careers and value the special attributes of both.

Hockey legend Bobby Orr I believe played lacrosse for Oshawa. Other lacrosse celebrities including such names as Wayne Gretzky, Joe Nievendyke, Gary Roberts, Cliff Renning, Newsy Lalonde, Jack Bionda, Adam Oates, Brian Bellows and many more that I cannot name. Each played lacrosse in the summer and hockey in winter. Gretzky used lacrosse to sharpen his hockey skills.

There are some facts about lacrosse I am sure many members here are not aware of. The *Guinness Book of Records* states that the first night game of baseball was played in the 1883. Baseball fans pride themselves on the fact that this was an amazing accomplishment. Would it surprise the House to know that the game of lacrosse was played under the electric light in Montreal in 1880?

Are we all aware that some of hockey's proudest moments began in lacrosse? Each year there is a celebration and a congratulation among hockey people as they hold their all-star game. The concept of holding all-star games began in the 1870s when the lacrosse clubs in Ontario banded together to challenge their rivals from across the border in Quebec.

In the 1870s and 1880s when hockey was becoming popular, in order to increase its appeal to the public, the game borrowed from the most popular sport of the time, lacrosse, the concept of goal posts, centre face off, referees and the position names for its players.

In 1904 Canada sent its first delegation to the Olympic games. Among the team sports which represented Canada at its premier was the lacrosse team. Lacrosse is the only Olympic team sport where Canada has won more medals than the rest of the world combined.

Talk about numbers and attendance at sports games. In 1910, when the Canadian Minto Cup Senior Lacrosse Championships of Canada were played between New Westminster and the Montreal Shamrocks, there were 15,000 spectators. That is not very many you say. It is incredible when we look at the facts. The number of people living in New Westminster at that time was under 8,000. The game literally shut down the majority of B.C. as people travelled to New Westminister to see the game. That is the spirit of nationalism.

• (1815)

How many here are aware of the fact that the Right Hon. Lester B. Pearson during his office of Prime Minister became the head of only one sport in Canada? Lester Pearson accepted the role and served as honorary chairman of the Canadian Lacrosse Association.

I have always been a sports participant and not much of a spectator, but I did have an opportunity to learn about our national sport lacrosse. Often heard it is the fastest sport on two feet, from a family connection in my early twenties. Lacrosse great Jack Bionda is my brother-in-law, and he played both hockey and lacrosse professionally.

Through Jack I can best describe how these two great sports are a part of one's life. He played hockey for the Boston Bruins and in two Stanley Cup finals; for the Toronto Maple Leafs, among others, and was a defenceman for the Portland Buckaroos for six years.

However, lacrosse was his sport, beginning in Huntsville and carrying Jack to the west where he played in seven Man Cup finals, five of them winners. He played for the Victoria Shamrocks, Nanaimo and the famous New Westminster Salmonbellies. Jack's superb stick handling developed when he was a lad of 10 or 11. He was inseparable from his lacrosse stick and he walked to school practising, hitting the telephone poles with the ball as he walked along. This ability to control the ball until the last minute and score won him the lacrosse all time high scorer in his time.

He has been honoured in the New Westminster Lacrosse Hall of Fame and the Canadian Hall of Fame. Even today in his sixties Jack gives tirelessly to young lacrosse players at clinics and tournaments. His love of the sport extends to the continued use of the wooden native lacrosse stick.

That brings me to Wes Patterson, a Tuscorora native which is part of the Six Nations. Wes Patterson is a North American Indian who knows as much about the cultural heritage of our national sport of lacrosse as any person in Canada. For many years he has been engaged in successfully producing the wooden lacrosse stick through Can Am Lacrosse Ltd. I wish I had one in the House today to show the skill of this very talented aboriginal.

I have not yet had the honour of meeting Wes Patterson but I have it from good authority that this native can make a complete lacrosse stick in 20 minutes as you watch. He talks of the days as a young boy playing lacrosse and how you were not able to play on the team if you did not select, cut your hickory limb, steam it, bend it, shape it, cut the leather strips and make the net.

What am I trying to say? Is it not long past time for Canadians to realize the cultural contribution of our first people, our truly first people not just in sport but in many things? This is not mythology but true, actual facts.

I do not think Canadians can cheer any harder or enthusiastically for hockey than they have already demonstrated during the Canada-Russia hockey series of the past or than they did during our hockey team's performance at Lillehammer. Both sports are very popular at this time. If members are not aware, ask the countless volunteers who sign up the youth of our nation each season for both these sports.

Today I pay tribute to all volunteers in both associations who over the years have given countless hours promoting these sports. Above all I can never dismiss what the past has given us. We do have a rich cultural heritage.

Come to the Commonwealth Games in Victoria this August 18 to 28 and see lacrosse as the introductory sport. Who will be representing our aboriginal people? Wes Patterson.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I am pleased to support this bill as amended. It was originally a bill to declare hockey our national sport and now it is a bill to have hockey accepted as our national winter sport and lacrosse as our national summer sport.

I fully support the amendment but I principally want to talk about hockey. I love this game. I love playing it. I love watching it. I love talking about it. Some of my greatest friendships have been formed through hockey.

As many know I come from Montreal, the hockey capital of the world. Montrealers, like no other citizens of any other city, breathe, live and die for hockey.

Last year was the 100th anniversary of the Stanley Cup.

• (1820)

In those 100 years, six Montreal teams won the Stanley Cup 41 times, including the first time in 1893. The Canadiens won it 24 times. I am saying that because I want to correct the record. Many newspapers in Canada, in listing last year those that won the Stanley Cup in those 100 years, mentioned that the Canadiens won it 24 times and that the Leafs won it so many times. They forgot that there were five other Montreal teams that won it to make it a total of 41 times for Montreal, way beyond any other city or community in Canada. This not to belittle the other cities

but simply to remind Canadians that Montreal is the capital of hockey in Canada.

I have been playing hockey since I was six years old and despite my ancient appearance I am still playing. At this time I want to pay tribute to the many Canadians who are still playing and organizing oldtimer hockey. There are now thousands of leagues in Canada, many tournaments and every weekend a lot of us old guys go here and there to play weekend tournaments.

I think all this goes to show what many people are saying here in this House. It shows that Canadians of all ages and both sexes love this game. We are supporting this bill to make hockey our national winter sport. I hope it would mean more than simply lip service to the game.

What I hope it would mean is that we as Canadians will really support this game at all levels from peewee to international hockey. There have been times in recent years when we have not at the government level and at the private sector level supported it as we should.

By making it part of our legislation, I would hope that our commitment to hockey as our national winter sport will make us more aware of its place in our history and in our tradition and culture.

I have only one concern and I will end with it. My concern is that the cost to young people playing hockey today is escalating to the point at which many young people can no longer play. I am sad to say that in many cases hockey is now becoming a rich man's sport.

That was not the case when I was young in Montreal. We played on outdoor rinks at the peewee level, the bantam level. If you played in a school then you might get on an artificial rink. Our equipment was not that expensive and we did not have many long trips or a long schedule.

I am not arguing with it but simply pointing out my fears. Today players at 11, 12, 13 are playing all their games on indoor artificial rinks which is very expensive. It is very expensive for the parents. They are fully equipped with the best of equipment. They have long schedules and often very expensive travel schedules.

I give credit to the parents who are doing outstanding jobs following their young boys and girls around with these teams. They are paying sometimes up to $1,000 a year simply to keep their children in minor hockey. If that had been the case we may not have had the Maurice Richards, the Boom Boom Geffrions and the Gordie Howes and many other of these players who came from moderate backgrounds and who went up the ranks and became outstanding hockey players.

I fully support this bill. Canadians fully support this bill but I hope once we pass it, it will not simply be a memory for us but will be what it means; namely a commitment by the Parliament of Canada to really support these two games, hockey and lacrosse, from the very minor level to the international level and the professional level.

Mr. Boudria: Mr. Speaker, on a point of order. I would like to seek unanimous consent to prolong the debate for a maximum of one-half hour or at the collapse of the debate, whichever comes first, in order to permit more members to participate.

The Acting Speaker (Mr. Kilger): The House has heard the terms of the motion. Is it agreed?

Some hon. members: Agreed.

• (1825)

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, I am pleased to be able to spend five minutes of my time on this bill that I support, naturally. I would like to congratulate the hon. member who finally managed to bring his project to fruition. At least it is debated, and I hope it will pass before the end of the sitting. I congratulate also the parliamentary secretary for her amendment that we will gladly support. Since I do not know very much about lacrosse, I am sure this will be an opportunity to learn about it. We will have to find the equipment to learn how to play though. However we are already masters at other sports.

The previous speakers dealt mostly with hockey and I will follow their example. We tried to rewrite history, but the truth is the origin of hockey is largely uncertain. It is very difficult to know for sure where and how it started. Some people go back 2,000 or 3,000 years. Nobody knows. Even in Canada, the time and place of the first game ever played are difficult to find. I choose to remember one place, Montreal, and one date, 1837, 100 years before my birth.

Mr. Robichaud: It was much earlier than that.

Mrs. Tremblay: Perhaps. Let us not argue about it. Anyone can make his own choice.

Making hockey our national sport gives Canada another symbol. We had the beaver, the national anthem, the flag, now we have two national sports: lacrosse in the summer, and hockey in the winter. So these are important elements of our national identity. For now, they are declared national sports of Canada. As mentioned by my colleague, we will see in due time what Quebec will do about it, but I already favour the parliamentary secretary's proposition. The Montreal Blocs could very well play against the Toronto Maple Leafs. That would be a good representation of the two Canadian nations, once sovereign.

When the national news on TV begin with the announcement of the Canadian's defeat, I wonder less about the fanaticism of Montreal or Canadian fans than about the choice of the news desk officer. Recognizing hockey as our national sport implies that we must not value it excessively. Recognizing hockey as our national sport is of course recognizing its rights, but also its duties accordingly. I think we must act and clearly define standards so that Canada's national sport is played according to rules that apply even in the national league. Parliament could be called upon to adopt rules that would allow civil or criminal lawsuits against NHL players whose conduct does not improve because a national sport must set an example for a country's young people. Consequently, Canadian hockey officials will have to take on the responsibilities that come with it.

Canada should also make sure that, when it sends a team abroad to compete in our national sport, it can win medals as we are able to do with players of the calibre of our national champions such as Rocket Richard, who made this sport famous, the great Jean Béliveau, Bernard "Boom Boom" Geoffrion, who became the highest scorer, passing Maurice the day Mr. Campbell suspended him—

An hon. member: She really knows her hockey.

Mrs. Tremblay: I was at the Forum the day of the riot. That dates me, I guess.

Several members have mentioned the great ones: Lemieux, Gretzky, Roy, Orr, and Hull. I congratulate the members who took part in this debate and carried it through. I am very happy to have two national sports from now on.

[*English*]

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, first of all, I am pleased to congratulate the hon. member for Kamloops and am very pleased to support this amended bill. The bill recognizes two sports officially as our national sports, hockey and lacrosse, neither of which has ever been officially recognized in the House before as a national sport. I think that is a very positive initiative.

• (1830)

Can there be anyone in the Chamber or anyone in the country who does not know that one sport fascinates and obsesses Canadians from coast to coast to coast? Frankly we know that sport is hockey.

It is our national obsession. It is played by young and old, by male and female, by the able bodied and by the disabled. How well I remember seeing people playing a variation of hockey in a gymnasium, people who had lost the use of their legs. It is our national obsession unlike any other sport, and that is not to denigrate the many other sports Canadians participate in very aggressively, including lacrosse.

Whether it is my young son, Carl, or yours, Mr. Speaker, playing hockey in the backyard or Patrick Roy in the Forum, most Canadians have played hockey at one time or another in their lives, be they citizens in a large city or in one of our hamlets from coast to coast to coast.

Being from southwestern Ontario I can tell the House that the summertime sport of choice there is baseball. It always has been. London, Ontario has the site of the oldest continuous baseball played at Labatt Park. Not to denigrate the sport of lacrosse which I have played a bit, it is not played in some parts of the country. That cannot be said about the sport of ice hockey as we all know. It truly is the national sport of Canadians and I would say the national obsession of Canadians.

We all know that the true world hockey championship is not the Olympics or the yearly world tournament. It is the Canada Cup. That is the true world championship of hockey. Canadian men and women excel at this sport.

It has been said by several members that our women's national team has just won the world championships for the third time in a row. I expect they will add many more times to that championship run.

Hockey is part of our national identity. It helps us to define ourselves. Canadian poet Al Purdy called hockey a combination of ballet and murder. We might not like the second word but it is an aggressive sport. He wrote: "For years a Canadian specific to salve the anguish of inferiority by being good at something the Americans aren't".

The Americans are improving but they have a long way to go to come up to our level. As we all know with the American franchises by far most of their players are Canadians and with the influx of Europeans we are seeing the Americans still have a long way to go to catch us in our national sport.

The impact of the professional sports franchise, the Montreal Canadiens has been mentioned already. It is the most successful of all sports franchises. As several of my colleagues have said—and, my hockey loyalty can be found in this comment—the Canadiens 24 Stanley Cups is a professional sports record. No team in any other sport equals that success level.

I am proud to tell the House that although many early players were French Canadians and the sport was founded in Montreal, it was founded by an Irish Canadian by the name of Ambrose O'Brien. I am proud to note that fact in the debate.

Canadian cities compete to claim these hockey heroes. Being from southwestern Ontario I can say that Stratford likes to claim Howie Morenz as the Stratford Streak, but the people of Mitchell, Ontario, will say that Howie Morenz was born in Mitchell, Ontario.

We have national lessons to learn from the great game of ice hockey. I would like to refer to the most famous goal ever scored. That of course has to be the goal scored by Paul

Henderson to give us victory in the 1972 World Championship against the Russians, the first such series.

As a Montreal Canadiens fan my whole life, I am proud to remind the House that the Henderson goal was made possible by a great play by Yvan Cournoyer to keep the puck in the Russian end, an extraordinary effort when they tried to clear the puck, and then by Phil Esposito who refused to be denied his shot on goal, the rebound of which Henderson then pounced on and put into the net. It has hit me many times for years the symbolism of that goal. Let me give you those three names again: Paul Henderson, Yvan Cournoyer and Phil Esposito. That is the kind of co-operation we need in this country: An English Canadian, a French Canadian and an Italian Canadian working together to help us win a hockey series.

• (1835)

We are most confident, we are most determined and we are most united on a hockey rink. That is a lesson we ought to bear in mind as we support this bill. I applaud this. This is not frivolous in any way. This is an extremely important bill. It is well worth the time for us to take a few minutes in this House and learn the lessons we should be learning from hockey. The fact that we are at our best as a nation when we set aside background, English, French, ethnic, and we work together as a nation. May it always be so.

Mrs. Sharon Hayes (Port Moody—Coquitlam): Mr. Speaker, I am pleased to support Bill C-212 and the amendment introduced by the parliamentary secretary.

This discussion encompasses much more than the pros and cons of two Canadian sports. Rather it is an opportunity for us as members of Parliament to raise a rallying point to help us further define ourselves as Canadians. I assert that by naming Canada's national sports, with which we identify parts of our history, our present reality and a future that can bring all Canadians a step closer together.

There are certain questions we can ask ourselves. My colleague has actually presented a case for lacrosse. I wish to briefly propose some questions that will address whether hockey should be made Canada's national sport.

First, is hockey rooted firmly in Canada's history? As we have heard the answer is an unequivocal yes. Hockey in Canada has been in existence for as long as Canada itself. Hockey is a uniquely Canadian sport dating as far back as the early 19th century.

The hockey that is most familiar to Canadians today was first introduced in Montreal by a McGill University student named J.G.A. Creighton. The first world hockey championship was held in Canada in 1883. The first Stanley Cup game was held in 1894 and won by the Montreal triple A team.

In addition to Lord Stanley's contribution, Canada also recognizes excellence in hockey through other historical awards. The Lester Pearson award is given to the most outstanding player in the NHL. The Lady Byng Memorial Trophy is awarded to the player who has exhibited the best type of sportsmanship combined with a high standard of playing ability.

Second, is hockey seen by Canadians as their national sport? Most Canadians would answer yes. Over the last several decades hockey has consistently attracted a number of fans and participants greater than all other sports together. Household words are hockey names like Rocket Richard, Gordie Howe and Wayne Gretzky.

There are over half a million players registered at the amateur level and for each of those at least five other Canadians are behind the scenes. There are 31,000 teams and 2,400 hockey organizations registered with our national registry. These numbers do not include the many tens of thousands of other players. From pre-schoolers to old timers there is an explosion of participation. Like so many other centres in my own riding of Port Moody—Coquitlam the facilities in our area just cannot keep up with the demand.

Third, is hockey an inclusive sport open to all Canadians? For instance, women's hockey is the fastest growing sport played by women in Canada today. Two weeks ago our women's national team gained international recognition as the best team in the world. This was their third straight world title. They have yet to lose to any country at the international level.

Fourth, is hockey accessible to Canadians? Canada boasts the most impressive organizational network for hockey in the entire world. Known as the Canadian Amateur Hockey Association this body links the membership of local associations to all other nationally and internationally organized bodies. First formed in 1914 the CAHA has nurtured amateur hockey in Canada so that millions of Canadians from coast to coast can come together. In addition, police and government organizations, colleges, universities, et cetera, et cetera bring Canadians together through hockey across Canada.

• (1840)

Fifth, does hockey serve the interests of Canadians both individually and as a community? Hockey indeed enriches the lives of many Canadians. It encourages leadership among our youth. It teaches sportsmanship, drive and determination. It builds a healthy sense of competitiveness and fosters an atmosphere where lasting friendships as we have already heard can be developed.

Millions of volunteers offer their time to this sport each and every year. Parents, teachers, friends, neighbours, people from all walks of life invest their time in their communities and therefore in Canada as a whole. In addition, an estimated $400

million is pumped into the national economy annually as a direct result of hockey.

Sixth, when other countries look at Canada, what do they see? They see hockey. Teams from across Canada travel all over the world to challenge the best players from other countries. Whether we win or lose on the ice as a nation, Canada wins each and every time one of our teams competes abroad.

Remember well the 1972 Canada–Russia series when Paul Henderson scored. It was one of the great moments in our history, a moment in time that caught and has held the hearts of all Canadians.

Seventh, when Canadians look at Canada what do we see? Canada is hockey. Hockey is played in every region of the country, from west to east, south to north, from Vancouver to St. John's, from Calgary to Montreal, from Edmonton to Toronto, and in every town and village in between.

We look at the present and to the future and see the need to bring Canadians closer together. We need symbols that represent Canada as a whole. We need to build on what we have. Hockey and lacrosse can play a part in furthering pride in our land and our unity.

In the words of one of our hockey greats: "The 1972 Canada–Russia series was not politics, it was not sport. At that time we were not considered easterners or westerners, we were Canadians. We represented Canada and had the best players in the world".

In conclusion, from what I have heard today, may I suggest that we take part in Winterlude on the ice next year and show Canada that we as parliamentarians can enjoy our national winter sport.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, here we are at the beginning of the parliamentary season and tonight we are already going into overtime.

The speeches from members across the way could be characterized as very careful stick handling. The House of Commons today will score with all Canadians, I am sure, when we pass this bill. A referee of the NHL is in the Chair as we are having this debate, and I am speaking of you, Mr. Speaker. I think the parliamentary secretary has scored a hat trick with all three readings in one day. This is a shoot out for the member for Kamloops because in the end, he is going to have the winning goal.

We achieved all of this without penalty. Mr. Speaker, I hope you do not think I am offside for making these remarks as we are approaching the termination of the debate.

The net gain in all of this is that Canadians will win and no one will lose. This has to be the only game in town where you have winners and no losers. Indeed, this is a victory for the Canadian hockey team with a very large *C*.

[*Translation*]

The Canadian team has just won. And tonight, all of us will be winners when we adopt this bill.

[*English*]

The Acting Speaker (Mr. Kilger): I must tell you in my 10 years with the National Hockey League I would commonly tell the players: "I call 'em as I see 'em" and they would say: "But Bob you don't see enough". Well, today I wear glasses so I can see all of you.

[*Translation*]

Mr. Benoît Sauvageau (Terrebonne): Mr. Speaker, I too am pleased to support this bill which recognizes hockey as the national sport.

Like my predecessors did earlier, all Canadians and Quebecers agree that hockey should be recognized as the most popular, and therefore national, sport. This goes without saying. All we have to do is look at the popularity of the playoff games now under way, or scheduled to start in a few minutes, to recognize the importance of hockey.

• (1845)

However, to introduce a somewhat discordant note into the proceedings, the government is trying to use hockey as a component of national unity.

I would remind them that this evening, the Canadiens are playing against Boston, that is a sovereign Canadian country is squaring off against a sovereign American nation. If I am not mistaken, I believe that Toronto is also playing against Chicago. I do not think that Mr. Clinton and Mr. Chrétien call one another up very often or that this creates problems between the two sovereign countries. National unity, perhaps.

Still on the subject of the importance of hockey as a national sport, I want to say, as indicated earlier, that by now there is probably not one soul in Quebec or even in Canada who has not heard about Patrick Roy's appendicitis, and we hope he gets well soon.

However, let me express some reservation about debating hockey in this place, all the while respecting the principles of the parliamentary system.

Yesterday, I was the guest speaker at a luncheon organized by the Chamber of Commerce of Repentigny. By the way, I thank them for their invitation. A hundred or so business people from my riding were gathered and there were discussions about the difficult economic situation, the interest rates, and the insufficient risk capital made available to small business. Other subjects of discussion included the GST and the Quebec sales tax as well as unemployment and, of course, sovereignty.

A quick look at yesterday's *Hansard* leads us to ask questions on several problems facing people; yet we are talking about hockey tonight.

The issues debated yesterday in this House include the military college in Saint-Jean; Pearson Airport; the Young Offenders Act; South Africa. We congratulate them on their first democratic election and we hope that everyone will recognize the election results. Also, Bosnia; Canada's credit rating; bilingualism; the fisheries; Hibernia; the economy; AIDS; income tax; and job training.

I said earlier that many young people watch our proceedings. Talking about job training, I would like to quote the hon. member for Bonaventure—Îles-de-la-Madeleine who said yesterday in this House in answer to my colleague from Lévis: "The federal government does not intend to question provincial jurisdiction over education".

Does this mean that he will not discuss it, that he will take on total jurisdiction in this area? His answer raises questions.

Still on the subject of young people, the hon. member for Bonaventure—Îles-de-la-Madeleine said on CBC two weeks ago that 30 to 60 per cent of young Quebecers are dropouts because of the plan for sovereignty. Look at this figure: between 30 and 60 per cent. With such precise numbers, he could be finance minister.

Last fall, *Maclean's* showed that although serious, the actual dropout rate of young people in Quebec was about 20 per cent. We agree that we must encourage our young people and our youth, but not at their expense and not with crass petty politicking like he engages in too often.

Mr. Speaker, as I said at the beginning of my presentation, I support the bill to recognize hockey as Canada's national sport, but let us all agree that people in Quebec and Canada and throughout the world face much more urgent problems.

[*English*]

Mr. John Solomon (Regina—Lumsden): Mr. Speaker, it is my pleasure to join with my colleagues in the House of Commons this evening to support Bill C-212.

I stand in this House as a certified CAHA hockey coach. I am from Saskatchewan and we do have world curling champions, both men and women. Hockey is played in every community on every dugout in the winter and on every piece of ice that one can find in every community in our province.

That is a tribute to the type of thing we are doing today in the House of Commons, making hockey along with lacrosse our official national sports.

Every Canadian either played hockey or wants to play hockey. It is a dream of almost every young hockey player to play in the NHL.

• (1850)

Although Saskatchewan does not have any NHL teams we have exported a number of NHL hockey players to make up a number of teams. For example, we have Mike Modano playing for the Dallas Stars. He played for the Prince Albert Raiders at one point. Ron Grechner who is now with the Sabres is from North Battleford. Theoren Fleury from the Calgary Flames was playing for Moose Jaw at one point. Jeff Shantz is from the Regina Pats. He is playing with the Chicago Black Hawks.

Of course Wendel Clark who is from Kelvington, Saskatchewan is playing with the Toronto Maple Leafs. Doug Wickenheiser, the first draft choice of the Montreal Canadiens, is from the Regina Pats. We have as well Barry Melrose who played hockey in the NHL and coaches the Los Angeles Kings. I believe he is from Kelvington as well, the same place as Wendel Clark. Bill Hicke played many years ago for the champion Montreal Canadiens.

We have from Floral, Saskatchewan Mr. Hockey, Gordie Howe. Hockey is such a popular sport in our province that there is even a statue to Gordie Howe among the many statues in Saskatoon that my colleague from across the floor would acknowledge and certainly support.

As a matter of fact, Gordie Howe is such a major figure in Saskatchewan that he has even got some colleagues of mine in university passing grades. For example, we had a psychology exam one day and one of my friends from Saskatchewan did not know the answers so he wrote a story about Gordie Howe which had nothing to do with psychology. The professor gave him an *A* for this exam because he was a Gordie Howe fan too. I think that it has interesting implications as we go through the hockey process.

I want to not only support this bill but acknowledge in this House that the Regina Pat Canadians are the 1994 Canadian midget champions. They have played very well throughout the season and ended up winning the entire championship recently.

Not only have I been a coach, I have worked with many individuals in the community. I want to acknowledge this evening the volunteers who have spent hundreds of hours and many years in particular in my district, Regina—Lumsden, working for both the parks and recreation leagues which have in my constituency probably about 2,000 hockey players overall, as well as those in the more competitive city league of Regina which has about 1,600 players for the entire city at a higher level.

I think what they are doing is very important. Individuals like Greg Mario, president of the Regina Northwest Sports Association, and Harald Gohlke, vice-president in charge of hockey,

have made significant contributions to the community by being involved in the sport, in the community by teaching young players not only skills but how to get along in life as they age and become very reliable and admirable citizens of our country.

There are about eight hockey rinks in my constituency. They are always filled from five o'clock in the morning until late at night. We have not only the recreation leagues and the competitive leagues but the senior leagues, the oldtimers, those over 30 as well. Everybody in my community, if they do not play hockey, has played hockey. I think that is an indication of the broad based support for this very important national sport that we are approving this evening.

In summary, I want to say that "he shoots, he scores" is a very well known slogan in hockey. As far as I am concerned everybody in this House this evening has taken a shot today and everybody has scored.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I want to rise and speak for just a couple of minutes on this bill. I certainly want to indicate my support for the bill in principle and its amendment. I am more than happy to give my support to it.

I think it is entirely appropriate for a Winnipeger to stand up and enter into this debate because Winnipeg and the province of Manitoba have contributed greatly to this great game of ours called hockey, especially the NHL.

I would like to remind the acting Speaker, who naturally served in the NHL as a referee, that perhaps one of the greatest of referees ever to serve in the NHL and currently serves in the NHL is none other than Andy Van Hellemond and he comes from that great suburb of Winnipeg called St. Boniface.

Andy's name is just one of dozens and dozens from Winnipeg who have contributed to this great game of hockey. For example, does anyone know, and this is just a little piece of trivia, that the NHL player holding the record for the three fastest goals comes from Winnipeg. I am sure, Mr. Speaker, you would recognize the name Billy Mosienko. He is probably about six months older than you, or something like that. Sorry about that. Billy Mosienko of course played for many years. He had a sterling, outstanding career with the Chicago Black Hawks and his record of three goals I believe in 21 seconds still stands. I would doubt whether that record will ever be broken.

• (1855)

Who can ever forget Bill Juzda, the great defenceman who probably could deliver some of the greatest bone cracking body checks ever delivered on ice in the NHL.

I am sure you cannot forget Don 'Bones' Raleigh who was a great player with the New York Rangers. How about Tom Johnson who played with not only the Boston Bruins but the Montreal Canadiens. I would like to say politicians are given to this kind of thing. The Tom, who shares my ancestry which is Canadian Icelandic, grew up a mere 14 miles from my community. He grew up in a little town called Baldur and I grew up in a little town called Glenboro.

There was another great hockey player from Manitoba. Again, Mr. Speaker, I am sure that given your age and your interest in hockey and participation that you would remember a great player by the name of Black Jack Stewart who grew up in Pilot Mound, Manitoba.

I just wanted to share a little bit of this history because Manitoba has played a great part in hockey and contributed greatly to the game. We are all proud of it. I am happy to support the bill. I think that by adding this amendment that it is in itself a great symbolism of the way we do politics in this country because this is the quintessential Canadian compromise. You start off with a proposition that hockey should be named the national sport then people come in and say: "Now hold it. We have a history, we have a record. Lacrosse also has a lot of merit in this so why do we not reach the Canadian compromise and name lacrosse the summer national sport and hockey the winter hockey sport".

I think that is a great compromise and I am more than happy to support the bill.

The Acting Speaker (Mr. Kilger): The member for Winnipeg—St. James brought the name of a former colleague in another life with the National Hockey League, Andy Van Hellemond, but let me tell you about one other because I am aging rather rapidly here by all accounts, none other than Red Storey. A few years ago a number of parliamentarians, including the member for Notre-Dame-de-Grâce who spoke earlier, came together to form a hockey team to play for a good charitable cause at the civic auditorium here in Ottawa against some National Hockey League oldtimers.

Lo and behold, in the middle of the game, for no apparent reason, Red Storey blew his whistle and stopped the play. Keep in mind that we had about 30 players on our bench. Red came over and said: "Look fellows, whatever you do don't quit your day jobs".

[*Translation*]

Mr. François Langlois (Bellechasse): Mr. Speaker, first I want to congratulate the hon. member for Kamloops whose perseverance will be rewarded in a few moments.

I also want to thank the hon. member for Mission—Coquitlam, who made a brilliant presentation on lacrosse, a sport which those who will read *Hansard* tomorrow will be able to learn more about. If the hon. member has more detailed personal notes on this topic, I would be pleased to read them. In the meantime, I wanted to highlight her contribution to the debate.

Later on this evening, most members will watch the hockey game between Montreal and Boston. As for me, I will probably go to Hull to watch the sixth game between the Hull Olympiques and the Chicoutimi Saguenéens of the Quebec junior major league. My interest in hockey stems more from my career as a journalist rather than from the limited skills I displayed on the ice. Indeed, I was better at writing about the game than at playing it. Early in my relatively short career as a journalist, I covered what was then junior A hockey in Canada, since major junior hockey did not yet exist.

I remember all the trips I made for the newspaper I was working for at the time and the playoffs I covered between teams which became famous. I could tell you stories that may have been forgotten in some areas, but are still much talked about in other places.

I covered games between the Quebec Remparts and another great hockey team, the Cornwall Royals, which also played in the Quebec major junior hockey league, and also the east-west finals between the Estevan Bruins and the Niagara Falls Flyers. What was funny about these finals was that both teams had the very same jersey, and I think it was the Niagara Falls Flyers organization which had to lend their visiting-team jerseys to the western team for the Memorial Cup Finals.

I want to point out that the Centennial Cup Series will start on Friday and will be held in Olds, Alberta. I want to wish the best of luck to the team that will be representing Quebec, the Châteauguay Élites, and may the best team win.

If it were not for all these men and women who drive their kids to the arena, or even an ice rink or somewhere else, and stay to entice their children to play their favourite sport, I do not think we would have a national sport. We talked about people playing in the heat and wearing extremely expensive equipment but there are still people playing outside in siberian cold like the ones we had last winter. We must pay tribute to those people of my generation who started playing hockey with elementary equipment, because that sport was for us the soccer of the North. We would build our nets with ice, use hockey sticks worth 59 cents and quite often make a puck out of frozen horse droppings. Imagine how interesting it would have been in the spring to have a slap shot at the member for Glengarry—Prescott—Russell, if you will allow me a joke, Mr. Speaker.

I am pleased, in the name of the Bloc Quebecois and of all my colleagues since we share a common interest, whether we are from Quebec or Canada, regarding the two sports we are about to recognize, to support the bill introduced by the member from Kamloops, which we are going to pass unanimously.

[*English*]

The Acting Speaker (Mr. Kilger): I must confess that I have been very pleased and honoured to have been in the chair throughout debate on this private member's bill. I congratulate the member for Kamloops. I also thank the Parliamentary Secretary to the Minister of Canadian Heritage for her diligence and work so that we might bring the bill to conclusion today.

The sports of hockey and lacrosse have played important roles in the development of my home town of Cornwall and the entire area of Stormont—Dundas. In naming names sometimes we forget someone, but let me go to the early 1900s. Two names that come to mind are Joe Lally and Newsie Lalonde, both of whom we will find in the Lacrosse Hall of Fame located in New Westminster, British Columbia. Of course Newsie Lalonde has also been inducted into the National Hockey League Hockey Hall of Fame.

Prior to the early 1960s the Roundpoint Chisholm lacrosse stick factory located on the Akwesasne Reserve manufactured 85 per cent to 90 per cent of the world's hickory lacrosse sticks. I really enjoyed being in the chair throughout the debate.

Pursuant to order made earlier this day, Bill C-212, as amended, is deemed read the second time and referred to committee of the whole, deemed considered in committee of the whole, deemed reported without amendment, deemed concurred in at report stage, deemed read a third time and passed.

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

It being 7.04 p.m. the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 7.04 p.m.)

HOUSE OF COMMONS

Thursday, April 28, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to three petitions.

* * *

NATIONAL DAY OF MOURNING

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, on this national day of mourning, I offer my deepest sympathy to Canadian workers.

We all remember friends, relatives or colleagues who died, were injured or handicapped for life as a result of work accidents.

[*English*]

Nothing would give me greater pleasure than to be able to say that from year to year workplace safety and health have been improving and that prevention measures have been implemented with a high level of success. Unfortunately this is not so.

In 1992 for example, more than 700 workers lost their lives as a result of work accidents. Although the fatality rate generally has declined over the past decade all the parties involved, the workers, employers, unions and regulatory bodies, clearly have to improve and take more seriously the question of workplace safety so they begin to make a difference to all those who have lost friends, relatives and family members to workplace accidents.

Investing in safety and health is investing in people and in prosperity and also avoidance of unnecessary tragedies. I am very hopeful that step by step we can continue to enhance regulations at the federal and provincial levels to increase compliance and to improve our performance in protecting Canadian workers.

To that effect, the Canadian Centre for Occupational Health and Safety located in Hamilton provides a very important service of information, support and resources in protecting employees and giving important knowledge to employers about workplace safety.

[*Translation*]

I recently visited the centre, and took that opportunity to announce that my government was giving the centre $100,000 to help it maintain its toll free emergency phone service.

[*English*]

This very important service ensures that there is one central place where individuals, employees and employers can phone in to get up to date information. It would be my hope in the future to continue to enhance and augment the role of the centre. I believe it is one of the most important institutions in workplace safety in the country.

I would also like to point out to members that occupational health and safety is a broad international concern. When signing the NAFTA labour agreement the three countries, Mexico, United States and our own agreed that this would be the priority issue. We have established as a result of that meeting a series of major conferences on workplace safety, the first beginning in Canada this summer.

We can now use the labour agreement under NAFTA as a venue and a means by which we can both improve knowledge and even aid those other countries by sharing information, by sharing knowledge and looking at measures in key industries like the oil and gas industry, engineering and others so that we can begin to provide in a co-operative fashion mutual activities.

I am sure that all members join me in remembering those who have paid the ultimate price in the workplace. I trust that they will encourage their constituents to be more vigilant about occupational health and safety. We can drastically reduce the pain and suffering caused by accidents to the victims, their families and friends if we all are more caring, more vigilant and more concerned.

• (1010)

[*Translation*]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, according to the Canadian Labour Congress bulletin on health and safety in the work place, one thousand workers die annually as a result of accidents in the work place, and another million are injured, while thousands more die of diseases caused by toxic substances used in the work place or as a result of various other problems in their job environment.

The Bloc Quebecois, the Official Opposition, wishes to join in this national and international day of mourning in honour of those men and women who died on the job or as a result of an accident or a disease contracted in the work place.

Speaking on behalf the Official Opposition, I must point out that although the actual number of accidents has declined, the situation is far from ideal. In fact, many job related diseases have not yet been recognized as such and are therefore not included in these figures.

It is also true that the work place is changing, and as we have seen in the past, each new generation of technologies brings with it new diseases and accidents. The same is true today. Unfortunately, unlike other periods before the second world war, the labour movement is not on the rise and is experiencing difficulties in certain areas and even receding in certain cases. That is why governments have an even greater obligation not only to improve legislation but also its implementation.

Because of the pressures of globalization, there is an increasing tendency to fragment the work place and have jobs done by companies whose labour practices are irresponsible. This means that we as parliamentarians must remain alert. Only political will and social commitment will be able to stop these terrible and unacceptable effects of the job environment. We are concerned about the problems of the unemployed, but we cannot ignore those who, because of current pressures in the work place, must work under conditions that may lead to loss of life or loss of physical or mental well–being.

[*English*]

Mr. Grant Hill (Macleod): Mr. Speaker, politicians are well known for sitting behind mounds of paper and bureaucracy dispensing advice to others. Seldom do they step outside their hallowed halls to feel the pain and also the joy of aching muscles and blisters from a physical day of hard work.

In my view it would be far more appropriate today if we had a framer, a mason, a steeplejack, a buggy operator, a labourer or a roustabout to offer a tribute in these halls.

I personally recall a powerful young mechanic severely injured by a propane blast that took his sight in one searing instant, leaving him disfigured and blind, his years of training made useless, his life's experiences suddenly only memories, his world a shambles.

Cliff and his wife never complain. In fact they are happy to have one another's love and support. Occupational health and safety are important. To Cliff and all his injured colleagues I dedicate this national day of mourning. To those less fortunate I offer a simple prayer.

* * *

• (1015)

[*Translation*]

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS

Mr. Richard Bélisle (La Prairie): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Public Accounts. According to the committee, discussions on the debt and the deficits should not happen only during prebudget consultations but should be an ongoing process. The committee suggests that all members of Parliament use, among other things, the indicators proposed in this report to explain more readily to their constituents Canada's financial and economic situation.

The report tabled today reflects the basic consensus of the committee and the dissenting opinion of the members for Joliette and Chicoutimi concerning the addition to the report of a series of prospective economic indicators.

Pursuant to Standing Order 109 of the House of Commons, the committee is asking the government to table a comprehensive response to the report.

* * *

[*English*]

CORRECTIONS AND CONDITIONAL RELEASE ACT

Mr. Derek Lee (Scarborough—Rouge River) moved for leave to introduce bill C–242, an act to amend the Corrections and Conditional Release Act, the Criminal Code and the Young Offenders Act (improvement to public safety).

He said: Mr. Speaker, I am very pleased to be able to reintroduce into this House this bill which amends the Criminal Code, the Young Offenders Act and the Corrections and Conditional Release Act.

The bill will close a significant loophole in sentencing laws. It will lower the age of application of the Young Offenders Act. It will outlaw so–called crack houses and other locations involved in the trafficking of drugs. It will provide for stiffer bail procedures. It will deny statutory release to repeat serious offenders and will allow for the benefit of victims judicially ordered blood tests for those accused of sexual assaults and rape.

I want to acknowledge the support and collaboration of other colleagues in this and the previous Parliament and the assistance of various victims groups throughout the country which participated and collaborated in the construction of this bill.

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

* * *

[*Translation*]

DEPARTMENT OF LABOUR ACT

Mr. Réal Ménard (Hochelaga—Maisonneuve) moved for leave to introduce Bill C–243, an Act to amend the Department of Labour Act (eligibility for assistance for long–service employees).

He said: Mr. Speaker, I thank my colleague from Mercier for seconding the motion for introduction of this bill which seeks to amend the Program for Older Workers Adjustment.

The private member's bill I have the pleasure to introduce today in this House seeks to correct a terrible inequity toward Montreal workers and all workers from a community having more that 500,000 inhabitants. A laid off Montreal worker is eligible to the Program for Older Workers Adjustment only if the company laid off more than 100 workers in a single group.

But it so happens that, in Montreal, the industrial make–up is such that the vast majority of companies employ 20 to 30 workers. As a consequence, 83 per cent of all applications under the OWA program in Montreal have been rejected. This bill seeks to change that situation. I hope it will be favourably received by government members.

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

* * *

• (1020)

STARRED QUESTIONS

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, would you be so kind as to call starred question No. 24.

[*Text*]

Question No. 24—**Mr. Robinson:**

Does the government intend to submit a brief to the International Court of Justice in response to their request for briefs concerning the legality of the use by a state of nuclear weapons in armed conflict? If so, what position will the government take on this issue, if not, why not?

[*Translation*]

Mr. Robichaud: Mr. Speaker, I ask that the answer be printed in *Hansard* as if it had been read.

Hon. André Ouellet (Minister of Foreign Affairs): The government is considering this issue and will announce its decision in due course.

Mr. Robichaud: Mr. Speaker, I respectfully suggest that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Kilger): Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

[*English*]

The Acting Speaker (Mr. Kilger): I wish to inform the House that pursuant to Standing Order 33(2)(b), because of the ministerial statement Government Orders will be extended by nine minutes.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—AGRICULTURE

Mr. Jean–Paul Marchand (Québec–Est) moved:

That this House denounce the government's lack of action in the agricultural sector, which is currently facing the most significant changes in thirty years.

He said: Mr. Speaker, I thank my distinguished colleague from Hochelaga—Maisonneuve for seconding this motion. I am pleased to rise in this House for this motion:

That this House denounce the government's lack of action in the agricultural sector, which is currently facing the most significant changes in thirty years.

I also ask all members of all parties present here to do the same in condemning the government's inaction on agriculture. A self–respecting society is one that recognizes the importance of its agriculture. A country must first of all ensure that its citizens have good food, hence the importance of stimulating this crucial sector of our economy. Subject to the whims of nature and buffeted by political decisions made here and elsewhere, agriculture requires heavy investment, diversified technical expertise and constant support from the government.

We cannot overemphasize that. Agriculture is a very important industry in Canada. Agri–food accounts for nearly 8 per cent of the gross domestic product and almost 2 million jobs, 15 per cent of all employment in Canada. It produces some $64 billion of goods a year. Food processing industries alone gener-

ate $38 billion, which is more than the automobile industry in Canada, which generates about $30 billion.

In fact, every dollar of agricultural production generates nearly $3 in economic benefits.

• (1025)

Agriculture is, therefore, extremely important to Canada and to Quebec. It plays a major role in our economy, serves as the basis of our society and is an important component of our national identity.

The 38,000 farms and 1,200 processing plants which make up the agri–food industry inject roughly $3 billion into the economy in the form of inputs, services and salaries. The industry generates approximately 400,000 jobs, or 11 per cent of the overall total, and accounts for $11 billion in shipments in the manufacturing sector in Quebec.

This is nearly three times the shipments of the pulp and paper sector. In fact, the agricultural and agri–food sector in Quebec is much larger than the province's pulp and paper industry or even the automobile industry.

Is it not time for our politicians and governments to pay more serious attention to agriculture and to stop neglecting this sector which provides a source of jobs and economic wealth?

What could account for this laxness and lack of action on the part of the government? Because there is no question that farmers are currently facing serious problems. With the upheavals resulting from the GATT and the NAFTA, the agricultural sector has undergone over the past few years some of the biggest changes in 30 years.

No one denies that the GATT and the NAFTA have changed the rules of the game in agriculture and it is hard to argue that in the case of these agreements, the federal government was truly successful in defending the interests of Canadian farmers.

The Canadian government lost out on GATT. First, because it failed to maintain support for article XI and was unable to cobble together a coalition of countries to defend its position and ensure that article XI would be maintained. Not only did the federal government fail to defend article XI of the GATT, which provides for a highly equitable system for farmers and consumers, it failed as well to gain a reasonable period of time for farmers affected by article XI to adapt to changes in these sectors.

The agri–food industry needs a reasonable period of time to make the transition to a competitive world. However, the government failed to win the industry enough time to make a smooth transition to the new system.

By signing the GATT Agreement, the federal government is subjecting the farmers of Quebec and Canada to time frames and terms of change imposed from the outside, by their very competitors.

In fact, the government's lack of action in the agricultural sector has been obvious since the GATT Agreement was signed, and in its trade negotiations with the United States in particular.

Not only did the federal government lose the battle for article XI at GATT and give the farmers very little time to adjust, but when it signed the GATT agreements on December 15 last, it did not make sure our many trade disputes with our main trading partner, the US, were settled.

Canada has since had to negotiate under pressure the settlement of a large number of trade disputes in the agricultural sector. Naturally, the United States has managed to drag Canada into global negotiations of all issues pertaining to agriculture instead of negotiating issues on the merits of each case.

In so doing, Canada had once again put itself in a position of incredible weakness. The federal government's strategy is one of damage control, a mainly defensive strategy. Our negotiators keep complaining that the US is acting in bad faith.

Canada's position of inaction and passivity is also exemplified by the fact it has accepted to negotiate a cap on Canadian durum wheat exports to the United States.

• (1030)

Given that Canada is doing nothing wrong under NAFTA, why allow to be penalized with respect to durum wheat exports when we know that the problems are on the American side?

There is a very long list of cases resulting from agreements signed at GATT and from NAFTA in various agricultural areas across the country which show how weak and soft this government's administration of agriculture is. But we will have the opportunity to discuss this in greater detail later on.

Canadian agriculture is faced with a serious problem, and the government has not done anything to deal with it: that is the considerable decline in the number of Canadian farms.

In Canada in the last 20 years the number of farms has fallen by nearly 25 per cent or almost one–fourth. We lost close to 100,000 farms. This means that 170,000 men and women who used to farm no longer earn a living as farmers. Even among those who still farm, almost 40 per cent, and in some sectors over 50 per cent, need a regular job elsewhere to survive as farmers.

In other words, in Canada not only is the farming population diminishing but it cannot even earn a decent living from farming alone. Rural people need our support; rural communities are in decline but everything we say on this subject seems to fall on deaf ears. So far the government has not come up with any proposal to improve rural communities and the fate of family farms.

Our farmers are among the most sophisticated in the world in several areas. Despite farmers' meagre income and reduced numbers, average productivity has grown by 2.4 per cent a year since 1981, which puts them in first place in Canada, far ahead

of the manufacturing sector with a growth rate of only 1 per cent. The excellent performance of farmers must be pointed out.

Canada comes first in the world for its capacity to feed its citizens at the lowest cost. How would you like to live in London, England, and spend 24 per cent of your salary on food in Tokyo and spend 33 per cent or a third of your income to feed your family, when Canadian consumers only spend 13 per cent of their income on premium quality and surprisingly varied food products? In spite of its problems and the lack of government support, the agricultural sector does its job well.

We are losing our farmers at an alarming rate. Our countryside is emptying and unemployment is going up. In addition, farmers are getting older: 42 per cent of them are over 55 and they are hard to replace because farming requires an enormous investment. Return on investment is low and working conditions are hard and totally different from those experienced by other workers in this country.

Who among us would be willing to start a business, invest half a million and, in return, have to work 80 hours a week, as is sometimes the case, without any vacation and for a salary which only represents 80 per cent of the average income of the rest of Canadians? The problem is not that there are no young people willing to take over, it is that the current policy is conducive to the dismantling of family farms.

• (1035)

Right now a person who wants to transfer his farm to his child must make great sacrifices. That person must be prepared to accept a substantial reduction of the value of his farm, often on the order of 50 per cent. In other words, it is the person who worked hard for over 40 years, reinvesting all his earnings in the farm to improve it and make it more efficient and profitable, and who always deprived himself of all those little treats which ordinary citizens take for granted—vacations, free evenings, sleeping in, etc.—who must, when the time to retire comes, sacrifice his pension fund to allow his offspring to take over the family operation. Farmers should not have to subsidize the new generation taking over. If we want an abundant and steady supply of food items, the government must take its responsibilities and initiate a farm transfer program. When will the government do that?

The loss of a farm is a tragic event which accelerates the deterioration of rural zones. We must put a stop to this terrible pattern. We must do something to keep rural populations from constantly decreasing. A healthy rural community is essential to the well-being of our society. Losing a farm often means losing a concession, a road, a post office, or a store. It can also lead to the deterioration of our rural communities and massive loss in investments, knowledge, money, training, expertise, research and subsidies. Our rural communities are full of dynamic and intelligent people who deserve better than what the government is proposing. The time has come for our distinguished colleagues opposite to introduce a rural policy that includes farm transfers.

Besides worrying about who will take over from them, farmers are concerned about their farm income which, as was mentioned earlier, does not get them very far. How many of us would be ready to spend our evenings, our weekends and our holidays holding down a second job, because our boss does not pay us a decent salary? In 1992-93, government subsidies accounted for 42 per cent of the total net income of farmers. This represents a significant decrease, since direct federal subsidies dropped by $113 million in 1993. Things are getting better, slowly but surely. However, these figures clearly indicate that the government contribution is crucial to the survival of our agricultural industry. Farmers need some support from the government.

The Department of Agriculture and Agri-Food has a budget of some $3 billion, which represents less than 2 per cent of the federal government budget. This is not a huge amount of money when you consider the importance of this sector. Unfortunately, the money is not always well spent. Take for instance, agricultural research. In 1992-93, $300 million of taxpayers money were spent in this area, which provides 3,000 jobs. At first glance, this seems like a good investment. However, the money may not have been spent efficiently.

The Auditor General said: "The Department does not have in place a system to monitor the use of the technologies it has developed and transferred, with the exception of tracking the usage of new seed varieties. Without an effective monitoring system, it is not possible to determine how successful the Department has been in improving the adoption of technology by Canadian producers and processors". Since 1986, the department has known that until a responsibility framework has been defined and implemented by means of fiscal systems and performance evaluation mechanisms, it will be unable to highlight effectively the connection between resources and anticipated results on the one hand, and expenditures and actual results on the other hand.

• (1040)

Wasted money, ineffective research, much could be said on the gathering of market information and the gathering and compilation of statistical reports. It is incredible how Agriculture Canada fails to meet farmers' needs. Information does not always include conclusions, forecasts and data on market opportunities, and I quote from the Auditor General: "Dissemination of market information/intelligence is too slow and fails to meet the industry's needs for timeliness".

Although rather small, Agriculture Canada's budget is not managed effectively. The system has several deficiencies and it is about time we do something about it. In 1994, there will be a thorough review of the department's programs as a result of the signing of the GATT and NAFTA agreements.

In the past, these programs were not well controlled. Again I quote the Auditor General: "Some key aspects of the agreements, such as objectives, responsibilities, cost sharing and accountability, are not clearly defined".

So much money and effort has been spent to provide a service that does not meet the producers' needs. There is waste also in the duplication of programs, be it farm credit, food inspection, income support, market development or marketing. These duplications entail costs for the taxpayers, for such things as staff, services or office space. The respective tasks of the federal government and the provinces in trade exploration are poorly defined. As for the information gathered by various departments, when it is passed on to farmers, it is often too late for them to take advantage of it.

There has been progress, of course, but there is still much duplication between the federal and provincial levels, not only in programs but also in data, as we can see in this blatant example. According to Agriculture Canada data on hog exports, the figure for 1992 was 72,000 for Eastern Canada; but according to Statistics Canada, the figure for the same year and the same region was 125,000, that is twice as much. This is at the very least very bad data compiling, and it is very embarrassing to see such nonsense.

The Chair is indicating that I have one minute left, but a minute is not enough. It is unacceptable, all the more so since I was getting to the core of the subject.

Beyond these many difficulties for farmers, the waste and the many administrative duplications, there is something even worse in the agricultural sector. There is a very serious inequity problem in Canada between the west and Quebec, an inequity that shows up in many ways and that has been going on for a long time. There are numerous instances: milk, research, rural diversification, transportation and GATT. For example—and to sum up quickly since I do not have time to extrapolate—since 1980, the federal assistance share of the prairie provinces, Manitoba, Saskatchewan and Alberta, has grown from 42 per cent to 64 per cent of the federal budget, whereas financial assistance for Quebec has decreased from 30 per cent to 10 per cent.

The Acting Speaker (Mr. Kilger): Since the hon. member for Québec–Est is the first member to participate today in this debate on a matter of great importance to the whole country, I wonder if there would be unanimous consent to allow the member to conclude his remarks so we can start off debate on the right foot.

[*English*]

Would there be unanimous consent, seeing that the member for Québec–Est is the lead speaker on this opposition day in this very important debate on the subject of agriculture?

• (1045)

[*Translation*]

I hope the member does not need more than two or three minutes to conclude his remarks.

Mr. Marchand: I need five minutes, Mr. Speaker.

The Acting Speaker (Mr. Kilger): Five minutes.

[*English*]

The member is asking for unanimous consent to extend his intervention by five minutes. Is it agreed?

Some hon. members: Agreed.

[*Translation*]

Mr. Marchand: I thank all hon. members for their kindness.

I wanted to deal with the inequity of the situation in agriculture because it lies at the heart of the problem, at least from the Quebec viewpoint. There are numerous examples of inequities between Quebec and western Canada.

Grain transportation is a case in point. Grain traffic on the St. Lawrence seaway is constantly being eroded and diverted to west coast ports. Since 1984, the volume of grain moved through the seaway has been halved, dropping from million 12 to 6 million tonnes.

In 1993 the volume of goods shipped through the seaway was 32 million tonnes, a 50 per cent reduction compared with 15 years ago. Glen Stewart, the chairman of the St. Lawrence seaway authority, says the Western Grain Transportation Act encourages producers to ship their grain through Pacific coast ports. That stands to reason since we have more buyers in the far east, but why is it that millions of tonnes of grain shipped to Africa and Europe also move through West coast ports and Panama?

The dice are loaded because westbound grain shipments are subsidized all the way to the Pacific coast whereas subsidies for eastbound grain stop at the lakehead, which is still thousands of kilometres from the Atlantic ocean. Would it not be normal that such subsidies apply a mari usque ad mare, from coast to coast?

Why should western Canada get better treatment than eastern Canada? Right from the beginning, Canadian agricultural policies were developed mainly to meet the needs of western grain producers and worked against the interests of farmers in Quebec. To make up for the deficiencies of their policies and the unfairness of federal transfers to Quebec, we Quebecers have had to develop our own programs adapted to Quebec's realities.

It goes without saying that this situation is very costly for Quebec's taxpayers. The taxes paid by Quebecers for agriculture have mostly benefited western farmers. As I already said, the prairies' share of federal funds rose to 64 percent from 42 per cent, while Quebec's share diminished from 30 per cent to 10 per cent.

Of course the federal government spent money to help the west diversify. In the last five years, hundreds of thousands of dollars were spent to diversify western agriculture, while the federal government never contributed anything to the diversification of Quebec's agriculture.

There are a vast number of cases in which we can very clearly see that the federal governement is less and less interested in Quebec's agriculture. Maybe this is good for Quebec's producers because they are very well organized. In fact, I believe they will benefit in a big way from sovereignty.

This may be good but let us take the example of UHT milk made in Quebec, a high quality product which held 40 per cent of the market for this kind of product in Puerto Rico, where the Americans tried to block Quebec exports of UHT milk and succeeded. We are not selling any more UHT milk in Puerto Rico. In this case, the federal governement did nothing to protect this $40 million production. However, at the same time in the beer dispute between Ontario and the USA the federal government intervened very rapidly.

I mentioned diversification of agriculture, but there is another example, the railways. In the west we maintain close to 25,000 kilometres of railway lines for the sake of national unity, while we are abandoning thousands of kilometres of lines in the east, particularly in Quebec.

• (1050)

Here is another example. New Brunswick potato growers know that their production is subsidized. Transportation for their potatoes is subsidized at 50 per cent.

No other producers are subsidized at 50 p. 100 for the transportation of their potatoes, so New Brunswick producers can sell their potatoes in Quebec cheaper than Quebec producers.

The same goes for Prince Edward Island, and there are more examples like that one. It is as if the government wants to crush Quebec. Once again poor negotiation strategies at the GATT talks have contributed to scaring Canadian producers. We have the feeling that the federal government does not want to protect farmers, but rather create a very serious instability in quota production. And here we have that crisis in the Ontario chicken market where production is being considerably increased, jeopardizing all quota production in Quebec.

I will conclude with these very brief words. I am convinced that Quebec's farmers will be the first to benefit from Quebec's sovereignty, because when Quebec recovers the money that it is paying to the west to subsidize agriculture, that money will go directly to the regions and toward social and economic infrastructures, schools, education and services. That money will reinforce Quebec's regions, promote agriculture and even enlist Quebec into a democratization process, which is what we wish for everybody.

[*English*]

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, I did appreciate the hon. member's comments because I come from a rural–urban riding mix as well and have a great support for the agriculture sector, in particular dairy agriculture.

I remind the hon. member of two points that this government has done. In the SEED program, which is summer employment for students, a program that has just recently been introduced, approximately one–quarter of my student applicants have applied for jobs in the farm sector. I would challenge the hon. member that the farm sector is still a vibrant sector in this country, that our young people are returning to the farms and that a nation that cannot feed itself is not a strong nation. I believe Canada is going in the right direction.

The second point I would remind the hon. member of is that with our budget in February of this year we retained the $500,000 capital gains exemption for small business and farms. Therefore farms could be passed on to the second generation or provide a strength of security for the farm family in the older days of their lives.

We have not done everything that we may, but we are going in the direction to preserve the family farm and to maintain a source of strong, excellent and healthy food supply for this country.

[*Translation*]

Mr. Marchand: Thank you, Mr. Speaker, for the extra time you gave me. I would now like to answer my colleague's question.

[*English*]

Obviously Agriculture Canada has not done everything wrong, I would not go as far as that. There are some things it has done right. Certainly the $500,000 capital gains due to the Minister of Finance is good, there is no doubt about it, and also the encouragement for young people to return during the summer months to work on the farm.

All sorts of things that Agriculture Canada does are worth underlining, there is no doubt about it, but overall no, this government is not going in the right direction for agriculture and it shows. There are a great number of issues that could be brought up.

The loss of the number of family farms is an example. The government is not doing anything to counteract this development. I suspect that Agriculture Canada encourages inefficient producing farms or family farms and is in agreement with the American attitude in respect to agriculture. That is to say it encourages well integrated systems, large farms which will make it such that farmers will no longer be farmers. They will become employees in large farms. Maybe they will make a better salary, who knows, but personally I do not think that is the right direction in respect of the family farm.

• (1055)

I think the government could use more structural moneys to help redress this. One could go on and on about just this one issue. We could encourage large agricultural businesses situated in Saskatoon or Quebec City, but what about the rural areas? How do you encourage a population to occupy its rural area if you do not encourage the family farm?

Agriculture is fundamental for that. The agricultural population is not different from us. It needs all sorts of services such as schools, education, hospitals and so forth.

In losing the farmers in the rural areas and losing all the other services, these rural areas are abandoned and that is a big price to pay for a country like Canada.

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food): Mr. Speaker, I would like to make a couple of comments to the member opposite who has been chatting with us this morning for a little while.

The last part of the motion refers to the agri–industry which is currently facing the most significant changes in the last 30 years. I would agree with that but I would like to have him recognize, which I think if he were very straight with the House he would, that these changes are also opportunities.

Yes, there are challenges there. At no time in the history of Canadian agriculture has the agri–food industry starting with the primary producer, the farmer, going right up through the whole chain, had the opportunities before it as the industry has at the present time.

The opportunity is there to meet the challenges that are there. It is like everything in life. Those challenges are not always simple and easy, taking a snap of the finger to get them, but those opportunities are there.

I would suggest to the member that he recognize that this government has only been in power for the last six months. He should look at what this government has done with regard to trade initiatives, protecting the family farm, our success in getting the tariff levels in place at the GATT talks, and I could go on. Work is being done on the pesticide review and with regard to the whole farm safety net program.

I remind the member that we have done a lot in the first six months. He had better sit back and wait because we are not done yet.

Mr. Marchand: Mr. Speaker, there has been an awful lot of talk and a lot of studies. Even the parliamentary secretary for agriculture is involved in one of these studies. However, there has been very little action.

The little action the government has taken has been backward in some respects, forced upon it by the earlier government, for example in the case of GATT. We are dealing with the consequences from GATT. I am not sure or convinced that this agreement was advantageous for farmers in Canada.

I think we broke in, we broke down, we did not negotiate fully or effectively. Now we are caught in a situation in which we are having to give away an agricultural system, the supply management system, which was an excellent system, the world's best system. We are forced to give it away.

• (1100)

The agricultural community which was directly under the supply management program now is forced to readapt very quickly, in six years, for example. This is not an advantage to those farmers. Farming is not like producing dingy bells or post cards. You do not change agriculture from one day to the next. You need long term planning and structural investment. You have to know where you are going and this government does not seem to know where it is going.

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, coming from B.C. the subject of grain is not a big issue in our area. However, I want to make a couple of comments to the member about some of his statements regarding his concern about the lack of grain or the decrease in grain passing through the St. Lawrence seaway.

Clearly the member realizes that there has been a huge market change in the demand for grain in the world. Europe, for example, has gone from a net importer to a net exporter of grain. This is a predominant factor in grain shipments throughout the east coast ports.

I sit in the House every day and listen to the members from the Bloc crying about how hard done by the province of Quebec is and how things are so tough and they are being penalized so much. The member should realize that for so many years the pendulum swung the other way toward the province of Quebec.

We talk about the supply management system. Today in the domestic market the province of Quebec enjoys a huge protectionist advantage for shipping things like cheese and milk products and some of the other items in the domestic market.

In our province, for example, because of the supply management system we are restricted to pretty much a local area for selling our product. The member is once more bringing up the hard done by Quebec issue and I think that his facts are not exactly correct.

Mr. Marchand: Mr. Speaker, Quebec certainly is not winning by any means in this. For example, with milk definitely we have a certain advantage in Quebec over the west, that is for sure. Now obviously with the change in the GATT, Quebec is going to have to realign itself and develop new markets.

In terms of grain transportation it is obvious that there are millions of tonnes of grain going via Vancouver. It is not because I do not want it to go via Vancouver but it is rather illogical to transport grain to Vancouver ports in order to get to Europe when the line is more directly toward the St. Lawrence seaway. There is a very clear tendency there that seems to want to favour it. I do not know why.

This is in line with the whole subsidy program. Why, for example, are there many tonnes of grain that are subsidized going to Thunder Bay and then back down the line to get to the United States? Grain transportation is subsidized in such a way—

The Acting Speaker (Mr. Kilger): Order. I know this issue, as I mentioned earlier, is of great importance and I am sure that members throughout the day will want to raise these issues.

● (1105)

[*Translation*]

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, on behalf of my colleagues, the minister, the hon. Ralph Goodale, and the parliamentary secretary, Mr. Lyle Vanclief, it is with pleasure that I open the debate on the opposition motion relating to a vital sector of the Canadian economy, that is to say agriculture and the agri–food industry.

I would like to start by commenting briefly the wording of this motion that I find absolutely ridiculous. I must tell you that I was stunned—I could not believe my eyes—when I read this motion. Just think, our colleagues opposite are asking that this House denounce the government's lack of action in the agricultural sector. The government's lack of action, nothing less.

Ironically enough, while we are fed such cliches, while we are criticized for our alleged inaction, my colleague, the minister of agriculture, happens to be abroad on a mission to promote agricultural trade.

In fact, that is why I am replacing the hon. minister here today. As we speak the minister of agriculture is leading a trade mission in the Asia–Pacific region. This region is an economic zone undergoing phenomenal growth, one that looks like a promising export market for our agri–food products and know how.

The minister is accompanied by a delegation of 15 leaders of the Canadian agri–food industry representing most areas in that industry. After stopping off in Japan and Korea, they are now in China and from there are headed for Hong Kong.

As recently as last Monday, the minister of agriculture left Korea with a signed contract to sell wheat to Korea as well as interesting prospects for the sale of pork meat and animal feed. If that is called lack of action, there is something wrong with the definition of the word. As a matter of fact, I am convinced that not only the Bloc Quebecois critic for agriculture but also my hon. colleague the critic for finance, a prominent agricultural economist, will approve of the objectivity and capacity to promote agriculture in the Canadian economy.

How can one dare talk about government lack of action when this government has been praised by the industry for reacting both quickly and firmly to the American decision to renegotiate customs duties on wheat under article XXVIII of GATT? Our government made it clear that we do not want a trade war with the United States. We would rather negotiate. But we will go to war if we have to. As the hon. minister indicated, no deal will be made with the Americans unless this deal benefits the Canadian agri–food industry as a whole as far as grain products, processing and supply managed commodities are concerned. Canada will not give in on one point to get more on another. We refuse to play one group or region off against another.

[*English*]

Inertia my eye. This government takes great pride in the exceptional work that our Minister of Agriculture and Agri–Food has been doing since taking office in November. I would congratulate my colleague, the parliamentary secretary to the minister, for his intervention five minutes ago when he talked about the positive things that we as a government and as a country are bringing to this, one of the most important sectors of our economy.

In the last five months the Minister of Agriculture and Agri–Food has travelled widely in an effort to meet all of the pertinent players around the world, in Canada and in Quebec. He has met with industry associations and stakeholders. He has met with provincial and municipal governments as well as American, Mexican and now Asia–Pacific agriculture and trade officials.

These meetings were held in a spirit of co–operation and consultation which has been the hallmark of this government's approach to making Canada's agri–food industry one of the strongest in the world.

The Canadian agri–food industry is a major employer. It is a major exporter. It accounts for 8 per cent of Canada's GDP and 15 per cent of our jobs, three–quarters of which are found beyond the farm gate. In fact, it represents work for more than 1.5 million Canadians on the farm, in processing plants and in the food distribution chain. It also provides Canadians with safe, nutritious food at reasonable prices. Agri–food exports are a

significant source of income for Canada. In 1992 exports were worth $13.7 billion.

• (1110)

Our platform, the famous red book, says that our sector has unique opportunities for growth and places great emphasis on security for Canadian farm families. It recognizes that Canadian farmers want that security to be built on the development of solid domestic and international markets, on staying at the forefront of innovation, on stewardship of our natural resources and in the confidence consumers have in the safety and the quality of our food.

I would like to take some time to review the work that we have done to live up to our commitments, to follow up perhaps on the intervention of the parliamentary secretary some minutes ago.

I would like to begin by reaffirming as a government our commitment to research and to innovation. This is an area where our government feels that the Department of Agriculture and Agri–Food can work closely with other government departments to build a framework that will make it easy for firms in the agriculture sector to bring products successfully to the marketplace.

Successful agriculture is a knowledge industry. Studies have shown that the return on investment in some key areas of agri–food research can exceed 50 per cent. This is one area where Ralph Goodale is very keen to see government continue to emphasize—

The Acting Speaker (Mr. Kilger): I hesitate to interrupt the Minister of Finance. I just want to remind us all to refer to each other by our titles or positions, such as the minister of agriculture or minister of this, unless of course that member is no longer in this Chamber, which is always regrettable. For all those of us here in this 35th Parliament I know it is a tradition that we will want to maintain.

Mr. Martin (LaSalle—Émard): Mr. Speaker, I am suitably admonished. It is just that I am so enthusiastic about the work the minister of agriculture does that I sometimes get carried away.

In any event, this is one area, that is to say agri–food research, in which the government is very keen to see us place even more emphasis. Therefore, Agriculture and Agri–Food Canada will give a very high priority to innovative research and to collaboration with private research partners.

In our agenda for creating opportunity we have endorsed the idea of providing matching funds for research proposed jointly by the public and the private sectors. My colleague is looking at a variety of options, collaboration with the private sector and the public sector, including a plan to work with industry for additional co–operative investment funding.

As for trade, which the critic discussed, from the day we took office it has been our top priority. The focus of our government's platform has been economic renewal, growth and jobs. A number of the initiatives so far have been aimed at encouraging small business, stimulating innovation in research and development, providing stability for the future and in particular, restoring confidence and stability in the agri–food sector.

In pursuing these goals we have set out two priorities: concluding the trade deals and getting absolutely the most out of new trade opportunities. That again is what the parliamentary secretary referred to. Let us not only look at the problems but let us look at change as something that will provide a very dynamic agricultural sector with the opportunity to develop new products and create new opportunities.

We hit the ground running by negotiating a successful GATT agreement that will bring fairness and predictability to international trade which Canada is so dependent on.

On January 1 we saw the introduction of the North American free trade agreement which will provide an even greater opportunity for our industry in North America. A more secure trading environment will over time provide better stability for our farm families and for our agri–food entrepreneurs. Our challenge now is to take the utmost advantage of the opportunities presented by these agreements.

• (1115)

We already have a commitment from industry to work toward the goal of exporting $20 billion in agri–food products by the year 2000. That is a considerable leap from the $13.7 billion we are now realizing. I am confident, as are the Department of Agriculture and Agri–Food and the government, that we can do it if we all work together. I would ask the opposition to join us in that great effort.

The Department of Agriculture and Agri–Food is reordering its priorities to increase support for export initiatives. We have placed agri–food specialists in selected embassies abroad to provide better service for our exporters. The first ones are in place in Mexico, Japan, South Korea and Taiwan. The response we have had to their work has been very good.

To further consolidate our trade efforts in Mexico, we will soon open a Canada business centre in Mexico City to promote our exports and to offer trade related services to our new NAFTA partners.

Canadian farmers are very supportive of this focus on trade. They want to earn their incomes from the marketplace, not from the high subsidy levels that have prevailed over the past few. years. They repeatedly tell us that they do not want subsidies, that they just want a decent price from the market.

The producers continue to need some protection from the vagaries of the market and from external disasters. Our platform promised to review all existing support programs to develop farm income stabilization programs based on the concept of the whole farm, a user friendly safety net based on income from the whole farm.

We see farm income security as a consequence of the marketplace more than as a result of government support programs.

Development of the new whole farm income support program has been a key part of our plan to create security for farm families. We launched in Winnipeg at the beginning of February a consultative process on refurbishing Canadian farm safety net programs which will draw on the expertise of farm leaders from across the country, as well as federal and provincial government officials.

What emerged from that Winnipeg meeting was a strong consensus to make a whole farm program available to all commodities. There was also agreement that some sort of additional support or companion programs would be needed to deal with specific regional or commodity problems as they arise. This will be part of our overall approach to safety nets.

We have already taken a few big steps toward safety net reform. The first was establishing a national safety nets committee made up of government and industry representatives.

The membership of the committee was established to ensure that the agri–food industry had input in the policy and program activities that will lead to the establishment of a renewed safety net regime. The membership is charged with ensuring that the input of all interested producers is brought to the table for consideration. They are to ensure that the deliberations and the conclusions of the committee are disseminated around the country.

We need to develop a program that is GATT consistent, market neutral, financially sound, affordable and effective. We need to ensure that taxpayers' money is spent in the most efficient way: to improve the industry's ability to adapt and to compete while not distorting trade. We would like to be ready to begin its implementation in 1995.

While not strictly a safety net issue, the question of interest free cash advances must be considered when we are thinking about safety nets, because there is only one source of funds for agricultural programs. As the Minister of Agriculture and Agri–Food recently told several farm groups, our government is quite prepared to move on our campaign promise to improve these programs but first he wants to get the opinions of all major farm groups.

It is important to note that the budget of the Department of Agriculture and Agri–Food for all income support and safety net programs is currently about $850 million. Historically interest free cash advances have cost us $50 million to $75 million. If $75 million is used for cash advances it means that much less is available for other things. If we hear a consensus from producers that it is the best way to spend that money, our government will proceed.

• (1120)

The finance critic for the Bloc Quebecois may tell his colleague, the agriculture critic, that he does not think money should be spent on agriculture. However we are going to do it because we believe in Canadian agriculture.

We are asking farm groups to look at the basket of programs we have in place, the new initiatives that may come out of the safety net discussions, and the amount of money available to support these programs, to tell us what is the best way to spend our limited resources, our scarce resources. I know the financial critic for the Bloc will support me in this effort.

Is the commitment to fully interest free cash advances the best use of these funds? Are there ways to make cash advance programs more effective at lower costs? That is the debate we must have in the House.

Another element of security for farm families consists of the programs in place to help farmers manage. There are a number of them. Some are being questioned; others are aimed at helping farmers adapt to changes in farm financial situations which the critic raised in his remarks.

In some cases the provinces have programs similar to our own. We need to assess these programs. We need to ask ourselves what types of programs might be considered companion programs and how they are best going to meet the needs of the future. How can we eliminate duplication among different levels of government? How can we provide straightforward service to farmers? We will be looking at all federal programs in this context.

Tied into the issue of security for farm families and agricultural communities as a whole is the question of rural development. A healthy rural sector is an important part of ensuring a prosperous agriculture industry and vice versa.

The Prime Minister has asked the Minister of Agriculture and Agri–Food to promote and facilitate rural renewal using the resources of Agriculture and Agri–Food Canada. As a result the minister announced that a rural renewal secretariat was being established within his department to provide leadership and co–ordination.

This secretariat is working with other departments, with provincial governments, industry, communities, organizations and grassroots stakeholders to address the challenges facing rural Canada.

The key to this effort is partnership, the co–ordination of the business of government, the vigilance and the political will to ensure that rural people and rural issues get the careful attention they need around the cabinet table and in the conduct of government.

[*Translation*]

As for supply management, the new GATT agreement will certainly require adjustments on our part, but we must nonetheless recognize that substantial gains were made. We have ensured that tariffs will be reasonably high, applied for a reasonable length of time and combined to clear access rules so as to allow product sectors to get by.

In co–operation with the provinces and the industry, we are developing a supply management system which will be both sustainable and responsive to the new market conditions. A federal–provincial–industrial working group will be holding consultations and developing a strategy to get the most out of the new trading context.

[*English*]

Many agri–food enterprises are small or medium sized businesses. A key part of our platform is directed at helping to unleash the job creation potential in small and medium sized businesses. We will provide one stop shopping for business. We will provide the market development support necessary to succeed in today's global markets. We will continue to cut red tape and unnecessary regulation.

[*Translation*]

Change is now the order of the day. This Parliament must also work in co–operation toward ensuring the prosperity of our agri–food industry.

• (1125)

Our government has not been twiddling its thumbs, whatever the opposition says. I call upon its common sense and spirit of co–operation to bring about positive change within the industry. All Canadians will benefit from this.

[*English*]

I believe the farmers and business people of Canada recognize the contribution the agri–food sector brings to the Canadian economy. We all look forward to making the most of what I know will be a better future for all Canadians.

In conclusion, that is why we on this side of the House welcome this debate. This House is a dramatically changed House from the previous one. On our side, as was evident in the intervention of my colleague, there is tremendous interest and expertise in agricultural matters. There is a very strong rural influence running through the Liberal caucus.

As I look across the House, the Reform Party brings with it a great deal of knowledge and understanding of western agriculture. The agriculture critic for the Bloc Quebecois is an acknowledged expert in the area, as indeed is its finance critic an eminent and renowned economist in that sector.

There is an opportunity in the House to marry the tremendous knowledge, desire and enthusiasm for Canadian agriculture existing in the government with the sincerity of the opposition parties. It is for that reason we are delighted to participate in the debate today.

The Acting Speaker (Mr. Kilger): I take note of the interest of members who want to participate in questions and comments with the Minister of Finance. I will attempt to recognize as many as possible in the 10–minute period available to us.

I encourage members to keep their questions brief and the minister to respond in the same fashion so that I may accommodate as many members as possible.

[*Translation*]

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, thank you very much for this opportunity to address the Minister of Finance. I had no idea that he could speak so eloquently about farming.

Speaking for the minister of agriculture, the Minister of Finance stated earlier that I supported a reduction in farm subsidies. Given the enormous upheavals that the agricultural sector in Quebec and in Canada is currently experiencing, I would never have said such a thing quite the contrary.

The government should continue to support the agricultural sector and perhaps even increase that level of support, not only to the primary sector but to the processing sector as well so as to improve the industry's current performance and prepare it to face the challenge of global competition.

When we speak of the government's lack of action, here is what we are talking about. Since 1986 and as far back as 1982, when I was working for the federal Department of Agriculture, there has been a great deal of discussion, at the federal level at least, with the provinces and farmers.

Since 1986 discussions have involved the Conservatives primarily. The current Minister of Finance says that he deplores the fact that no decision is ever taken. Why is that? Because the very same thing is happening today. Senior officials want to implement agricultural policies across the board and coast to coast. I have often questioned the minister of agriculture about income security programs and the negotiations currently taking place between his officials and market growers. His answer has been to leave everything in the capable hands of his officials whose job it is to deal with these matters.

My question, therefore, is to the minister of agriculture. When will real policies be drafted to give Canadian farmers the ability to meet the challenge of global markets and when will the government show some backbone in the face of constant trade dispute threats from the Americans, as is presently the case with respect to tariffs on Canadian durum wheat?

Mr. Martin (LaSalle—Émard): Mr. Speaker, I am certainly the first to admit that I am not personally known as an expert on agriculture, except that I should tell my hon. colleague that I am a farmer.

I have a farm where I raise beef in the riding of Brome—Missisquoi; it is one of the most beautiful parts of Quebec and I invite him to come and visit my farm and really see what it is to work the land.

• (1130)

I also invite the agriculture critic of the Bloc Quebecois. I can talk to him as to a Quebec farmer and I can certainly tell him that, for me, as a Quebec farmer, not only the provincial government is important, the federal government is important too.

They ask when we will confront the Americans. It has been done. I was in Washington two days ago. I met the Treasury Secretary there, I raised the issue of the debate that we are having here and I can assure the House that we will hold our ground in these discussions with the Americans and we will win because we are right.

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I listened with interest to the Minister of Finance speak to the issue of agriculture. I appreciate his presence here because a lot of the decisions affecting agriculture have a dollar attached to them.

His speech was rather a motherhood one. I am sure that if you glance through *Hansard* you would see similar speeches made by agriculture ministers and finance ministers since time immemorial both at the federal and provincial levels.

There was really nothing of substance that I can take back to my rural riding and tell my constituents that I heard this from the government and it would give them hope or at least help them to prepare for the decisions they have to make to manage their farming enterprises.

A crucial question we would like to have clarification on from the Minister of Finance is—I am not talking in broad motherhood terms—when federal financial support for agriculture is justifiable.

Reform has very clearly stated the basis on which we feel support is justifiable. I can mention eight areas. What about countering international trade wars? What about transportation issues? What about natural hazards? What about regional disparities in agricultural sectors? What about variations or instability in the marketplace returns from agriculture produce? What about sustainability of rural Canada? What about research and development? What about environmental and conservation measures?

Specifically, does the government support funding for agriculture in these definite areas because I am not sure there are enough dollars to cover all of them. We need to know the priorities of the government. Because the minister went to great lengths to say that the federal agriculture minister was so wonderful I am sure they have had considerable consultation and have an action plan in place.

I would like to know what the priorities of the federal government are with regard to consolidating federal programs. The minister said it is an issue they may pursue. We want to know what programs are going to be consolidated in the agriculture sector. What can we expect from the government?

We also wonder if it would pledge to cut down administration but retain funding in real dollars for actual agricultural programs, except perhaps if savings could be accrued through reduction or de-escalation in the trade war.

Mr. Martin (LaSalle—Émard): Mr. Speaker, the fact is that I dealt quite extensively in my remarks with exactly the points that were raised by the opposition critic.

Our position on the trade war is very clear in terms of our absolute preparedness to go to the wall to protect the Canadian farmer. Indeed the agriculture minister has made that very clear. We are right and we are going to win and let there be no doubt about that.

I dealt with research and development extensively in my remarks. We believe that if you look at the development, the evolution of Canadian agriculture over the years, it is in fact because we have invested heavily in research and development, have developed new hybrid forms of grain, as an example, in the area from which the member comes that we have been so successful in world markets.

We have stated very clearly that the agri-food industry is an essential part of the growing Canadian economy. It is one that is worthy of support in world markets.

The minister is now on a tour of the Asian markets which are crucial to the future of Canadian agriculture.

We have also said that the department of agriculture, as indeed other government departments, will be cutting back on the heavy cost of administration that we have inherited in order to have more money to put into programs to support Canadian farmers.

That is part and parcel of the philosophy of the government in terms of agriculture, in terms of defence, in terms of industry. We believe that the huge government apparatus ought to be scaled back so that scarce resources can be put on the front line where the battles are being waged.

• (1135)

Yes, I did talk very enthusiastically about the minister of agriculture, about the work he is in the process of doing. It is an essential pillar of the economic philosophy of the government, that Canadian agriculture not simply survive but that it grow. That is because as the parliamentary secretary said, we see in Canadian agriculture not only problems as do the opposition, but tremendous, tremendous opportunity.

Mr. Jean–Paul Marchand (Québec–Est): Mr. Speaker, I agree perfectly with what was said previously. We enjoy having the Minister of Finance talk about agriculture. He is a very good speaker but primarily it is a lot of talk. That is very much in line with the minister of agriculture, a lot of talk.

Take GATT for example. Canada lost out on GATT. In fact, we are in this position because the federal government was not strong enough in those negotiations. Take the export of wheat now. Why accept a limit to the export of wheat to the United States? This is what is being negotiated. If Canada really respected itself it would not accept any limit. We would be dealing according to free trade with the United States.

As far as the minister of agriculture's trips to China and so on, of course that is a good trip for him. Hopefully it will be good for Canada. All of these measures are really like motherhood; that is to say it falls within the norms of what we expect from Agriculture Canada and the federal government. However, we expect a little more, not just the bare minimum. We expect more and better ideas in terms of agriculture.

Mr. Martin (LaSalle—Émard): Mr. Speaker, I said in my remarks, as did the parliamentary secretary, that in the program set out by the minister of agriculture, we have been very specific as to the actions we intend to take.

Yes, there are areas where we have said we are going to consult because we think it is an essential part of the democratic process that we go out and that we talk. Surely the members of the Reform Party would agree that you go out and talk to Canadians, talk to those who are involved.

I cannot believe the Bloc Quebecois members do not share the same view that what government must do is consult with the stakeholder before coming down with the final program. We have nailed our colours to the mast. We have said what we are going to do.

The final remark I would make in response to the critic's remarks is with regard to what he said about GATT. I watched the evolution of that negotiation. When this government came into power we were dealt a very late hand. A previous government had not faced up to the tremendous demands that were out there; a previous government had not owned up to the Canadian people about what it had said, and a previous government had misplayed its hand very badly in Geneva. Nonetheless, having been dealt that hand, we were able to snatch tremendous victory from the jaws of defeat because of the negotiating skills of the government.

The net result of GATT which could have turned out so badly for Canadian agriculture is that in fact it has turned out to be a tremendous victory. It has turned out to be a tremendous victory because as a government we knew exactly what we wanted. Our negotiators went over to Europe, sat down at the the table and did not leave the table until they got it. I am sure that in the private moments of his home the opposition critic knows that.

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, on behalf of the whip of the Reform Party I would like to advise the House that pursuant to Standing Order 43(2) our speakers on this motion will be dividing their time with your concurrence.

I am really enthused about the hon. minister's speech this morning. I would like to direct a few remarks to him before I go into the details I want to present to the Liberal government.

I started farming because of farm programs like FCC and MACC. I was guaranteed a low interest rate for 25 years which I really appreciated. It was the only way I could acquire land and continue to farm and later retire as a farmer.

• (1140)

Why did the Liberal government in the 1970s change the farm credit regulations to do away with those programs and allow the banks to take over the financing for young farmers? Also during that period, why did the Liberal government allow interest rates to go to 24 per cent and force thousands and thousands of farmers off their land?

I am so glad to hear the hon. minister is prepared to do some fence mending on those issues. I hope he gets the fences built a lot stronger in the west because they are getting very thin. If something is not done for the farmers there could be a charge by the big western farmers right down here into Ottawa to demand some changes. However, I appreciate his comments and I hope he will take them into account.

I am not going to be quite as critical of the government on the issues of farm problems as my friend in the Bloc was. However I would like to address some of the problems we farmers are facing. I hope the hon. members in the government will take them to heart, look at them and give us some help with them.

My speech is mostly going to be directed toward transportation. I would like to point out some of the problems we are having today. We feel the car shortage on the railway system is not due to something that has happened overnight.

I would like to point out to the government that in a letter dated November 15, 1993 the Thunder Bay Harbour Commission Port Authority warned the Minister of Transport at that time that the rail car shortage problem had been some time in the making and was due in part to the policy of dispersing the rail car fleet into trades and routings outside its original purpose.

In an October submission to the National Transportation Agency, one of Canada's railroads confirmed there was in existence as early as May 1993 an extreme car shortage affecting its ability to supply cars. To be sure the terrible situation we find ourselves in today was not without warning.

What did the railroads do? They chose to chase business in the United States without first making sure they had enough cars to handle the Canadian grain requirements. That makes money for the railways but it certainly left the western agriculture community high and dry.

Under the Western Grain Transportation Act brought in by the previous Liberal government the railways are supposed to be subject to sanctions if they do not meet targets for unloading grain at Canadian ports.

However, this recourse proved useless when the senior grain transportation committee decided not to pursue those sanctions. I wonder why. Who sits on that senior grain transportation committee and whose best interests do they have at stake? Apparently it is not farmers.

I look at the people on that agency: They represent elevator companies, terminal operators, the railways, everybody but farmers. An article in the *Western Producer* states that elevators shipped the wrong grain to the port of Vancouver just recently. Why? They have all the stats and all the figures on trade at their fingertips. They know what they need. Is the system so inefficient that they cannot even load the proper grain?

Mr. Minister, I hope you look into that because it seems ludicrous. It almost seems as if there is a conspiracy to shut the system down.

William Stinson, chairman and chief executive of Canadian Pacific Ltd. received a $448,000 bonus for losing less money than the previous year. CP is trying to negotiate with two unions right now and is asking for cuts and labour deterrents so they will not go on strike, but this gentleman is given an extra half a million dollars for losing $2 billion. How does he expect to get a settlement with his unions?

It is imperative that the government start to look at these issues and address them. One of these days we are going to have a civil war if this is the system we are going to allow to go on. A million and a half dollars for management and 50 cents an hour for the workers. Is that fair, Mr. Minister?

• (1145)

The Acting Speaker (Mr. Kilger): I was just wondering. For one moment I thought maybe I had been forgotten.

Mr. Hoeppner: Well, you know—

The Acting Speaker (Mr. Kilger): One moment, please. We can only speak one at a time. While I am standing I would suggest that the member take a moment to sit down. I know people feel very strongly about all issues and this one is no different from any other we debate on the floor of this House. But I must encourage the member and I must ask the member to direct his comments through the Chair.

Mr. Hoeppner: I apologize for that, Mr. Speaker. Seeing the minister was so impressed with the farm issues, it got to my heart. I hope to simmer down a bit.

The railways are required by law to move these grains according to the Western Grain Transportation Act. Why do we not see them doing it? It amazes me when I see stats that the turnaround on a hopper car today is actually a little longer than was required in 1923. Is this today's modern system that is supposed to help farmers survive?

With the negotiations having gone on for over a year, this government failed to pass legislation to order the west coast strikers back to work. We lost 12 days. Not only that, I was told that during the Easter holidays there was again a four day shutdown. There are 40 ships sitting in Vancouver drawing demurrage charges on grain that cannot be shipped. When is this government going to take action on this?

That has dealt a tremendous blow to the farm sector in western Canada. Shipping $100 a tonne feed wheat to the U.S. which takes twice as long as putting a car to Vancouver with $500 a tonne canola just does not seem to make sense. When are we going to get the right type of direction from some of our farm organizations or our government to solve these problems? Farmers need that cash to put in another crop. Farm programs cannot look after all these requirements. We have to ship that grain. We have to get our money out of that grain. I appreciate that the hon. minister is listening and I hope that something can be done about it.

The other serious issue coming out of this whole system of not delivering grain is the lost sales. Japan today is encouraging Australian farmers to plant more canola because the Canadian system cannot deliver the product after it is grown. How long can our economy continue to exist in western Canada if we do

not start supporting the farmer who produces more efficiently every year and then is not allowed to sell to get the funds out of it?

It amazes me sometimes what modernization, with all the computer technology and the efficiencies we have built into our systems, has done to us. I will give one little example of an experience I had. This is not with grain transportation.

Being a farmer I like to save as much money as I can because I know I will need it. Just before I came back to Ottawa two months ago, I got a telephone bill for $27.65. I wrote the cheque for the due date on the bill. I said to my wife: "Would you please drop it off at the telephone office so it is there directly and I can save myself the 45 cents".

Lo and behold, a month later I got a returned cheque with a notice on it saying "insufficient funds", charging me a $15 service charge for a $27 telephone bill. It is a provincial utility. I went to see the banker, furious as can be. I have never had less than $2,000 in that bank account.

• (1150)

Somebody had punched the wrong figure and it showed there were insufficient funds. To hide their mistake, they wrote out a little slip which said: "Due to insufficient funds". It took me a month and probably $30 worth of telephone calls to find out where the problem was. Is this progress?

I said to my wife: "I know what I am going to do with the next telephone bill. I am going to put a stamp on it, mail it in Morden because it will take the postal service at least six months to figure out it is supposed to be delivered to Morden. It will travel all across Canada. They will cut off my telephone before I get back. Then at least I will have peace and quiet this summer with Stats Canada phoning me every month wanting to know how much grain I have left in my bins". There is a way of getting around this system, but how long can we continue to do it?

I apologize for the problems I caused you, Mr. Speaker. Forgive me. I hope the hon. minister does listen to this.

[*Translation*]

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, I fully agree with what the hon. member for Lisgar—Marquette said.

[*English*]

I agree with the criticisms he made regarding agriculture and those he addressed to the Minister of Finance.

The Minister of Finance underlined the fact that Agriculture Canada is in the process of consulting with farmers. Again, it is a delay tactic. The farmers know what they want but this government does not deliver.

In the GATT negotiation for example, the farmers wanted to maintain article XI but the government did not deliver. When it comes to grain transportation, again it is a crying problem in the west. There are incredible delays but the government does not deliver.

There may be ways to improve delivery of grain via the St. Lawrence seaway, but that is not being taken advantage of. The minister of agriculture has gone to Korea and China to sell more grain but my goodness, if we cannot get the grain out of Canada now when we have surpluses and markets across the globe that we are losing because of our inefficient system, why go to China to sell more grain?

We have a great deal of programs to improve in Canada. The member for Lisgar—Marquette certainly does have reason to criticize this government in its lack of initiative in setting up better programs to serve farmers in this country.

Mr. Hoeppner: Mr. Speaker, I would like to point out a report that was given to the Standing Committee on Agriculture and Agri-Food the other day to back up some of my figures, just kind of arguing the point with the hon. member about going through Thunder Bay.

When we had the PSAC witnesses on grain transportation, they pointed out to us that in a two week period of officially weighing grain which is done for Agriculture Canada, it was detected that 341 rail cars would have gone through the system with the wrong car numbers, putting the wrong grain to the wrong customer. One hundred and sixty-nine had the wrong initials on them, bringing the total to 510 cars in two weeks that they had to correct.

In the same period, there were 26 mixes between different railways, 45 mixes that were prevented by weighers and assistants. Grain was left in receiving hoppers 10 times, 12 spills, overweight as much as 25 tonnes on a boxcar or on a hopper car or underweight in some cases.

The total was 1,173 cars that were under the wrong procedure in two weeks out of a total shipment of 13,000 cars. Almost 10 per cent of the cars that were directed to Thunder Bay had been marked incorrectly by elevator companies. How can you have a system deliver our grain under those circumstances?

• (1155)

This is why I say we have a disaster. We have a calamity in the transportation system. If this government does not correct some of those problems we will never be able to survive on the farms by becoming more efficient and producing more. It is senseless.

Mr. Allan Kerpan (Moose Jaw—Lake Centre): Mr. Speaker, I open with the question that I hear most in my riding of Moose Jaw—Lake Centre. Farmers ask me why they have not heard anything about agriculture from Ottawa through the newspapers or on television. I have to be honest and tell them we are not talking about agriculture in Ottawa. Sometimes it is very

difficult for me, being a farmer, to admit that we are not talking or spending very much time on agriculture. That is the question I hear most often in my riding.

I want to talk about two subjects today, safety nets and the farm debt problem.

First, in many cases over the past years we have seen safety nets that have been ill conceived, open to abuse, and poorly planned. I do not believe there is a farmer in this country who wants federal or provincial government agriculture subsidies. All farmers want is a reasonable chance to make some sort of decent living in this country. I do not care which part of Canada they come from.

We have been in the situation over the past number of years where we have been looking at world trade problems, weather related problems and various other problems. That has shifted the focus in many areas so governments have been trying to give financial aid to farmers in poorly planned ways.

We have had safety net programs for many years. We have had GRIP, crop insurance, FSAM, the grain stabilization program, and any number of ad hoc programs, as many as we all care to remember.

We have spent billions of taxpayers' dollars on agriculture subsidies, and yet I still see farmers in Saskatchewan, and I know this is true right across this country, who are losing their farms. I ask myself how we justify spending billions upon billions of dollars and whether there is any effect or any good reason to pour dollars into farm subsidies when there is no reasonable chance of hope for success.

In most cases the programs we have seen are open to abuse. They encourage very poor farming practices. They lack continuity. As I mentioned before, we have jumped in and out of all sorts of different farm programs on almost a yearly basis.

That is generally the problem I see with those kinds of programs. In all cases they are bureaucratic programs, developed by bureaucrats for bureaucrats. They have done very little talking to farmers, listening and hearing what farmers are saying across this country. That is something we need to change. That is the area we need to move to.

As I have said many, many times, farmers are the people who know what programs will work and what programs will not work. They know what is the best way to market their grain. In many cases they know the best way to transport their grain.

I am not being particularly critical of this government. It has been governments of all stripes in the past. We have seen it from all governments.

I generally like the idea of the whole farm concept of some sort of farm insurance. The concept is realistic. The question I have is, what process will be used to develop this program? Will it be bureaucrats again, as we have seen so many times in the past, or will it be consultation with farmers? If it is consultation with farmers in the grassroots area, I am all for that.

• (1200)

I just returned from a meeting of the standing committee on agriculture this morning and we had a group of people in from the Saskatchewan Association of Rural Municipalities. They did a provincial summary in Saskatchewan last year listing some of the problems they see with the GRIP and the NISA program.

I will quote the report: "Declining support levels, premiums are too high, not bankable, lack of producer consultation, payment processes too long".

When they talk about NISA they say it is too complicated, the forms are too lengthy, it is poorly administered. They do not trust government with their money; it does not cover all agriculture income and is not suitable for young farmers.

Those are some of the comments the farmers in Saskatchewan are making to groups in Saskatchewan, the problems they have with farm safety net programs.

The second area I want to spend a couple of minutes on is the farm debt problem. In Saskatchewan we have over $5 billion in farm debt. That is Saskatchewan only. In the rural municipality of Craik which is very close to mine, over 50 per cent of the farmers have gone through the farm debt review process. In other words, they have been in serious financial difficulty.

The largest municipal taxpayer in Saskatchewan is the Farm Credit Corporation and the second highest taxpayers are the chartered banks. That gives an indication, a bit of background to the kinds of problems and how serious the debt problem is in this country.

A few years ago we were all witness and subject to many different farm rallies, most of which were held in western Canada, because of the farm debt crisis. We have not seen many of those in the past year or 18 months.

People will say that perhaps the farm debt crisis is over, perhaps it is no longer a problem. We see that cattle prices have gone up. We see that prices for special grains have gone up. Perhaps the crisis is over. I do not believe that.

I believe that the debt crisis is still there and it is still as big as it was before. I think the difference now is that farmers in this country have come to realize if they are going to solve the problems of debt, the problems of marketing and so on and so forth, they will have to do it themselves.

Farmers have to take the initiative to help solve their problems. They are no longer looking for government support the

way they did five or perhaps ten years ago. They realize the way to solutions is to open up the process and let them handle their own problems.

I believe farmers have decided they will take matters into their own hands. That is why we see things such as the huge influx of new crops in our country, specialty crops, crops that we would not have believed we would grow five or ten years ago. We are now growing them. We see a great increase in the cattle industry. We see value added industry. In my own riding we have a good number of various value added industries that are going to be successful because they are farmer owned, they are farmer controlled and they do not depend on government subsidy.

We see a huge increase in off farm jobs, off farm income. A recent survey in Saskatchewan said that as high as 50 per cent of the farmers in Saskatchewan have off farm income. I often humorously say as a farmer that my wife teaches school to support my farming habit. It is a fact of life out there. It is just the way it is. I think that is good. People are starting to realize they have to take matters into their own hands.

I want to spend just a minute talking about the Farm Credit Corporation. It has a new lend–lease program, initiated this year. The comments I have received from my riding, the initial comments, are that it is a good program. Some of the negative comments might be that the term of six years is probably too short and should be increased to 10 years.

The other comment I get about the Farm Credit Corporation which I want to finish with is that it has been very difficult, very bureaucratic to deal with in its history. Many farmers in my area have turned back their land or voluntarily transferred it back to the Farm Credit Corporation over the past few years and it has been very difficult negotiating, coming to terms.

In conclusion, I would like to say that farmers are now preparing for their spring seeding. Right across this country they are busy. They are on their tractors. They are listening to the radio. I think more than anything else they would like to hear on their radios as they are working this spring that there are some specifics, that somebody will stand up and say this is the program, these are the details. That is what they want to hear.

• (1205)

I believe that agri–policy must be developed by farmers for farmers. There is no other way in this country that we can solve some of the problems we face in our industry other than by full consultations with farmers.

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food): Mr. Speaker, I take note of the comments the hon. member and his colleague made in the last few minutes.

I would like to assure the previous speaker that as far as the whole farm and the safety net program are concerned we do have a 17 person national committee. By far the majority of people on that are farmers from across Canada. I do not think anyone can say that in the development of the whole farm program in Canada the farmers do not have a voice. We are consulting. I do not know how we could consult any more on those types of things.

In response to the speaker just before him, I would like to announce to the House we know in government that we do have a lot of problems at the present time with grain handling in western Canada.

A number of us have spoken to the minister in China this morning. The minister has asked me to announce that tomorrow he will be inviting a number of key people from the grain industry to meet with him immediately, as quickly as the date can be arranged upon his return from China, to talk about all those issues, all those problems and all of those challenges in the grain handling situation in western Canada.

I hope the opposition will be pleased with that and will have input for us as members on that matter.

Mr. Kerpan: Mr. Speaker, I am obviously well aware of the national committee on the safety net programs. I do applaud the government. I do believe there are some very fine people on that committee.

However, by the same token and having said that, I also believe we have to take it one step further. We have to have full consultation with every farmer in this country. That has been the problem in the past. We have had a select group. They have been good people but they cannot always get the feeling of what each individual grassroots farmer wants. We have to have the process and take it right to the end. That is the way we will find success in the program.

Mr. Jean–Paul Marchand (Québec–Est): Mr. Speaker, in response to the MP for Moose Jaw—Lake Centre, he made a lot of good comments which I applaud.

For example, the problem with newspapers, information in the media in terms of agriculture, is big. It is probably one of the elements we so quickly ignore or forget. There are not enough specialized newspaper people dealing with the issue of agriculture. Maybe it is because agriculture is not as sexy an issue. In spite of the fact there is a lot of sex in agriculture, it is not sexy enough to really draw a lot of attention.

The people from the west should at least be reassured by the fact that there are a lot of newspapers and newspaper reporters covering agriculture in the west, in Quebec and in the east. The fact is they have decreased considerably over the past few years.

In the case of farm debt in Quebec, it is quite high and quite serious. In terms of revenues as well, the percentage of farmers who have to have revenue outside of the farm is quite high.

As a last comment about the bureaucrats in Agriculture Canada, my goodness there are too many who are not farmers. The Minister of Agriculture and Agri-Food is not a farmer. The deputy minister and a lot of the other deputy ministers are not farmers. One suggestion I would make to at least resolve the problem of bureaucrats in Agriculture Canada would be to make sure that over 50 per cent if not 75 per cent of the people who work in Agriculture Canada are farmers.

Mr. Kerpan: Mr. Speaker, I want to very briefly state that I think the hon. member has a valid point in the fact that in many cases farmers in Quebec certainly do not understand the western Canadian agriculture and vice versa. I do not think there is any question about that.

• (1210)

The media does play a very important role in our industry. We certainly have enough media in our part of the world but, as I mentioned before, sometimes it is misunderstood between regions.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I will be brief.

My colleague and neighbouring member for Moose Jaw—Lake Centre referred to safety net programs and the ongoing problem. I am hearing in my riding of Kindersley—Lloydminster that in spite of all this consultation there is not the foggiest idea of what program will be replacing GRIP which is currently being discontinued.

I wonder if the member has had the same problem in his riding.

Mr. Kerpan: Mr. Speaker, absolutely. There is no question. Given the fact that Saskatchewan will be opting out of GRIP after this year, we are in a very short time span. By next spring, one year from now, it is imperative to people in my province that we develop something that will work. Certainly that is a major concern.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, I am very happy to speak today on the agricultural sector and to debate the motion of my colleague, the Official Opposition critic on agriculture.

I had the opportunity and the honour to work for a long time for the farmers of Quebec and I can tell you that, since 1986 in particular, the significant changes occurring throughout the world, the GATT negotiations, North American free trade, et cetera, have occupied a lot of their thoughts and forced them to act in co-operation to deal with these changes.

They know where they want to go and what they, their partners and governments should aim for. All that is left to do is make the federal government move toward the clearly expressed goals they set for themselves.

In February 1991, when the Farmers Union started a reflection process called the rural summit conference—incidently, I want to pay tribute to Jacques Proulx, who until very recently was president of the Farmers Union. He acted as a great leader in involving not only agri-food partners but also rural partners in this wonderful rural summit conference. Today I pay tribute to this great leader, Jacques Proulx, former president of the Farmers Union.

What resulted from this? A strong desire on the part of farmers and all rural stakeholders to take control of their own destiny.

They talked about co-operation between local and regional partners, about protecting and renewing rural resources, and especially about redistributing political powers from the top down.

What does this mean? It means a modern day approach to managing agricultural and rural development policies. It means decentralization, a word the people opposite do not know and have never recognized, for better efficiency.

This exercise continued at the Trois-Rivières summit in 1991 where stakeholders in the Quebec agri-food sector met to decide on a number of policies and commitments.

The decisions included, among other initiatives, more research, as well as the transfer of new technologies, as part of a strategy to conquer markets, because we have really developed a liking for conquering new markets and making gains in the context of globalization.

The various players in the agri-food industry also made very firm commitments. Again, under the leadership of Mr. Jacques Proulx, the former UPA president, commitments were made to establish a more efficient link between research, technology transfers and production, as well as better co-ordination of research activities conducted by governments and private sector universities.

Some very serious commitments were made. I am not talking about meaningless speeches such as the one made earlier by the Minister of Finance on behalf of the minister of agriculture. I mean real commitments.

For example, it was decided to approve, upgrade and support human resources training.

• (1215)

A commitment was made to ensure the continuity, development and growth of agri-food industries through the identification of particularly promising sectors, not only at the domestic level, but also internationally.

Several commitments were made and, in particular, it was decided to work hard at readjusting income security programs in the agricultural sector so that they comply not only with NAFTA, but also with GATT.

A commitment was made by all those involved in Quebec's agri-food industry, including farmers, processors, distributors and even exporters, to promote financing and self-reliance of agricultural operations by ensuring the most efficient and inexpensive transfer of farms to the new generation. Indeed, we must not forget that to be productive a farming operation must have a very high capital available as well as very modern equipment. In short, farmers often have to borrow huge amounts of money to be productive and more and more competitive on the national and international markets. To promote and improve programs aimed at encouraging young people to take up farming is another commitment made at the Trois-Rivières summit, which was an historical Summit according to all the key players involved in the Quebec agri-food industry at that time.

From all the considerations, commitments and principles the partners in the Quebec agri-food industry came up with, I developed four avenues that the stakeholders should use and the governments should support.

First, we should promote the autonomy of farming enterprises and processing plants by supporting their efforts and not by taking their places. We should make sure the government, for example, support their efforts to help them adapt to the new market requirements. When we talk about markets, we are talking about the taste of the consumers who are becoming more and more sophisticated and are asking for overprocessed products, what we call high quality, flawless products.

The idea is also to promote the autonomy and performance of enterprises trying to access new international markets. That is the new creed. We cannot simply talk about globalization and let the stakeholders down by saying the free market will take care of things. We must organize and co-ordinate our efforts. The expansion of our farming industry must be based on better co-operation between all those involved in the agri-food sector.

Second, we should consider farmers to be entrepreneurs and support regional entrepreneurship. In order to face the new realities of the 1980s and 1990s like globalization farmers had to get into management in a big way. I say this because I have met quite a few farmers in my time, starting in 1982 when I was with Agriculture Canada and especially between 1986 and 1991 when I was employed by the Union des producteurs agricoles. Agriculture is a high risk sector. It is a sector in which it is very difficult to perform well. Any farmer who wants to make a decent living faces a number of factors that are beyond his control, including often unpredictable weather conditions.

Operating in a high risk sector while also coping with globalization and increased competition from outside Quebec or Canada requires exceptional management skills. I want to pay tribute to our 47,000 farm producers in Quebec for what they do every day, because it is not easy to work for about 14, 15 or 16 hours a day to support a family, and I think we should respect these great artisans of modern farming.

These great artisans also need ongoing professional training because, when we talk about globalization, internationalization and increased competition, these skilled managers must be capable of keeping up with the increased competition, especially since after the signing of the GATT agreements there will be less and less protection at the border in the years to come. In other words, there will be more and more competition from food imports from the United States, Mexico and Latin America generally, from Europe and even from new countries like Ukraine, which at one time was, and may well again become, the world's bread basket. Not Canada but Ukraine is, or at least was, the world's bread basket until 1990, when the bureaucracy did its work, as bureaucracies will do—and we are seeing today in the federal government—and took over and made Ukraine lose its position as the world's bread basket.

• (1220)

There is a third option we should explore if we want consistent programs to deal with today's challenges, and that is decentralization.

As I said earlier, there is unanimous support for decentralization in Quebec. When we talk about bringing government closer to the grassroots, this also applies to agriculture. There is a consensus in Quebec that has grown since in 1989 at the annual convention of the Union des producteurs agricoles a resolution was passed by 99.3 per cent of delegates from all over Quebec and from every sector of the agricultural industry that the federal government should cease its involvement in the agricultural sector in Quebec. They said also that we should repatriate all of the levers and budgets, but only after these budgets are redressed and made more equitable.

As my colleague said earlier, the fairness of federal interventions in the area of agriculture is certainly not going to choke the federal government, for it certainly has not during the last 15 years. Federal interventions have always been unfair to Quebec.

Therefore, decentralization and repatriation of powers and public funds in support of the farmers' efforts is a third possibility we must look upon favourably since these elements are not sufficient, given the new realities to which we have to adjust.

The fourth avenue is support for the transition toward sustainable agriculture. Sustainable agriculture will protect and help regenerate the resources used in the production of agricultural goods while at the same time satisfying the advocates of economic performance. Not only is sustainability vital, it is also serves to promote agriculture, as does food quality or safety.

Agriculture in Quebec, as in the rest of Canada for that matter, will be competitive only if we can offer products that are not only as good as those of our trading partners but even better. We must increase support for the trend toward sustainable development that Quebec farmers adopted a couple of years ago; it is not easy for them to go from conventional farming or breeding techniques to increasingly environment friendly methods, but it pays. When it comes to adapting to a new world order, I would say that it is a promotion tool without equal which could rapidly be recognized as such by our trading partners.

I will give, as a recent example of this, the growth hormone called bovine somatotropin, which produces a 15 to 30 per cent increase in milk production, depending on the study. My colleague will correct me if I am wrong but according to the public hearings held by the committee on agriculture, we will get a moratorium, and already American processors have been telling us that if we do not use the bovine somatotropin in the coming year we could benefit from it since it is being used by American producers. Take lactose products for newborns, for example; the use of a growth hormone such as somatotropin can be detrimental to the image of companies such as Global and other firms involved in the manufacture of that kind of product.

Therefore, the payback could be great for Quebec and Canadian dairy farmers, for instance, if their products were more "natural" and retained a healthier image.

• (1225)

All the commitments from the agri–food stakeholders in Quebec and across Canada and their boundless dynamism and energy are confronted with the government's lack of action and its laissez faire attitude, as mentioned in the opposition motion.

I listened to the Minister of Finance say a few minutes ago that the government had received everything it wanted from the GATT negotiations. Really, there is no better example of the government's lack of action to help support the growth and development of the agriculture sector in Quebec and Canada than this one. We did not get anything in these negotiations. As soon as the GATT agreement was signed, we were told that Canada had won on all fronts, but it was all a show. The truth is Canada lost section XI(2)(c)(i) of the GATT.

I repeat, we do not blame the government for losing article XI(2)(c)(i). What we are blaming it for is trying to dupe the farmers of Quebec and Canada by telling them that we have won on all fronts. Over the last six years farmers have become experts in trade negotiations, they are experts on GATT.

Do not insult their intelligence by telling them that we won everything. Please let us show some respect for the farmers of Quebec and Canada. They are willing to adapt; they do it constantly and they have demonstrated their resilience. They will adapt to this new situation, but enough of these triumphant speeches on GATT and agriculture. Canadian negotiators under the direction of the new Liberal government won absolutely nothing.

The same is true for export subsidies for our colleagues, the grain farmers of western Canada. The main objective of the Uruguay round, which started in 1986, was precisely to eliminate export subsidies, the source of many problems in the grain sector since 1978. Instead, we are talking of a 36 per cent reduction in subsidies over the next few years. These subsidies should have been eliminated altogether.

There is another example of this government's lack of action, again in the grain sector. Look at the way the government behaves when faced with threats of American action against durum wheat. Western grain producers, the first producers of the best quality durum wheat in the world, are threatened daily and unfairly with trade retaliation by the Americans. They are not more subsidized than their American counterparts. Policies like the Crow's Nest Pass Agreement relating to western grain transportation are being criticized, while the Americans have the same subsidies for grain transportation on the Mississippi.

Why does this government not defend itself by saying no way, there is a limit? You are telling us that our durum wheat is subsidized, you want to threaten us with export quotas on the U.S. market while you are subsidizing your grain producers perhaps even more than Canadian grain producers. I say perhaps because only a study would demonstrate it.

That too is another example of the inertia of this government toward agriculture in Quebec and Canada.

We can also talk now about bilateral negotiations between Canada and the United States. Admittedly, I am concerned with the new tariffication coming out of the GATT negotiations, one that is supposed to apply to milk and farming industries. The Americans are claiming since the beginning, since December 15 of last year, this new tariffication which will replace import controls under article XI must be subject to the provisions of the North American Free Trade Agreement, which provides for the elimination of tariffs over the next 10 years. Even with a tariff protection of 343 per cent for butter, contrary to what the Minister of Finance was saying, we have gained nothing yet. We

are still negotiating and the Americans are very tough in these negotiations. Canadian negotiators, led by the present government, have been behaving like pee-wees since the beginning of the trade negotiations.

I see that my time is running out, but I think that I can give a few more examples of inertia.

I look at what is happening in the chicken industry, in the poultry industry in general. The bickering between Quebec and Ontario is destabilizing the industry as a whole and is jeopardizing the normal development of that industry, as well as the implementation of measures allowing it to face world competition. I see the lack of leadership in that issue.

• (1230)

The minister of agriculture should show a little more leadership, deal with the matter and act as a conciliator instead of not giving a darn about it and letting people fight.

Mr. Speaker, this is unacceptable and you can understand much better what is meant by government inaction in the agricultural sector.

It is the same thing with all the discussions going on about the new income security programs in the agricultural sector.

I asked the minister of agriculture a number of times, as I pointed out to the Minister of Finance this morning, to show responsibility and to instruct his officials who are negotiating the new income security programs, especially in the horticultural sector, to proceed with the negotiations so that a new income security program can be put in place for market farmers in Quebec and Ontario who agree with that and to stop buying everything senior officials say.

Unfortunately, those people will not show any leadership. They go along with anything senior officials say during negotiations and discussions.

I find that in the present circumstances it is very dangerous to have leaders like that, political leaders who do not take their responsibilities and who show no accountability whatsoever, given the enormous challenges facing the agricultural sector in Quebec and in Canada.

In closing, I wish that in the forthcoming months farmers in Quebec and in Canada will be better served by their federal government because they deserve to be supported for the tremendous efforts they have been making for the past years to meet the challenges of globalization, in particular.

As for Quebec producers, we are proposing to them, through sovereignty, to take up the great challenge they talked about during the discussions held over the past years, that is to give Quebec an agricultural sector that would be strong, environmentally friendly but above all that would provide a living for farmers, men and women, in Quebec and in Canada as well.

We are giving all those farmers, especially those living in Quebec, a chance to take part in the agri-food program of their own country.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am sure that the hon. member for Québec-Est will straighten his colleague out when he gets a chance to talk to him a bit and explain a few facts.

The hon. member for Québec-Est surely knows that the United States of America did not challenge a single tariff established by Canada.

It had until April 15 to do so. I have the list in front of me, page after page of tariffs.

Therefore, this is the final list for agricultural tariffs and not one was challenged by the United States. Did the hon. member opposite know that? According to the comments he made previously, I would say he did not.

Second, the hon. member talked about durum wheat. Does he know that Canada won four times over that issue? If you will allow an expression used in hockey, and we talked about hockey last evening in this House, it is four to nothing. We have won four to nothing.

The United States took us to the GATT and we have won four times to date. If we were successful four times in a row, one need not be a lawyer from Baie-Comeau to understand that we will win a fifth time. The Canadian government is protecting Canadian farmers, it is doing all it can for them. Therefore, to describe the situation in such a way and to refer to sovereignty as a means to end the debate is something else. Members opposite may mix sovereignty with ice cream or with wheat, or even the three together when it suits them, but the truth is a bit different.

We are talking about the loss of article XI of the GATT. I have before me an article published in a francophone paper of my riding and I call upon the hon. member to give an answer to all this.

If what he is saying is true, how does he explain, for instance, that according to some agricultural journals, and I will quote only the title since time is running out: "Despite the loss of article XI of the Gatt, Canadian supply management programs are safe"? I could read one quote after another from agricultural journals stating that our quotas are safe. How does he explain that quotas are protected in the opinion of the agricultural community but not in the opinion of the Bloc Quebecois? Could it be that the Bloc members do not support quotas?

• (1235)

Mr. Loubier: Mr. Speaker, I will start with the last question because as usual the hon. member for Glengarry—Prescott—Russell has gone too far. He said that in spite of the loss of article XI, supply management sectors would survive, and so forth. I never said they would not. I said: stop deceiving Quebec

producers by saying that you won on all fronts. Producers are now adjusting, and I can assure you that these are very talented and ingenious people. They will adjust. They will get through this rough spot, but I don't think you will in the next election.

We say stop deceiving the producers who know everything there is to know about GATT articles. They know perfectly well that article XI has been replaced by a tariff that will be reduced gradually. It will not be easy to adjust, but they will. Nobody said supply management was dead in the dairy sector and the agricultural industry. You only hear what you want to hear.

I also think we should stop underestimating the intelligence of farm producers regarding another issue raised by the hon. member opposite. In referring to tariffs, we said that today, negotiations were taking place between the United States and Canada, and if the hon. member denies the existence of these negotiations, he is contradicting what was said by his minister of agriculture, his Minister for International Trade, his Minister of Finance and his own Prime Minister.

On December 15, a Canadian task force was appointed by the Prime Minister when the GATT agreement was signed. On the American side, an American task force was appointed by President Clinton to examine the implications of the GATT agreement and the corresponding section of the North American free trade agreement. How do we manage both?

The first thing the Americans said was that NAFTA took precedence over the GATT agreement as far as tariffs were concerned. In other words, the new tariff designed to protect the agriculture and dairy sectors should come under NAFTA, which provides that in ten years' time, tariffs will be phased out. If he does not have the facts, I think he should stop talking nonsense.

Incidentally, last week I was reading a report from the *Prairie Pool* and the *Western Producer* which said the Canadian government should stand firm on the durum wheat issue. These are not my words but those of western producers and editorial writers. If the hon. member thinks we only read about what happens in Quebec, he is wrong. We take our responsibilities as the Official Opposition very seriously, and to us it is clear Canada is not doing its job to protect western grain producers in the case of durum wheat exports to the United States. That is the subject of today's debate. I realize the truth may not be palatable, but above all, I wish the hon. member would stop talking nonsense. When one does not know the facts, one refrains from commenting.

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, it is obvious that the member for Glengarry—Prescott—Russell does not really know the agricultural sector, because when he says that no tariff was disputed, he forgets that negotiations are under way right now with the Americans, mostly concerning ice cream and yogurt. That is mainly what these negotiations are about. That is where we will really suffer. They want to reduce tariffs by 200 per cent in these two sectors. It is criminal.

They really do not know what they are talking about. Huge amounts are involved. It amounts to about 14 per cent of the whole industry. If they think they won in the GATT negotiations, why is the Ontario chicken market in a crisis? Why are farmers subject to quotas in a state of panic? They raised their production by 30 per cent. They are at war. They do not respect the Canadian council's recommendations regarding chicken production. Why? Because the federal government did not do its job in the GATT negotiations. Because it did not win. It was able to reach an agreement which seemed very generous for farmers, but when they examine the facts in various fields and sectors such as ice cream, yogurt or poultry, farmers soon realize that there is no real guarantee of good revenues, on the contrary.

• (1240)

For the member for Glengarry—Prescott—Russell to maintain that we won at the GATT table and that there is no change considered concerning tariffs in some sectors subject to quotas, I must tell him that I do not agree.

Mr. Loubier: Mr. Speaker, I forgot to mention that negotiations were ongoing on yogurt and ice cream, as my colleague mentioned a few minutes ago. It is a very important sector for Quebec since it absorbs around 48 or 49 per cent of industrial milk, that is to say milk used to make yogurt and ice cream.

On a national level, it is more like 15 per cent. Forty per cent of the total Canadian yogurt production comes from Quebec, that is why this sector is vital for the future of the dairy industry in Quebec. I forgot to mention these negotiations, but I am quite sure that the member for Glengarry—Prescott—Russell did not even know about them.

[*English*]

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food): Mr. Speaker, it is a pleasure to take part in the debate today. The pleasure will be to try to educate, either in my comments or in answer to the questions afterward, members across the way who obviously do not know the facts about what is going on in agriculture today.

I have read the motion and have commented earlier today. I say to members opposite that in one way I agree with what they are saying in their motion. The agri-food industry is going through some of the most significant changes in 30 years. However, as I said before, those changes are positive. They are challenges. They are offering things to the industry that were never offered to that extent before.

It is not inertia; it is just the contrary. A tremendous amount of activity is going on. As we go through life there are challenges. We have to prepare ourselves to meet challenges head on, to manage those challenges that come before us. This is a time of opportunity; this is a time of vision.

The government should be commended. I respect and agree with some members opposite who have spoken today about some of the good things the government has been doing in their view. We have only been here for six months. We had to take the hand that was dealt us, as the finance minister said earlier this morning, in the agri–food industry as well as in many other sectors and try to make the best of it.

We are well into the process of taking stock of what is going on. We are consulting constantly with the players, all the stakeholders. I remind members of the House and anyone who might be watching today about the size of the agri–food sector in Canada. There are 225,000 farms in Canada, plus or minus, depending on the definition of a farm. There are about 425,000 or 430,000 people working on farms.

I remind the House of the title of the department. It is the Ministry of Agriculture and Agri–Food. The agri–food system in Canada employs over 1.5 million Canadians or about 15 per cent of the Canadian working population.

When we look at its value, the $10.5 billion in input costs of primary producers or farmers each year to start the system evolve into about $13.5 billion in exports of either bulk or processed agri–food products. In addition Canadians spend at the purchasing or retail level. This does not include the cost of a restaurant meal but the cost of the food that the restaurant operator will buy. That $10.5 billion of input that primary producers make each year multiplies to over a $70 billion agri–food industry in Canada. In terms sometimes used in agriculture, that is no small potatoes. That is a big industry.

• (1245)

I have been involved in the agri–food industry all of my life. At no time have I seen a coming together of the players in the agri–food industry like we in this government have been able to make happen in the short time we have been here.

We are bringing this with a tremendous amount of co–operation, and a tremendous amount of reflection around the situations that are there today. They are coming around the table. They are sitting down together to talk about how we in the industry, everybody, all the stakeholders, can collectively do what needs to be done so that we are all successful as we go down the road.

I wanted to make those comments. As well, I want to congratulate those in the agri–food sector for the way they are meeting these challenges. As has been outlined by some other speakers today, it is not easy. It is not easy in any sector in today's economy.

It is not easy in the agri–food sector as well, whether one is out there today seeding, whether one is out there with one's livestock or whether one is further along as a further processor or wholesaler or retailer or whatever.

It is not easy but they are meeting those challenges. That is because that industry is made up of people who are very capable, highly educated, very well trained in the use and management of technology and use and management in general, in marketing, et cetera.

I praise them and congratulate them. We look forward in the ministry and in this government to continuing to work with those people to meet those challenges. I want to also remind everyone today we in government realize that we are an exporting nation. Agriculture for every dollar, that is farm gate dollar we talk about, about 46 to 50 cents of that in the end is derived from export.

It is important that as a government we have taken the initiatives we have concerning the trade opportunities out there for us. We know this government was involved in the GATT deal in the last seven weeks of what turned out to be a seven year round of negotiations which was supposed to be completed in four.

We also found that maybe the previous government had not been forthright with the industry in telling it about 24 months before we got there as a straightforward and straight shooting government that many of the supporters for supply management had long left the table. The previous government had not explained that as forthrightly as it could have to Canadians and to the industry.

We had a choice. We made the responsible choice. We could have walked away from the table and let the rest of the world shape the destiny of the Canadian dairy, egg and poultry industry, but that was not the responsible way to go. We took the choice of sitting down and making the best deal we possibly could.

We made a deal. Yes, it is tariffication. There is no deal, whether it is a GATT deal or whether it is a contract to do something else, with which everybody walks away from the table happier. Yes, we would like to have had an article XI that was there and firm, but I issue this challenge to everyone: If we had got that strengthened and clarified article XI, whatever that might have been, I would also think we would have to be honest enough to say that it too probably would have been challenged down the road.

As we go about in the world today, we know the advantages of freer trade in the world. We have been successful in putting in tremendous amounts of protection for the dairy, egg and poultry industry that still and by the year 2001 will have tariff levels at 85 per cent of where they are at the present time.

That is only a reduction of 2.5 per cent per year for the six years after the GATT deal is implemented, be that January 1, 1995 or July 1, 1995. That decision has not yet been made.

• (1250)

Nowhere did we work as diligently than on that trade issue. Without question we got the best deal we possibly could for Canadian producers because as I said before fundamentally we are a trading nation. On those negotiations and even now on the negotiations on some bilateral issues with the United States we have put forward our position very vigorously.

In the bilaterals with the United States that include wheat and a few other products there will be—and we promise this to the Canadian producers and to Canada totally—no deal unless it is a good deal for Canada. That means a good deal for the grain sector, a good deal for the processing sectors and for the supply managed sectors.

We will not trade off one sector against another as some people think we should. We say we will not because we should not. There is no reason. We are negotiating and talking about different issues at the table, but we are not talking about them interconnecting with each other.

We have been steadfast and strong on our position. This is emphasized by the fact that these bilaterals have been going on now for many months. There have been three face to face meetings and many meetings with officials in conversations over the telephone by the ministers, the minister with the secretary of state for agriculture in the United States, and we have stood firm and we will continue to stand firm on those.

With the trade agreements that we have, especially with the GATT agreement, we now have a set of trade rules that all countries will have to abide by. We have the World Trade Organization that we can go back to, any country can go back to if it thinks it is being mistreated or mishandled or accused of something by another country. One must never be so naive as to think that challenges will not continue to arise.

When we think someone is not treating Canada properly we will use the measures available to us to challenge that and to question that. We also have to recognize that the reverse may very well be true.

As the member for Glengarry—Prescott—Russell just outlined, in the durum wheat issue with the United States the score is four to zero. As we speak today the International Trade Commission in the United States is having another hearing on that and we are confident it will be five to zero when this is over.

What we are doing here in Canada is playing fair. We are following the rules. We have been playing fair. We continue to play fair and we will continue to win as we play with those fair trade rules.

We recognize as well that we just cannot focus. It is very important because if the primary producer is not economically viable its chain is not going to pull. If the processor is not economically viable, if the further processor, the wholesaler and the retailer are not economically viable, we recognize that the chain will not pull. We know full well that in all those different stakeholder areas in the sector the efficient producer, the efficient operator, must be economically viable for the sector to be successful.

In light of that, if I could refer to the supply managed sector, the opposition today is saying there is inertia, inaction. That is far from the case. The minister of agriculture has given me the opportunity to lead a task force in that industry. Some of the opposition members are saying today that the stakeholders are not involved which is far from the case.

In the supply managed sectors we have put in place five commodity committees made up of primary producers, processors, grocery products manufacturers, further processors, all of the stakeholders. We first put together the list of the issues and the process is in place to deal with them. Now those people who work in that industry every day, not bureaucrats, are sitting down together and deciding how we can best take advantage of the opportunities that are now before us under the new rules of GATT and under the new trade rules we have.

I do not know what more could be asked than to have that type of participation.

• (1255)

We have made great strides as well in meeting the challenge the ministers have put forward, provincial and federal. As far as knocking down interprovincial trade barriers, we know that is a tremendous challenge. It is just like everything else. Too often people agree with it in principle and then when it comes time to do something the walls start going up. We have to knock those walls down.

We have to meet the challenge and we are forging ahead in many different areas to meet the challenges as far as $20 billion of export trade by the year 2000. The industry collectively with federal and provincial governments says we can do that and is welcoming the challenge.

As far as the inertia some people talk about, obviously they do not know and should become more aware of what is going on in this government. They need to do a little more reading. They need to follow a little closer.

I have talked about supply management. I have talked about the bilateral discussions with the United States. I announced a few minutes ago in the House, and I will comment on it again, that some of us have been talking with the minister in China this morning. We fully realize, could I say, the confusion and the problems and the challenges in the western grain movement at the present time.

The minister will be officially announcing tomorrow that he will be bringing together as soon as he possible can on his return from Asia a small group of key players in the western grain sector. They will put their heads together around the table and see what they can do to fix those problems out there and will then go on from there to look at all of the issues out there in the western grain industry, the Canadian grain industry. It is not just a western problem. It has come to a head in the western area right now, but it is a problem right across the country which we recognize.

We have made some changes already according to our platform. We have announced some changes in the Farm Credit Corporation. We have probably made more strides with pesticide regulation and the registration process in the last 60 days than the previous government did between the time it tabled that study in December 1990 until fortunately it was replaced here in Ottawa with the present government.

As well, we have placed some extra people in trade office positions around the world, namely in Mexico, Japan and Taiwan, and they are giving us good results. We have established a new branch in the department called the market and industry branch to work with producers, producers groups, processors and the industry as we go about the world with the new opportunities and challenges to market further processed products.

We have been fairly successful, but not as successful as we might like to have been in Canada in the past by selling bulk products. The way we have to go now to create the jobs and to take advantage of value added is to value add and further process those here.

The minister, as we know, is spending a number of days in Korea, Hong Kong and China not only talking about grain but about beef, dairy and pork, reaffirming the connections and the strategic alliances we have there. We know, and this is straight from the World Bank, that it is saying between now and the year 2000, 50 per cent of the increase in world trade, including agricultural trade, will take place in that part of the world.

That is not very long, between 1995 and the year 2000, 50 per cent of the increase. That is because 50 per cent of the increase in the wealth in the world is going to take place in that area and we need to be there. We are working with everybody in the industry in order to collectively take advantage of that.

One of the goals and the platforms this government ran on last fall which we will fulfil is the agri–food industry. We want to ensure financial security. We want to ensure food safety for Canadians. We want to reassure Canadians that we will maintain and improve the sustainability of the resources that mean so much to all of us. We will do that by having adaptation and development programs and consultation processes with everybody in the industry. We will promote that growth through market responsiveness and value added initiatives. I am proud to say that we will do that while at the same time maintaining fiscal responsibility.

• (1300)

I am going to close with one comment that I always like to close with and remind people of. Yes, we have a lot of important sectors in the Canadian economy. Maybe it is because I was born and brought up on a farm and maybe it is because after my family my first love is the agri–food industry, but I want to remind everybody in Canada and remind this House—and we, the minister and the department are fully aware of that—as goes agriculture so goes the economy of any country.

We are going to make sure, with the co–operation of everybody, that agriculture goes well and therefore the economy of this country will go well as a result of that.

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, I will be brief to the hon. parliamentary secretary. You mentioned the breaking down of interprovincial trade—

The Acting Speaker (Mr. Kilger): I just want to remind members to direct their questions through the Chair.

Mr. Harris: I apologize, Mr. Speaker.

Could the hon. member specifically and briefly give me a couple of examples of interprovincial trade barriers that the government is working on that would begin to allow western producers to have access to the Ontario and Quebec markets? Are there one or two specific trade barriers he is working on at the present time that would allow that?

Mr. Vanclief: Mr. Speaker, because a number of these are in the negotiation area and because, as I said, it seems to be a delicate area that everybody agrees with in principle, when the ministers get together they talk about different things.

The last time the federal and provincial ministers met together they gave the officials very firm instructions. I had the opportunity to be at that meeting. There were very firm instructions to get together again and to continue their meetings with each other to find some of those initial ones where we can start to show that type of activity can work.

There has been some work done and some successes as far as honey and some different things in the last few years. However there are more major ones that I know we need to look at, unfortunately not only in agriculture. We have too many trade barriers between provinces. It seems that the will is there now and the recognition is there more than ever. I guess like anything else, the first thing you have to do to conquer something is to recognize that you have a problem. I think there is more recognition now than there ever has been and that is a big first step.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, I agree with the government member that, in final analysis, the energy that exists in the agricultural sector must come from its leadership.

However, it is well known that the problems do not come from farmers, they come from the inability of the government to defend them. It could not protect article XI and similarly, protectionism is disappearing. The only argument I was given at the Bélanger–Campeau Commission by the person who is now Minister of Foreign Affairs was the Canadian system will protect milk production in Quebec, but if you leave Canada you will lose this protection.

This argument is no longer appropriate, because we now are in a much larger market. Does the hon. member not agree that in the North American economy, in the Canadian economy, eastern and western agricultures have interests so different that trying to defend them simultaneously brings about important problems and situations almost impossible to reconcile? I will give an example. In lamb production there were rules to control disease. In my riding a sheep farmer had a problem because of a disease in his flock.

• (1305)

Previously, stricken animals were slaughtered and that was the end of the problem. Now, under pressure from the Americans, we have changed our procedure. We do not slaughter the animals anymore, because they have such large herds out West that the Americans insisted we change our procedure. In Quebec where the herds are small, we must abide by nation–wide guidelines which are not realistic for small flocks of pure bred sheep.

We thus place in opposition eastern and western farmers even though in this case it was not just to please western farmers, it was under pressure from the Americans, and this is a problem for Quebec.

I took this example to show that in the future the interests of Quebec farmers and those of Canadian farmers will be difficult to reconcile. Our interests are different and in the past we have often been on the losing end. I think that in the near future Quebec farmers are going to make a choice that will allow them to work out more concrete solutions in the larger economic market we now have.

[*English*]

Mr. Vanclief: Mr. Speaker, with regard to the specific example of lamb producers the hon. member is referring to, I am not familiar with that. I would be interested if he would explain and chat with me about that. My guess is there is more to what is being said. I am not accusing the member of not giving the whole story.

I can give the example of what we in Agriculture Canada did for our industries when we found the—and I cannot get my tongue around the big full name—the mad cow disease. When one cow died in Alberta last year because of that we sought out and destroyed all of the animals from coast to coast in this country that we thought ever had a chance of coming in contact with it. We did that in order to protect the beef industry, and I am sure we will take similar actions as far as the lamb industry is concerned. I would be interested to follow that up.

As far as the protectionism in article XI, I just do not buy that. There are concerns. I ask the member to consider this: If the dairy industry and dairy producers are so concerned about their future, I would ask him why they are paying more as far as purchasing quota to have the opportunity for the right to produce. I simply cannot understand if somebody is convinced in their mind, as they are, that the industry is going some place in a hand cart why so many people want to be in the cart.

It is very interesting. When we talk to producers, the dairy farmers of Canada, we find it did not go exactly the way everybody wanted it to go. We look at the level of protection, the very slow rate.

What we have in the supply managed sector for the next six or seven years is the opportunity to prepare to meet the challenges of the market, the challenges of that very, very slow rate of reduction. I remind members opposite that even in the year 2001 the tariff rate protection for all of those will still be very close to, if not over, 200 per cent.

[*Translation*]

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, this government is indeed lacking in leadership. That is very obvious because there has been lots of talk since this morning, and even some mistakes made by certain members, including the hon. member for Glengarry—Prescott—Russell.

The parliamentary secretary to the minister of agriculture has just told us that the government is doing the best it can, in spite of the split among farmers. However, even when farmers agree completely with consumers, as is the case with bovine somatotropin, what does the government do? What action has the government taken in response to a unanimous recommendation from the Agriculture Committee with which some members of this House are quite familiar?

• (1310)

I would like to ask this question of the parliamentary secretary to the minister of agriculture. What is the government doing? Does it plan to comply with the agriculture committee's recommendation that a one–year moratorium be imposed on the sale of this hormone, a move which is endorsed by all farm agencies in Canada and by all consumer organizations?

Mr. Boudria: Yes.

Mr. Marchand: As usual, the member for Glengarry—Prescott—Russell is uninformed. Therefore, I will put the question to the parliamentary secretary to the minister of agriculture.

[*English*]

Mr. Vanclief: Mr. Speaker, I challenge the member opposite to have a one to one debate on agriculture sometime with the member for Glengarry—Prescott—Russell. I would suggest that he be very well prepared before he enters into that debate.

As far as the government's response to the recommendations of the Standing Committee on Agriculture and Agri-Food regarding the bovine growth hormone or BST or whatever term you want to use—we know the product he is talking about—the member knows full well because he is a member of that committee and was there I understand when the recommendations were put forward.

The government has 150 days to respond to those recommendations. I know that the government, the officials, the minister and I are already discussing those recommendations. The member can be assured this government will respond well within the 150 days in a very responsible way to the recommendations made to the government by the standing committee.

[*Translation*]

The Acting Speaker (Mr. Kilger): Resuming debate. The hon. member for Beauharnois—Salaberry has the floor. I would ask him to help out the Chair by indicating whether he will share his time or take the full 20 minutes.

Mr. Laurent Lavigne (Beauharnois—Salaberry): Mr. Speaker, I was just about to tell you. We will share our time pursuant to Standing Order 43(2).

I would like to move on to the motion before us today, a motion on agriculture.

The term "lack of action" was mentioned with regard to the government opposite; I totally agree with the notion of "lack of action" and I would like to add another term: inequity.

I think that in the last several years Quebec farmers have been treated inequitably by the Canadian government; that is unacceptable, in my opinion.

I dug out a few figures to support my arguments and to have the word "inequity" included in today's non-confidence motion because, when we look at government spending on agriculture, it is clear that for the federal government agriculture is limited to western Canada.

I will start by giving you an example. In 1980, Quebec was the beneficiary of $300 million in federal agricultural expenditures, compared with $1 billion in western Canada.

In 1987 Quebec received $410 million, compared with over $4 billion in Western Canada. I think adding the word "inequity" to today's motion would be neither superfluous nor inappropriate.

Another thing I discovered is that Quebec's share of federal spending went from 16.4 per cent in 1980 to only 7.7 per cent in 1987, which amounts to half of Quebec's share of farming revenues in Canada or 15.6 per cent.

On the other hand, western Canada's share of federal agricultural expenditures went from 55 per cent in 1980 to 76 per cent in 1987.

Between 1980 and 1987, Quebec's share fell while Western Canada's increased. It went from 55 per cent in 1980 to 76 per cent in 1987.

Once again, I emphasize the terms "unfairness" and "inequities", all these expenditures to which Quebecers contributed a big share through their taxes of various kinds; they know very well that the federal government gets a lot from them.

We calculate that about 25 per cent of the taxes collected by the federal government comes from Quebec, which means that this money which Quebecers send to the federal government is redistributed unfairly to our detriment, especially in agriculture.

From 1980 to 1987, federal spending on agriculture increased one sixth as fast in Quebec as in the rest of Canada.

• (1315)

During that period federal spending rose by 192 per cent. I am glad that federal spending on agriculture rose by 192 per cent between 1980 and 1987. The federal government thought it was important to increase its spending to help agriculture. I come back to my word "unfairness", and we will see how this 192 per cent increase in federal spending on agriculture was distributed.

Spending increased 37 per cent in Quebec, compared with 340 per cent in Alberta, 292 per cent in Manitoba and 285 per cent in Saskatchewan. Again I come back to the word "unfairness". Such glaring differences are outrageous. An increase of 37 per cent in Quebec when Alberta got 340 per cent, Manitoba 292 per cent and Saskatchewan 285 per cent is unacceptable. I repeat that a lot of this money, at least 25 per cent, comes from Quebecers.

In 1990, the federal government spent almost half, 50 per cent, of its whole agriculture budget on research. I do not know if it is by chance, but most of the agriculture research budget was invested in grain production. We know that more grain has been produced in Quebec in recent years, but nevertheless it only accounts for 6 per cent of all our agricultural production in Quebec. We were shortchanged in the distribution of the research budget of the department of agriculture, considering that the department invested half its budget in research on grain and grain is only 6 per cent of Quebec's agricultural production.

When the time came to do research in three other sectors where Quebec is much more active, namely the dairy, poultry and pork industries, it only contributed 24 per cent. Yet, these industries account for 59 per cent of Quebec's production. Again, you can see the inequity. Ten per cent of the research budget is allocated to the dairy industry, while the production of this sector represents one third of the total. Quebec was also penalized regarding research and development in agriculture, since more than 50 per cent of that budget was spent in western Canada.

Federal government policies unfairly benefit western producers and adversely affect Quebec producers' competitiveness, particularly regarding grain and livestock production, as I just mentioned.

These unfair federal policies force Quebec to make greater financial efforts to support the agricultural industry. Let me explain how, because the province does not get its fair share from the federal government, the Quebec department of agriculture must rely on provincial taxes. In 1987, the Quebec department of agriculture, fisheries and food had to allocate $569 million to the agricultural sector, whereas the federal government was only contributing $410 million. In other words, the Quebec government spends more on its agricultural sector than the federal government.

The injustice lies in the fact that Quebecers have contributed a lot more to support agriculture in other provinces than in their own province. In 1987, Quebecers contributed $1.3 billion to agriculture in the other provinces. We paid for 25 per cent of all federal expenditures in agriculture, which totalled at that time $5.3 billion, twice the Quebec budget for agriculture. In other words, we use Quebec taxpayers' money to spend $569 million on our own agricultural industry and to send $1.3 billion to Ottawa to support other Canadian provinces. That also is unfair. I really want to stress that point. I want to show how utterly unfair Canadian policies were to Quebec policies.

• (1320)

There is a double standard in the federal agricultural policy, and I want to give you some examples. Between 1983 and 1987, federal subsidies reached an average of $32 a tonne for Western grain, compared to $12.34 a tonne for Quebec grain. Why $34 in the west and only $12 in Quebec? What was that all about? We pay taxes like evernyone else. Why do we not get our fair share?

Pursuant to the act, the Canadian Wheat Board must, at the time of delivery, pay to western grain producers an initial payment set and guaranteed by the federal government. If sales revenues do not cover the payments made, the federal government makes up for the deficit. This system resulted in the following: between 1985 and 1988, the federal government spent $344 million to cover the difference between the sales price asked by the Canadian Wheat Board and the payments made to the producers. We ended up with a $344 million deficit which the federal government covered with our taxes. The worst of it all is that Quebec grain producers are not eligible for that program. We pay for the rest of the producers, but we are not entitled to these benefits.

In 1991 and 1992, under the western grain stabilization program, western grain producers were guaranteed a net income equivalent to their average income over the five previous years. The federal government paid for three quarters of the contributions for this program, and the producers paid the rest. Western provincial governments did not take part in this program. When came the time to implement the program in Quebec, the federal government asked the province to pay for a third of it. Why did the western provinces not participate in it? Was it strictly between the producers and the federal government? When the time came for Quebec to take advantage of this program, Ottawa told the province that it had to pay for a third of it.

Western grain transportation support is a real scandal. Since 1983, the federal government has been paying an indexed $658 million every year. In 1991–1992, it paid railroad companies 1.1 billion to transport western grain, whereas Quebec producers were once again not eligible for that program. We pay taxes and with our taxes, the government promotes farm production in the west at the expense of eastern producers. It is in that sense that I would like to add the words "lack of fairness" to the words "lack of action" in our motion. If I had more time, I could give you more examples, but my allotted time is running out.

The Acting Speaker (Mr. Kilger): I am sorry, but the member's allotted time has expired.

[*English*]

Mr. Wayne Easter (Malpeque): Mr. Speaker, I am surprised at some of the comments from the member on the other side. He is certainly playing with numbers.

One of the principles in the country is that in times of need we share in helping each other out of our difficulties. In terms of the payments to the west, I remind the member that there was an international grain price war. We had an obligation as a country to support western Canada and that is what we did. By the same token, when there were low prices in the hog industry and in the

beef industry, which is more located in Quebec, the country supported those industries.

The member opposite should understand that one of the programs Quebec benefits from probably more than any other province is the supply management system. Quebec has benefited greatly. Its dairy production is somewhere around 46 per cent to 48 per cent of the total dairy production in the country as a result of our great Canadian supply management program.

I have a question for the member. If his party were successful in moving toward separation, which I do not believe it will be, what would that do to dairy producers in the province of Quebec in terms of the loss of the great Canadian supply management system we operate under?

• (1325)

[*Translation*]

Mr. Lavigne: Mr. Speaker, I could have given you other examples, but I think that the presentation I made just a moment ago clearly showed that the level of Quebec's participation in agricultural tax revenue, taxation money sent to the federal government and reinvested in Canadian agriculture is I repeat, unfair; we realized that numerous programs were unfair.

In reply to my colleague's question, I would say that if Quebec were to separate and become sovereign, we could keep all that money, that is approximately $28 billion in various taxes sent to Ottawa each year, and redistribute it through our different agricultural programs without being subjected to federal inequity and discrimination. We would then offer our own farmers many very profitable programs. I think, in that case, we could be much more aggressive on the international markets and carve our own niche for milk, poultry, eggs, grains or anything else we would chose to produce in Quebec.

I think there would be no problem whatsoever. On the contrary, sovereignty would solve a problem.

Mr. Réjean Lefebvre (Champlain): Mr. Speaker, I welcome this opportunity to speak the motion denouncing the government's lack of action and its inequity, as the hon. member said.

The government does not seem to have a specific policy for agriculture, especially considering the post-GATT situation. However, in line with the Quebec development model, several years ago the agricultural industry in Quebec started to organize and conduct round table discussions involving all players in the industry.

The *États généraux du monde rural* held in February 1991 in Montreal was attended by all Quebecers involved in regional development and the agri-food industry. This exercise produced a series of guidelines for future action. Here are some examples: letting the agricultural community take charge of its own future; respecting and promoting regional and local values; focussing on local and regional concertation and co-operation; diversifying the regional economic base; protecting and regenerating resources; and achieving a better balance in political decision-making from the bottom up.

As part of this process of consultation and co-operation, Quebecers in the agricultural industry organized and looked for ways to pool their resources. Round table discussions were organized on a sectorial basis, including the dairy industry, the pork industry, and so forth. At the summit in Trois-Rivières in June 1992, these discussions produced a consensus on what should be done to promote the development of the agri-food industry in Quebec.

The Trois-Rivières summit, an unprecedent exercise for Quebec, produced a series of commitments which included the following: to increase research and technology transfers as part of a strategy for acquiring new markets; to recognize, promote and support the need for human resources training; to guarantee the continued existence, development and growth of agri-food businesses; to revamp existing income security programs based on production costs by emphasizing risk sharing, productivity of farm operations, sustainable development and an awareness of market signals; to develop income security programs compatible with the rules of international trade; to promote the financing and transfer of farm operations in such a way as to prevent massive debt; to consider assistance for non-viable operations that could be reoriented within the industry and help farmers who retire from the industry.

After this consultation process, what the industry needs now is the right vehicle to make the new strategy for agri-food development in Quebec operational.

• (1330)

People in the Quebec farm community know what they want. They do not need the federal government to come in and impose policies which do not coincide with the priorities and the paths they have set for themselves. These people want to be able to make the decisions in the areas which concern them.

What we are talking about here is a massive decentralization from top to bottom. Is this something the federal government can offer? Is the government willing to give Quebecers the means to make their projects come true?

The agri-food sector needs a reasonable period of time to reach international competitiveness. Unfortunately, the federal government did not do a very good job of defending Canada's interests and Quebec farmers during the Uruguay round of negotiations under the GATT. It was totally unable to preserve article XI which afforded some protection to egg, poultry and milk producers, concentrated mostly in Quebec. Despite repeated promises by the Liberal government, last December, federal negotiators were not able to rally enough countries to defend and preserve article XI.

Although the present import quotas will be replaced by high tariffs which will gradually diminish over time, the disappearance of article XI will seriously shake the Quebec farming community.

By accepting to sign the GATT agreement, the federal government submits farmers, in Canada and Quebec, to a rate and mode of change imposed from outside by our competitors. The agri–food industry must change very rapidly in order to be able to face the new international competition.

The GATT agreement reduces by 36 per cent the amount used to subsidize exports of farm products. This is a step in the right direction, although it is rather modest. Each year, Canadian and Quebec taxpayers will have to spend hundreds of millions of dollars merely to compete on international markets with heavily subsidized grain exports from the United States and the European Union.

While grain exports remain heavily subsidized, the GATT accords have forced the government to review its overall domestic farm support policies.

Clearly, the agreement negotiated in Geneva on December 15 last was not the best possible deal that the federal government could have obtained for Canadian and Quebec farmers. The biggest threat to the interests of Canadian and Quebec farmers is the outcome of Canada–U.S. trade negotiations in the agricultural sector.

The federal government is being taken for a rough ride by U.S. negotiators over the question of tariffs on products subject to quotas—eggs, poultry and milk—products concentrated primarily in Quebec and Ontario, and over the question of durum wheat, yogurt and ice cream exports to the United States.

Government spending in agriculture does not promote structuring. The government should be evaluating the cost–effectiveness of its actions. Agriculture Canada is now involved in the analysis, organization and dissemination of information on agri–food markets. However, the Auditor General notes that the information collected does not necessarily correspond to user needs. The Department of Agriculture and Agri–Food should strive to develop a closer relationship with its clientele in order to avoid wasting public funds.

The government must further define its action areas to ensure that there is no overlap onto provincial initiatives. In Quebec, industry and government have been working together for several years on implementing various market strategies. Since developing new markets seems to have become a federal government priority, it is essential that Ottawa bear in mind the priorities set by Quebec.

The federal government should contribute financially to the efforts of stakeholders in the Quebec agri–food industry, particularly research and development efforts, to ensure that new market challenges are met.

• (1335)

The idea is not just to spend the taxpayers' money, but to invest it so as to promote industrial restructuring while maintaining the family farm system which is pivotal to Quebec's farm economy.

Producers and processors are working together to develop new markets and adapt their products to consumers' tastes. In the agri–food business, competition is fierce and the industry must react quickly to diversify production, all the while making sure it has access to the best suited technology. This means keeping in step with the rapidly changing technologies used by foreign competition.

The government must do more than make funds available for research and development. It must ensure close co–operation between its departments, the private sector and the research community. We hope the government will take positive steps to make sure the money spent meets the priorities imposed by market developments. Also, when it intervenes, it should be fair and give the same importance, relatively speaking, to each areas of the agricultural industry.

One of the best solutions for Quebec farm producers, it seems, would be the decentralization of the decisions making process and related budgets. In a word, it is another good reason for a sovereign Quebec.

[*English*]

Mr. Wayne Easter (Malpeque): Mr. Speaker, I am pleased to note in the member's speech that he recognizes the benefits of the supply management system that has been designed in the Canadian context.

I again come back to a question I asked his colleague previously. The principle that the program of supply management operates under is basically managing supply to meet effective domestic demand. Given the fact that Quebec has 46 per cent to 48 per cent of the Canadian production, how is the member going to explain to his producers under his proposed separation that they will be able to have in place this system that he so admires?

The member mentioned the trade discussions we are having with the United States. I think we have to recognize that the ministers are taking a tough stance in the interests of all Canadians. I certainly say to the hon. member opposite we on this side would welcome a statement of support from his party in terms of that tough stance our Canadian ministers are taking in those negotiations in all of Canada's interests.

[*Translation*]

Mr. Lefebvre: Mr. Speaker, I endorse the reply my colleague, Mr. Lavigne, gave our friend opposite. I would like to emphasize that the crux of the problem for the people of Quebec is really inequity because from where we stand we get the impression that the government's attention with regard to the Canadian

agricultural industry is centred on the western part of the country.

I would also like to mention a few things my colleague did not have the time to mention earlier. Regarding lamb production, Quebec has been unable to keep up with Western Canada, with its livestock increasing by 8 per cent from 1981 to 1991, as compared with 33 per cent in western provinces. Based on all that has been said so far in this debate in this place, I think we have one more reason to become sovereign in Quebec, to get the legislative tools we really need for things to run smoothly in our future country.

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, as for milk production in Quebec, the question was raised—

[*English*]

—at least two times. Of course under the supply management system Quebec has been advantaged in terms of milk production. It is the only advantage in agriculture Quebec has had under the present system.

• (1340)

Because of the fact that the federal government has been inept in maintaining article XI, supply management is the thing of the past as the hon. member knows. The farmers in Quebec, organized as they are, better than any other agricultural organization in Canada, are positioned to make such that the milk production will be sold in other countries. We cannot work any more in the supply management sector, only because the federal government has not.

One other thing about inequity in terms of the expenses of the federal government is it is not as though people in Quebec are not generous people. We recognize the principle that when one province is poorer than the other we try to be generous. That is not the issue. The issue is disloyal competition.

This form of inequity which has been going on for decades in Canada has disadvantaged Quebec in a disloyal way. That is to say, in those areas where Quebec has had a marked advantage like in pork production, moneys were being used by the federal government to develop industries competitive to Quebec in other provinces.

That is not a question of simple inequity. It is disloyal competition. That has been one of the problems with the farmers in Quebec.

[*Translation*]

The Acting Speaker (Mr. Kilger): Does the colleague of the hon. member for Québec-Est, the hon. member for Champlain, want to add anything to his colleague's comments before we move on to comments? The hon. member for Champlain has the floor.

Mr. Réjean Lefebvre (Champlain): Mr. Speaker, some members of this House often think that we cannot see beyond Quebec but I think we are able to include western Canada in our discussions. We must, however, point out this great inequity toward Quebec in all areas.

We do not want to sound like whiners but we have discovered so many inequities at Agriculture Canada that it must be pointed out today.

[*English*]

Mr. David Iftody (Provencher): Mr. Speaker, it is with great pleasure that I take this opportunity to speak to the House about the accomplishments of our government with respect to farm income and safety nets.

As a western Canadian representing a large farming community with both supply management and wheat farmers, the debate today is of particular importance. I welcome debate from members of both the Reform Party and the Bloc on these matters.

While the previous government's plan for safety nets was simply a piecemeal approach, our government looks at farm income and safety nets in a much more comprehensive perspective. In our campaign commitments, this government called for the development of a strong whole farm support.

Our approach is based on simple but effective principles. Farmers and their families need a comprehensive set of programs that will provide income security as they move to adjust and take advantage of the new international trading regime and to generate economic growth in rural communities that is badly needed in this country.

Our government wants to provide farming communities with the tools they need to succeed in the years and the century ahead. I am pleased to report to the Chair that our minister is doing an effective job in that regard.

As we all know, the system of safety nets in Canadian agriculture is a tripartite approach involving producers, provinces and the federal government. There is tremendous diversity and need out there.

We recognize there are different needs in Quebec, different needs in Atlantic Canada, different needs even within Manitoba in the northern and southern parts of the province. My hon. friend from the Reform Party for Lisgar—Marquette will attest to that, being a farmer from that area.

The approach taken by the minister is very open and transparent. Soon after the election the minister established a safety net conference for all players to air their views and concerns. This is the approach we want to take with respect to the whole farm support program. We do not want to have one separate program in Quebec, one separate program in British Columbia and one separate program in Prince Edward Island. We are looking at a

comprehensive national approach. We are meeting with Quebec leaders.

• (1345)

I want to refer, for example, to the GATT discussions that were raised. Our minister spoke to dairy farmers in Quebec and, if I am not mistaken, received a standing ovation. I also want to say that the Liberal government brought in supply management which benefited Quebec farmers greatly for the past 20 years. On the question of loyalty I think we have been very loyal, very representative and fair in our approach to all farmers.

We want the kind of safety nets that will benefit all the needs of our partners. Taxpayers want programs that are financially sound and transparent. Our objective, therefore, is to develop a whole farm support program which will provide equitable support for all commodities, all producers and all provinces; which will not distort based on market signals; which will not influence production decisions; and which is less vulnerable to trade actions. Certainly people in the wheat industry in western Canada know all about trade actions, particularly those invoked most recently by the U.S.

Farmers have seen tremendous safety net changes in the last five years. Some have been good, and we acknowledge the good work, but others have failed due to hasty implementation and because there was no producer acceptance or understanding. The government is committed to full consultation and agreement on an approach that works.

The accomplishments since the safety net conference clearly show that our comprehensive and consultative approach is working. This is not an easy process. People need to talk through their differences. We acknowledge again that there are differences. The parliamentary secretary acknowledged we have to sit down at the negotiating table to work out these differences in the best interests of all Canadian farmers.

The work of the committee over the next six months will be critical in shaping the industry's economic position. To seize opportunities presented by trade accords and growing international markets we need stability and confidence at home. The importance of this point has been impressed upon us particularly again in western communities because of the possible trade war with the U.S.

Stability does not interfere with our capability to be innovative and market responsive, stability that allows us to preserve our resources, stability that works with fiscal realities.

During the electoral campaign our government promised to reinstate interest free cash advances to strengthen the farm debt review process. The minister is consulting with farm groups and has asked the sector to come up with proposals. This is an important issue.

In the committee on banking, for example, we have heard from the farming industry of Quebec, Atlantic Canada and western Canada. These farmers tell us that they cannot get access to capital. Young men and women in Canada cannot buy farms, their parents' farms, because the banks are not willing to do business with them. That is why we as a federal government have stepped into the process through agencies such as the Farm Credit Corporation to open up avenues of resources to young Canadian farmers.

The agriculture and agri–food department is currently reviewing the farm debt review board program, along with other programs, to ensure they meet today's needs in the sector. Again I want to emphasize that we are consulting with the people.

Our government is comfortable with the idea that safety nets help industries stabilize income and ensure against risks the banks are not willing to take on the Canadian farming industry. However more money is not necessarily the answer. At home and abroad value added and niche markets represent big bucks for those who seize the opportunities. This is precisely what our industry is trying to do.

The GATT has created new possibilities for the Canadian farming community. I want to respond to my hon. friend's comments about the GATT. Our Minister of Agriculture and Agri–Food stood in the GATT negotiations to fight for the dairy industry. I have dairy farmers in my riding who I know were pleased with the outcome. I also know that tariffication levels almost as high as 300 per cent will protect dairy farmers in Quebec and those in my riding of Provencher.

• (1350)

It is obvious the government has accomplished a lot since it took office last fall. When we consider all the players involved in the safety net design, the complexity and the diversity of our agricultural industry, we realize the government is living up to its commitments.

We brought everyone to the table. Our process of developing a new safety net package is on a tight schedule. We want to implement it by 1995. It will be a key item on the agenda for the next federal–provincial meeting of agriculture ministers. Our minister is planning to present it to the House soon after that.

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, I thank the hon. member for Provencher for his speech. I point out to him that the cash shortages, the financing problems, are severe.

If he had read the Winnipeg *Free Press* last night he would realize that one window manufacturing company in Winnipeg got a $370,000 interest free grant. This is the kind of money the FCC needs to help farmers solve some of their problems. I would appreciate his attention to that.

Mr. Iftody: Mr. Speaker, I thank the hon. member for those comments. Although I have not read the *Free Press* to respond accurately to that suggestion, I just want to advise the hon. member that in both his riding of Lisgar—Marquette and my adjacent riding of Provencher the federal government has made a number of investments in terms of the farm community.

He will recall that only two or three weeks ago I had occasion to visit his riding under the PAMWI agreements. I am pleased to report that we made an investment of $3 million under a tripartite agreement, with the federal government contributing $1 million out of its agricultural program to the good people of Winkler.

In keeping with the theme of my friends in the Reform Party, the policies of the federal Government of Canada are equitable. If we give something to a window manufacturer in Winnipeg for a tax break, we certainly have given the same opportunities to the people of Winkler, the town in which my hon. friend resides.

[*Translation*]

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, the hon. member said that efforts have been made since they came to office. Having travelled to the west and being from the east, I can say that they are two different worlds. Lands in the west are much bigger and look very different to easterners, especially to someone from the Gaspé Peninsula. Sons cannot afford to buy their fathers' lands.

In my region of Matapédia, we do not even have our own slaughterhouse; producers have to send their animals 100 or 150 kilometres away. I would like to ask the hon. member what concrete measures, not only plans to review the situation, they have taken since they came to office to help farmers' sons who want to follow in their parents' footsteps. What are you doing to help us slaughter our animals in our own communities instead of 200 or 300 kilometres away?

[*English*]

Mr. Iftody: Mr. Speaker, I thank the hon. member for his observations and questions. He referred to dairy farmers in his riding and I want to tell him that I have dairy farmers in my riding.

• (1355)

I also point out what I think is important for the purposes of his question. The dairy farmers in my riding are concentrated largely in French communities, primarily French speaking communities. The dairy farmers in Provencher, the southern part of my French communities, are very similar to those in his riding. The operations in 1993 are much the same. I would never suggest that the operations in my hon. friend's riding are somewhat further ahead or further behind those in mine.

I point out again that dairy farmers in Canada, including those in the hon. member's riding, have done quite well in the past 20 years under a Liberal program of supply management. Just to provide the hon. member with ongoing assurance, the government will continue to express that loyalty to the people of Quebec, to provide help for them and to stand up for the dairy farmers in Quebec.

On the second point about slaughterhouses, I am working on a similar kind of proposal with my provincial colleagues in the southeast corner of Provencher. We are anticipating that our exports in the hog and cattle industry are going to double over the next 10 years. We are looking at capitalizing on that in terms of value added.

I would ask the hon. member to have his membership convey their interest in terms of entering into secondary processing with value added to bring benefits to the community. I welcome that kind of interactive process. I can assure the hon. member we are doing everything in government to ensure that young farmers in his area and in my area have the same opportunities as their fathers and grandfathers did under a Liberal government.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I appreciated hearing the hon. member for Provencher speak to this issue.

As he is no doubt aware, a very divisive issue in western Canada has been that of the recipient of payments under the Western Grain Transportation Act. Should those funds be paid to producers or paid to the railways as they are currently being administered? Does the hon. member favour the status quo of paying the WGTA to the railroads? Would he favour paying that transportation subsidy to producers? Or, does he have a new initiative that he would prefer to see undertaken?

Mr. Iftody: Mr. Speaker, I thank my hon. friend for his question. As he probably knows a payment panel has been studying the issue for some time. The Minister of Agriculture and Agri-Food is awaiting the response from the panel to have a look at the proposal.

I assure him that my position is in the best interests of grain farmers in my area. If they tell me they would prefer to use the current system then I will believe them. If they tell me they want to change the system and have a direct cash payment then I will support that.

Just to provide some context, farmers even within my own riding have different views on the issue. Different farmers in close proximity to one another will have different views on what is in their best interests with respect to the payments they receive.

I assure the hon. member and the whole House that our minister, as I said in my opening comments, will study the issue in detail. We want to hear everyone's view on it. We want to do what is in the best interests of western Canadian farmers.

The Speaker: It being two o'clock the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

CORPORAL PUNISHMENT

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, I take this opportunity to speak out against corporal punishment.

I believe corporal punishment is an inhuman form of torture that should not be accepted by civilized government. I was appalled to learn that a provincial court judge has recently spoken in favour of caning as an appropriate punishment for young offenders.

In Singapore caning involves victims being lashed on their bare buttocks with a thick bamboo rod by a martial arts expert. These victims bleed after the first lash and are scarred for life. Recent events in Singapore have drawn the world's attention to this colonial form of justice. We could not advance as a civilized nation if we were to practise archaic methods of punishment such as caning.

I strongly believe we cannot deter violence by the threat of inflicting violence against individuals.

* * *

• (1400)

[*Translation*]

HEALTH CARE

Mr. Bernard Deshaies (Abitibi): Mr. Speaker, the Minister of Health, who cares so much about the health of Canadians and Quebecers, as she keeps saying, in my opinion deserves the gold medal for cynicism.

How can the minister denounce provincial governments forced to reduce health services or allow extra billing when her own government has extended the freeze on transfer payments until 1995?

How can the provinces maintain the quality of health care when her government is constantly reducing its share of health–care expenditures?

When she was in opposition, the Deputy Prime Minister said that federal financing was on a slippery slope and was creating a crisis in the Canadian health care sector.

The crisis is here and the responsibility for prolonging it falls squarely on her own government.

* * *

[*English*]

ALBERTA

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, during the Easter recess I had the opportunity to meet with government officials from 10 different municipalities within my riding of Crowfoot.

Each of these Alberta municipal governments told me that it is operating in the black and has varying degrees of reserves to draw upon if necessary.

What a novel idea. Money in the bank, no interest payments, no out of control debt, no threat of bankruptcy and a credit rating which is indicative of good fiscal management and responsibility. Only in Alberta they say.

I commend the mayors and councillors of these Alberta municipalities. When asked how they managed to run a debt free operation, they shared with me their closely guarded secret. They said they never spend more than they bring in.

Why can the local governments express such responsibility in fiscal matters while the federal government has been such a disaster?

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[*Translation*]

SERIAL KILLER BOARD GAME

Mr. Dan McTeague (Ontario): Mr. Speaker, the sale of killer games and cards in Canada suffered a serious setback last week when the Minister of Justice presented a bill banning them in this country for children under 18. Board games and collectable cards on mass murderers have no place in Canadian society.

These products glorify criminals and their brutal acts. Many constituents in my riding of Ontario have conveyed to me their concern and repugnance over the sale of such items to children.

I wish to commend the Minister of Justice for taking this initiative and I will be glad when the Standing Committee on Justice and Legal Affairs begins public consideration of the bill.

I also take the opportunity to congratulate the Catholic Women's League of Canada and the churches in my riding on their efforts.

* * *

[*English*]

CLUB ROMA

Mr. Walt Lastewka (St. Catharines): Mr. Speaker, I would like to take this opportunity to congratulate Club Roma on its

recent 33rd anniversary celebrations. Club Roma is an important Italian organization in the city of St. Catharines. As Club Roma begins its 34th year, it is launching the greatest expansion and fund raising project in its history.

The ambitious project has been aptly kicked off with the Club Roma dream house raffle. The new expansion project is evidence of the important role that Club Roma plays in the community. Many organizations in St. Catharines have benefited from the club's generosity, including every hospital in St. Catharines.

Club Roma is also an integral part of the rich multicultural heritage of St. Catharines. The club's success in the preservation and promotion of the diverse heritage of our community has contributed immensely to the city of St. Catharines and the greater Niagara region.

I extend congratulations and good wishes to the president, Angelo Mirabella, and to Club Roma for a successful campaign and a successful 1994.

* * *

SAFETY IN THE WORKPLACE

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton): Mr. Speaker, the Canadian Labour Congress has declared today a national day of mourning for workers who have been killed or injured on the job.

The figures for workplace death and injury are frightening. Each work day four Canadians die as a result of accidents, unsafe conditions or exposure to harmful substances at work. Disabling injuries have increased 17 per cent over the past 20 years. One in four women each year is injured on the job compared with one in eighteen men. The cost of workplace death and injury amounts to $10.6 billion a year.

No one can place a value on life or the suffering of family and friends who have lost a loved one in a work related incident.

• (1405)

We should recognize today, April 28, as a day to pay our respect to Canadian workers who have been killed or injured on the job.

* * *

[*Translation*]

ELECTRONIC HIGHWAY

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, the electronic highway is the major technological challenge of the future. This highway will combine telephone, cable and computer technology so that consumers can have a wide range of interactive services.

Although the advisory committee was able to bring together a strong team with expertise in electronic infrastructure, we must admit that the creative artistic community was tactlessly left out. This is an unacceptable omission.

The government cannot keep outside the decision–making process the very people who produce much of the material that will be carried on the electronic highway, especially since the creative artistic community could have played an essential role with its knowledge of such issues as privacy, copyright and intellectual property.

If the minister and his government are really concerned about protecting culture, they must correct this error and leave a big place for the creative people of this country.

* * *

[*English*]

DNA TESTING

Mr. Randy White (Fraser Valley West): Mr. Speaker, I would like to bring to the attention of this House a terrible injustice in my home province of British Columbia.

A 78–year old woman was raped and brutally beaten by a ruthless criminal. Although the judge conceded the DNA match was conclusive, he ruled the evidence inadmissible because it infringed on the rights of the criminal under the charter. The criminal left this poor woman naked and battered yet he is the one being shielded.

Police use breathalyser tests in drinking and driving cases and yet we deny them the right to use this important tool to put violent criminals behind bars.

DNA testing must be permitted when necessary. We have run out of patience with ineffective political parties. The rights of the victim must take priority over the rights of the criminal.

* * *

NATIONAL BASKETBALL ASSOCIATION

Mrs. Anna Terrana (Vancouver East): Mr. Speaker, I would like to take this opportunity to congratulate the city of Vancouver and Arthur Griffiths in particular for their successful bid for a National Basketball Association franchise.

Vancouver joins an expanding and exciting league. Canadians have been eagerly anticipating this favourable decision for a long time and clearly it is much deserved. Much thanks must go to Arthur Griffiths for his dedication and outstanding commitment to realizing this goal.

The awarding of an NBA team demonstrates the significance of Vancouver, how it has grown and developed into a socially vibrant metropolis. There is a realization that Canadians have much to contribute to the sporting world. Canadians are recog-

nized as being among the most enthusiastic, passionate and committed of supporters.

The new basketball team will be sharing the yet to be completed GM Place with the Vancouver Canucks who, incidentally, will be playing the Calgary Flames tonight at the Pacific Coliseum.

I am confident the Canucks will handily even their series and I wish them and Vancouver's new basketball team the very best of luck.

* * *

FISHERIES

Mr. Harold Culbert (Carleton—Charlotte): Mr. Speaker, in the House yesterday during Question Period the hon. Minister of Fisheries and Oceans stated that the groundfish licences of bona fide professional fishermen that had been frozen in 1991 would be returned at once. He made it clear that not all licences would be returned, only those of bona fide professional fishermen.

This is a move that will be supported by the various fishermen's associations. It is, I assure the House, most gratifying to have a Minister of Fisheries and Oceans who listens to the fishing industry and to the fishermen.

These licences are most important to the diversified, multi–licence traditional fishery and to the professional fishermen in my Carleton—Charlotte constituency.

The minister has proven that he understands and cares deeply for the traditional fishery. I would like to personally thank and congratulate the hon. minister for this most sensible and important move.

* * *

HOME LOAN INSURANCE PROGRAM

Mrs. Georgette Sheridan (Saskatoon—Humboldt): Mr. Speaker, I am very pleased to rise in the House today to speak about the federal government's first home loan insurance program.

In a surge of activity, over 33,000 homes were purchased by first time buyers in the first quarter of 1994. The high level of activity is a result of consumers taking advantage of almost ideal home buying conditions.

The home loan insurance program is good news. It will help Canadians realize their dream of purchasing a first home. As important, it will stimulate the economy. Almost 60,000 person years of direct employment have been created.

[*Translation*]

Mr. Speaker, this initiative was successful and it cost Canadian taxpayers nothing.

• (1410)

[*English*]

Kudos to the minister responsible for Canada Mortgage and Housing and to the other members of this government who so ardently supported this program.

* * *

[*Translation*]

PROVINCIAL ELECTIONS

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies): Mr. Speaker, yesterday, at a fund raising cocktail where guests had to pay $250 each, the Minister of Foreign Affairs accused the Quebec director general of elections of not being impartial in asking the federal government to comply with the spending limits provided in Quebec's Elections Act.

By attacking the professional integrity of Mr. Pierre–F. Côté, and by showing his contempt for Quebec's election rules, the Minister of Foreign Affairs shows an arrogance typical of the Trudeau years.

It is ironic that the minister would make such comments at a fund raising cocktail. He would be better advised to implement the commitments made by the Liberal Party regarding ethics and to table legislation on the financing of political parties, based on the principles of transparency and fairness contained in the Quebec act.

* * *

[*English*]

HEALTH CARE

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, 30 years ago the Liberal government of Lester Pearson brought medicare to Canada. Although there were concerns expressed at that time about what the program would cost, the majority of Canadians applauded the initiative.

In the years since, Canadians, including Reformers, have come to put a high value on our health care system. It is tragic that today health care is under threat from the very same party that introduced it.

Health care is deteriorating rapidly and soon it may no longer be the envy of the world. Our huge debt and deficits and this government's refusal to update the 30–year old outdated Canada Health Act are combining to undermine and gradually destroy the system.

Canadians cherish their health care system. They demand solutions from their government instead of rhetoric that is hauled out of the archives from the 1960s.

Let us hope that in addition to the aluminum smelter museum in Shawinigan, the Prime Minister will not have to consider building a health care museum.

Oral Questions

NATIONAL SPORTS ACT

Mr. Roger Gallaway (Sarnia—Lambton): Mr. Speaker, yesterday this Parliament approved Bill C–212, a bill officially designating ice hockey as our national winter sport and lacrosse as our national summer sport.

Both of these sports have a significant place in Canadian history and are an important element of our culture. Hockey and lacrosse are just as symbolic of Canada as the maple leaf or the *Bluenose*.

The passage of this bill is a good example of co–operation in Parliament and of how MPs on both sides should work together without the cross–checking, holding and interference that usually occur in the House as they do on the ice, on the floor, or on the field.

This bill brings all Canadians together, contributing to our national unity. I am sure that all Canadians will be pleased with the action taken by this Parliament.

* * *

[*Translation*]

ORTHODOX EASTER

Mrs. Eleni Bakopanos (Saint–Denis): Mr. Speaker, this week is Holy Week for Canadians of Greek Orthodox faith. In fact, it is Holy Week for all Eastern Orthodox religions. Sunday is the day we celebrate our Easter.

[*English*]

All over my riding of Saint–Denis, Canadians of Greek origin will be partaking in orthodox Easter traditions such as lamb roasting and dancing, along with traditional foods which will no doubt be in abundance. Families will be united and friends and neighbours of other cultural backgrounds will also share in this special day.

Saint–Denis is a riding where our differences, cultural and religious, are celebrated and exchanged in an effort to better understand one another. I am proud to represent such a riding.

[*Translation*]

I would like to conclude by wishing a happy Easter Day to all my constituents in the riding of Saint–Denis, and to all Canadians of Greek origin. *Kalo Pasha.*

* * *

[*English*]

SAFETY IN THE WORKPLACE

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, today, April 28, is a national day of mourning for workers who have been injured or died on the job.

[*Translation*]

Each working day, four Canadians are killed on the job.

[*English*]

Every seven seconds of every working day a serious injury occurs. Every year workers die from workplace diseases that too often go unrecorded and uncompensated. Health and safety standards and their enforcement continue to be weakened by governments nationally and internationally.

I call on this government to honour this national day of mourning as passed in this House of Commons by fighting for good labour standards for our workers and, in order to honour our workers, that the Prime Minister agree to fly flags at half–mast on this day of mourning for the workers of this country who have lost their lives at work.

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CITIZENSHIP COURT

Mrs. Sharon Hayes (Port Moody—Coquitlam): Mr. Speaker, on April 14 the Minister of Citizenship and Immigration stated: "As vacancies arise, new citizenship court judges will not be appointed". On April 26 the Prime Minister stated: "We are working at substantially reducing the deficit". He referred to the millions of dollars being saved by the citizenship court judge decision.

• (1415)

As a result of the attrition in these appointments the estimated potential savings for this year alone should be in the range of $300,000. However, all attempts to have the estimates in this one department reduced at all to reflect these savings to the Canadian taxpayer have been stonewalled by the Prime Minister's own caucus.

Similar to this government's first budget brought down in February, we continue to hear promises from this Prime Minister but see no action.

ORAL QUESTION PERIOD

[*Translation*]

PATENT DRUGS

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister, I will direct my question to the Minister of Finance.

Reacting to the federal government's intention to reopen the drug patent law, the Quebec minister of industry accuses Ottawa of creating a climate of instability by threatening investments in Quebec. He says that a drug company established in Quebec has already postponed a $50–million investment in research and development because of the federal government's intention to review Bill C–91.

I ask the minister if he admits that the government's announced intention to review this law is already hurting high–tech investments. Does he confirm that, for lack of assurance from Ottawa about the law, a drug company established in Quebec has postponed a $50–million investment?

Hon. John Manley (Minister of Industry): Mr. Speaker, I want to say that the government has already announced its intention to keep our international commitments, as we signed the new GATT agreement and NAFTA.

Moreover, I want to remind the Leader of the Opposition of the provisions of C–91 which he supported. These provisions include a clause to review this legislation. It is already in C–91. The Bloquistes supported this bill. It is more than a little hypocritical for the Leader of the Opposition to say now that the bill is being reviewed.

The Speaker: The word "hypocritical" is somewhat inflammatory. I would ask the hon. minister to withdraw this word "hypocritical".

Mr. Manley: Mr. Speaker, I think it would be rather difficult to understand if I did not use that word. I would never want to give the impression that the Hon. Leader of the Opposition is a hypocrite.

The Speaker: I would just like the hon. minister to take back that word.

Mr. Manley: Certainly, Mr. Speaker. I withdraw that word.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, the main thing is to determine whether or not this government will reopen the law before it is due for review.

I have here in front of me a Canadian Press article published in *La Presse*, according to which the minister said on April 26 that he would review the drug patent law. We know very well that this law is not to be reviewed until 1997. We in the Bloc are very proud to have voted for a law that will give Montreal an extremely important pharmaceutical research centre—

Some hon. members: Hear, hear.

• (1420)

Mr. Bouchard: —prouder no doubt than the Liberal Party, which waged a fierce battle to prevent a real pharmaceutical research centre from being created in Montreal.

I ask the minister to tell us today in this House if he does not think he should reassure the pharmaceutical industry and if he is considering announcing once and for all that he will not call into question the 20–year patent protection, whereby a drug developed and patented by a company cannot be copied by others. I ask him to make that commitment here in this House today.

Hon. John Manley (Minister of Industry): Mr. Speaker, as I just said, we are very aware of our commitments under GATT and NAFTA. That is the basis of our position.

[*English*]

I want to make perfectly clear to the House and to Canadians that this government is not going to be blackmailed by threats. We made one simple commitment during the election campaign on Bill C–91 and that was that we would review it.

As I explained yesterday both here and to the media, that review consists of looking at the impact on prices of prescription medications and on looking, second, at the fulfilment of obligations made to the previous government with respect to investment and research and development.

If the Leader of the Opposition considers it to be inappropriate for governments to monitor performance resulting from the passage of important pieces of legislation like that, why does he not get up and say that companies no matter what kind of companies they are can do whatever they want? We believe that the best interests of Canadians need to count first. That is what the government is endeavouring to do.

[*Translation*]

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, there is nothing worse in politics, as in other fields, than ambiguity, and I would like to give the minister the opportunity to clarify specifically any ambiguity there might be.

Bill C–91 contains a statutory requirement for a review of the provisions and application of the law in 1997; a statutory review is planned for 1997.

I understood the minister to say that he will reopen the law before the 1997 deadline. If so, let him tell us clearly: Will he wait until 1997 or will he review it before then by a decision of the Liberal majority in this House?

[*English*]

Hon. John Manley (Minister of Industry): Mr. Speaker, the Leader of the Opposition seems to be very nervous about this. At least he is now acknowledging that he supported a review of the legislation. It is indeed as he says scheduled to take effect no later than the fourth anniversary of the passage of the bill which would be the spring of 1997 as he indicates.

I think it would be fair to say that it is appropriate for the government to monitor the results in the areas I have mentioned in the course of performing this review. Perhaps we will have a look at the results of that monitoring and will be able to give a precise answer to his question later on.

Let me say this as well. If anyone wants to talk about what is causing instability in the investment climate in this country, one does not need to look beyond the Leader of the Opposition.

[*Translation*]

Mr. Michel Gauthier (Roberval): Mr. Speaker, we gather from the Minister of Industry's response that he intends to review the legislation immediately and that is why he has made that announcement. That is what his response leads to believe.

My question is directed to the Minister of Foreign Affairs. You will get a chance to respond. Just hear the question, then you will get to answer it.

Reacting yesterday to remarks made by the Quebec minister of industry and commerce, Mr. Gérald Tremblay, who was outraged to see the federal government create a climate of instability detrimental to Quebec, the Minister of Foreign Affairs said that, instead of getting all excited, Mr. Tremblay should have contacted him and he would have put his concerns to rest.

• (1425)

In light of the statements made by the minister of industry and commerce, should the Minister of Foreign Affairs not take this opportunity to make a reassuring statement in this place for all of Quebec and Quebec's pharmaceutical industry to hear?

Some hon. members: Hear, hear.

[*English*]

Hon. John Manley (Minister of Industry): Mr. Speaker, every time I hear a question from the hon. member for Roberval it calls to mind the words from *Macbeth*: "a tale told by an idiot full of sound and fury signifying nothing".

Some hon. members: Hear, hear.

The Speaker: I would appeal to all hon. members to sort of lower our tone in the questions and also the words we use.

I would appeal to all hon. members both in the questions and the answers to please tone down our voices and possibly not crank up the rhetoric. I would appeal to all hon. members so that we can get the questions and answers in today.

I take it that the hon. Minister of Industry is finished with his answer.

[*Translation*]

Mr. Michel Gauthier (Roberval): Mr. Speaker, the public can see for themselves. These proceedings are televised and widely broadcasted. They know what we are getting at. We know why the Minister of Industry is nervous. He has nothing better to do than to respond by insulting Quebec's legitimate demands.

Some hon. members: Hear, hear.

The Speaker: I would ask the hon. member to put his question through the Chair.

Mr. Gauthier (Roberval): Mr. Speaker, we are concerned to see the Minister of Foreign Affairs answer out of order and then fail to respond when questioned. Can the government, the Minister of Foreign Affairs, the Minister of Industry or the Minister of Finance, one of the them, respond and tell us why the people of Quebec should trust ministers of the government that guided Bill S–31 through the House, a bill which tied the hands of the Quebec Deposit and Investment Fund and curbed Quebec's growth? Why should we trust these people? We want an answer from the minister.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I must point out that it is impossible for the Minister of Foreign Affairs to answer questions on matters that do not fall under his administrative responsibility. He could easily provide an appropriate answer, but the Standing Orders of this House do not allow him to respond.

I could add that the three ministers referred to by the opposition leader have demonstrated that they have obviously been working and will continue to work in the best interests of Quebecers and Canadians in general. And this work will continue to be positive and to promote the interests of Quebecers and Canadians. That has been clearly demonstrated, and the opposition's questions are not disproving anything.

* * *

• (1430)

[*English*]

HEALTH CARE

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, since you permitted a quotation from Shakespeare I am sure you would permit one from Edmund Burke that says: "Just because a few grasshoppers under a fern make the field ring with their importunate chirping, whilst thousands of great cattle repose beneath the trees chew their cud and are silent, please do not believe that those who make the noise are the only inhabitants of the field".

Some hon. members: Hear, hear.

Mr. Speaker: If I may quote one of the great Speakers of the House of Commons, would the hon. member please put his question?

Mr. Manning: Mr. Speaker, my question today is for the Minister of Health. Yesterday the Prime Minister acknowledged that there are serious problems in Canada's health care system, but in the same breath he refused to consider the most obvious measures to help our health care system to survive.

My question for the health minister is this. If the federal government cannot maintain its financial support of health care, and if it will not amend the Canada Health Act to allow the provinces more flexibility in paying for health care, how then does the minister propose to solve the problem of financing health care in Canada?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I thank the hon. member for his question. It gives me the opportunity to set the record straight.

Actually the best news of the past budget was the fact that transfer payments in health care were not cut. It was the one area that was not. We guaranteed stability over the next few years. As matter of fact transfer payments will be allowed to grow somewhat over the next few years.

In light of the fiscal problems we are facing, that should send a very positive message to all Canadians, that our health care system is one we value above all else.

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

I thank the minister for her reply. However it does not take a brain surgeon to figure out what is at the root of the financing problems of health care. The total health care bill in Canada is now over $70 billion with the provinces paying 46 per cent of that bill, individuals and private insurance companies paying about 28 per cent and the federal government now paying about 23 per cent. The federal government is no longer the senior partner in health care financing. It has become a junior partner.

Will the minister today admit that health care transfers are now insufficient to permit the provinces to meet the demands of the Canada Health Act? Will she commit to amend the act to give the provinces the flexibility they need to finance the major portion of the bill?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, hard working Canadians who live by the rules, who pay their taxes, gave us a very strong message during the last election. They believe in the health care system as it is governed by the Canada Health Act. That is our mandate and we will maintain it. There is a role for the national government.

I would like to take this opportunity to tell all Canadians that there is someone here, there is a government, that will make sure they get health care not based on the size of their pocketbooks but based on the fact that they are sick.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I have one further supplementary question.

The minister's answer leaves Canadians wondering what it would take to convince the government that health care financing and the Canada Health Act need to be reformed. How many more hospitals have to be closed down? How much longer do the waiting lines have to become? How many more Canadians have to go to the United States for health care?

• (1435)

How much further does the health care system have to deteriorate before the government will agree to reform the Canada Health Act and the financing of health care in Canada?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, there is no doubt in my mind and in the minds of most Canadians that the health care system is one of the best. It is far better than what you find south of the border.

Not only is it one of the best but it has given us a great economic advantage. We will not reopen the Canada Health Act in the short term. We are here to make sure that what we value as a party, as a country, is maintained.

There will have to be some changes, and change is always difficult. But it does not mean we have to let go of the principles we really believe in.

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[*Translation*]

REGIONAL DEVELOPMENT

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Finance who is also responsible for regional development in Quebec.

The red book emphasizes the importance of developing companies in high-tech sectors. The Liberal Party has promised to increase incentives for leading-edge industries. We were therefore amazed to hear that the government plans to revise and, in effect, weaken Bill C-91, the drug patent bill.

My question is this: How can the minister co-operate with the Minister of Industry on a strategy that will have a disastrous and devastating impact on brand-name manufacturers in the pharmaceutical industry who invest massively in research and development and are mainly located in the Montreal area, where the Minister of Finance has his riding?

Hon. John Manley (Minister of Industry): Mr. Speaker, Bloc members are having a hard time understanding the answers to the questions. As I just said, first of all, we are very much aware of our commitments under GATT and NAFTA. Second, it is very important for us to review the performance of companies on the basis of their commitment to invest in research and development, and we also have to—

Some hon. members: Oh, oh.

Mr. Manley: Mr. Speaker, they are not interested, and they are not even listening to the answers. Maybe that is why they do not understand.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, a supplementary for the Minister of Finance and minister responsible for the Federal Office of Regional Development—Quebec, and I hope he will give me an answer. I would like to point out that the minister, unlike his Liberal colleagues at the time, did not vote against Bill C-91 because he knows how important it is for Montreal, and I commend him for that.

Some hon. members: Oh, oh.

Mr. Duceppe: Mr. Speaker, I want to ask the minister whether he will finally speak for Quebec in Cabinet and defend this important industry in the Montreal area by rejecting out of hand any changes that would weaken the patent legislation. Will the minister take a stand to defend the interests of Quebec and Montreal against his colleagues or will he remain silent and let the ministers from Ontario go ahead and undermine Quebec's interests?

[*English*]

The Speaker: The question should be addressed to the minister having the administrative responsibility for a particular dossier and I go to the Minister of Industry.

Hon. John Manley (Minister of Industry): Mr. Speaker, this is a continuing campaign of confusion and obfuscation by the Official Opposition. The member's question implies that this issue simply divides along the Ottawa River. This is simply not correct.

The brand name pharmaceutical industry is as important in the province of Ontario as it is in the province of Quebec. In addition the generic industry exists in the province of Quebec as it does in the province of Ontario.

• (1440)

Furthermore, Canadians in all parts of the country are profoundly concerned that governments look to the companies involved in this industry, first of all to live up to the obligations that they entered into. Second, Canadians in all parts of the country are concerned about the impact of drug prices on our health care system.

If members of the Bloc Quebecois are not interested in these things, that is for them to say. However, as to the commitment of the government to an innovative economy, that is clear and will be pursued by this government with vigour and determination across Canada.

* * *

HEALTH CARE

Mr. Keith Martin (Esquimalt—Juan de Fuca): Mr. Speaker, my question is for the Minister of Health. I can assure you, Mr. Speaker, that our health care system is sick and the way to find out is to go to a hospital.

Recently in my province of British Columbia the Prince George Regional Hospital had to close one-third of its beds. Vancouver General Hospital has closed 108 beds. Calgary General Hospital is being closed down and the lights are being turned out on Calgary's children's hospital, all because of a lack of funds.

Because of the Canada Health Act rules and regulations, the only solution to the health care problem the minister has offered to the provinces is to withhold health care funding to rationing and bed closures.

Does the minister offer any other alternatives to health care funding in this country?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, no doubt there have been problems in transfer payments. We have had a different government. Now we are back to protect the people of Canada.

There are many new techniques nowadays which often mean we do not need to use all the hospital beds. To go out and spread fear among the population is wrong. We still have a very good system. We are going to work together to make it better and to renew it. That is why we are going to have a national forum on health.

Mr. Keith Martin (Esquimalt—Juan de Fuca): Mr. Speaker, as a physician and surgeon who works in hospitals, if you are sick and need a hospital bed and cannot get it, that is a tragedy that does not belong in this great country.

Yesterday the minister told the provinces she is going to withhold $750,000 per month in transfer payments for health care. That is $750,000 less to treat the people of British Columbia which means longer bed closures, less care for the sick and the elderly and people are going to die.

We must get our heads out of the sand. What is the minister going to do and what alternative does she have to get health care and Canada on firm financial ground? It needs immediate care now. What is she going to do about it?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, we have the law of the land which is very specific. If a previous government chose not to follow the law, then that was wrong.

This Minister of Health and this government take our responsibilities very seriously. We will follow the letter of the law. We will also send a message out that extra billing is wrong. It is wrong because it hurts those who need help. Believe me, I will fight to make sure that people who are sick get treatment based on their illnesses, not based on the size of their wallets. Any extra billing is a tax on illness and that is wrong.

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[*Translation*]

MIL DAVIE SHIPYARDS

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, Ottawa has yet to announce its decision

regarding the construction of a new ferry to service the Magdalen Islands. This project would certainly put MIL Davie shipyards in Lauzon back on track.

Yesterday the Quebec minister of industry criticized the federal government's attitude and stated the following: "We are entitled to have our ferry and to have it built here in Quebec. All of a sudden, the federal government has taken an interest in this ferry and wants to award the contract to a shipyard outside the province".

• (1445)

My question is directed to the Minister responsible for the Federal Office of Regional Development—Quebec. Can the minister give us his assurance that he will do whatever it takes in order to get the Prime Minister to rein in his Minister of Transport so that he does not play politics at Quebec's expense and divert the contract to build the ferry from MIL Davie in Lauzon to Saint John Shipbuilding Ltd., which happens to be located in the Minister of Transport's own province?

[*English*]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, this question has been asked many times in the House of the Minister of Transport and of the Minister of Industry. The Minister of Transport is looking at all options available for the replacement of this ferry.

No decisions have been made. We will take all considerations into account and when a decision has been made we will advise the House.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, we wonder if there really is a Minister responsible for the Federal Office of Regional Development—Quebec.

Are we to understand from the minister's silence that he agrees with the statements of the Minister of Transport? Is that why the Prime Minister refused to make any specific promises to the shipyard workers in Lévis during the last election campaign?

Hon. John Manley (Minister of Industry): Mr. Speaker, we are extremely aware of how important MIL Davie shipyards are to the Quebec region.

As the hon. member knows full well, both the federal government and the Quebec government have received a business plan and we are prepared to consider it as part of a long–term plan for the commercial viability of MIL Davie.

However, I have no doubt that the hon. member agrees with the following statement: "I hope that this policy, which calls for the rationalization of shipyards, will adhere to the fundamental principle which the government has always defended, that is the principle of free enterprise. Any other approach would only lead to lame duck solutions, and this would be to the detriment of a shipyard that already enjoys a competitive position".

These words were spoken by his colleague, the hon. member for Richelieu.

* * *

[*English*]

HEALTH CARE

Mr. Grant Hill (Macleod): Mr. Speaker, my question is for the Minister of Health.

In my home province of Alberta there are some creative alternatives to the problems of the health care system. For example, the world renowned private Gimbel Eye Clinic provided cataract surgery to 3,500 people last year. That is one–quarter of the cataract surgery done in Alberta.

In her zeal to enforce the three–decade old Canada Health Act does the minister propose that 25 per cent of cataract patients line up in a longer line?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, let me set the record straight here. When people go to the Gimbel Eye Clinic they pay a facility fee. It costs approximately $1,000 for a person to go there.

What this means is that a person who has money can get the cataract surgery ahead of others, but the person who really needs it and probably does not have the money has to wait a lot longer.

What does that $1,000 do? Does it add to hospitals? Does it help the system do a better job? Does it foster better utilization of what we have in place? No. It allows someone to get richer.

Mr. Grant Hill (Macleod): Mr. Speaker, let me debunk the myth that these are wealthy people going to the Gimbel Eye Clinic. These are senior citizens, citizens who cannot see, cannot watch television and cannot read. They are not rich. They are poor.

The message the Minister of Health is giving us is that she cares more about the law of the land than the health of the land, and that is wrong.

* * *

• (1450)

[*Translation*]

QUEBEC'S CHIEF ELECTORAL OFFICER

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, last night at a $250–a–head Liberal fund raising cocktail party in Quebec City, the Minister of Foreign Affairs publicly attacked the credibility of Quebec's Chief Electoral Officer. He described Mr. Côté's warning with respect to federal parties' involvement in the next campaign as a biased and partisan attack.

The Speaker: These questions do not deal with the administrative functions of the government. Perhaps the hon. member could rephrase his question so that it refers to these functions; his question would then be in order. The hon. member for Portneuf.

Mr. de Savoye: Mr. Speaker, do you not think that the minister should realize that he is going against the commitment made by the Prime Minister on Tuesday that his government would respect Quebec's election law and that his attack is petty and contradicts what the Prime Minister promised, a petty attack against the Chief Electoral Officer who, as you will agree, oversees a fundamentally important institution in the democratic life of Quebec?

The Speaker: I am sorry but in my opinion this question does not deal with the purely administrative functions of the minister who is here. I think the question is out of order. If the hon. member has another question, would he please ask it?

Mr. de Savoye: I have already asked two questions. Mr. Speaker, if the Prime Minister had been here, I would have been happy to ask him a question, but he is not here.

* * *

RWANDA

Mr. Bill Graham (Rosedale): Mr. Speaker, my question is for the Minister of Foreign Affairs and it concerns Rwanda.

Canada's reputation in Africa is very good. Therefore, why not use our good offices with international institutions, particularly the Organization of African Unity, to establish a humanitarian corridor and allow the 20,000 people currently stranded in Kigali to leave and seek refuge in Tanzania, until the situation stabilizes and the slaughter ends?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker. I am pleased to answer a question which concerns my department and which is asked pursuant to the rules of this House.

I want to confirm to the hon. member that our official in Addis–Abeba made representations to the Organization of African Unity, asking it to get more involved in finding ways to help a population decimated by this totally unacceptable civil war.

I can assure the hon. member that Canada is prepared to participate in a humanitarian mission in that part of the world, which needs it badly.

[*English*]

YOUNG OFFENDERS

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, my question is for the Minister of Justice.

Four years ago a young offender by the name of Danny Perrault was convicted of manslaughter in youth court and received a three–year sentence. Last year he was transferred to minimum security in an adult provincial institute to serve a sentence for being unlawfully at large from the youth detention centre.

Mr. Perrault walked away from the minimum security facility and before being arrested he committed a brutal sexual assault. Earlier this year he received a 14–year sentence for that crime, which he is appealing on the grounds the judge gave undue consideration to the protection of society.

Will the minister send an unequivocal message to the Canadian legal profession, as well as to the Canadian public, that the protection of society is a primary concern of the criminal justice system?

● (1455)

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, there are three points in response.

First, as the hon. member knows, because I have said as much in the House, we propose to bring forward specific changes to the Young Offenders Act within the coming weeks as we undertook to do during the election campaign in order to deal more effectively with crimes of serious violence. The steps we will propose will be intended in great part to meet the concerns addressed by the hon. member in her question.

Second, as to the facts of the specific case, I ask the hon. member to bear in mind that while that issue is raised in the appeal, the statute as it exists at present provides expressly that protection of society is one of the governing principles of the Young Offenders Act and is to be taken into account.

Third, we do not think for a moment that violent crime is going to be resolved in this society by tinkering with statutes or changing acts. The fact of the matter is that the criminal justice system itself is not going to end violent crime. It only deals with the consequence of underlying social problems. It is crime prevention that must have at least the equal focus of the House of Commons.

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, my supplementary question is for the Solicitor General.

It was recently reported that despite the fact Danny Perrault has twice terrorized the greater Vancouver area by being unlawfully at large, current parole legislation would permit him to go on unescorted day parole as early as December this year.

Is the minister prepared to change the parole legislation to ensure the Canadian public that protection of society is a primary concern of the criminal justice system?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I have already indicated to the House and to the Standing Committee on Justice and Legal Affairs that I intend to bring forward legislation very soon to update the parole system and the correction system in light of a number of public concerns.

In that connection I want to confirm what I have already said: The priority will continue to be the protection of the public.

* * *

[*Translation*]

REGIONAL DEVELOPMENT

Mr. Paul Mercier (Blainville—Deux-Montagnes): Mr. Speaker, I will address my question to the Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec on the off-chance that he will have something to say today.

The government, which told us yesterday that it has already spent $6 million on studies regarding the high-speed train, is hiding behind some future study to avoid taking position on the HST project, or even approving it in principle. The government showed its lack of interest in VIA Rail's proposal.

How can the government, which claims to make job creation a priority, show so little interest in a major project that could create some 120,000 jobs in a high technology sector?

[*English*]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in answer to the member's question with regard to VIA, yesterday the Prime Minister as well as the Minister of Transport indicated to the House that the $6 million report that is awaited and being done by three levels of government, the Quebec, Ontario and federal governments, is due some time this summer.

At that point the government will study the opportunities and the alternatives available to it to look at the very intriguing project of high speed rail.

We are not discarding anything, but it would be premature to say anything at this point until such time as the study was complete. Then we would be willing to work with all members of the House to see whether or not it is viable and feasible for the country.

[*Translation*]

Mr. Paul Mercier (Blainville—Deux-Montagnes): Mr. Speaker, that is what you get for trying too hard.

Will the Prime Minister recognize that the HST project, considering the type of equipment required and the type of jobs created, fits perfectly in a strategy for the reconversion of the military industry, which is a commitment made by the Liberal Party in its red book and that is yet to be fulfilled?

• (1500)

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the Bloc Quebecois constantly talks about the need to co-operate with the provinces. The high speed train is a project we are looking at closely with the governments of Quebec and Ontario, and this is why these studies are necessary. Consequently, if we are to follow the advice of the Bloc, we should wait for the results of the studies and review these very carefully. As the member for Windsor, I can assure you that I have a real interest in this issue.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

Mr. John Williams (St. Albert): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Human Resources Development.

It was reported in the *Globe and Mail* that the government paid out $440 million in unemployment insurance benefits due to fraud, abuse and mistakes in 1993. An internal investigation and control audit identified a study which pointed to a better focus on who abuses UI, but the use of this focus was prohibited because it contravened the Charter of Rights and Freedoms.

Will the parliamentary secretary confirm that the Charter of Rights and Freedoms, which was set up to protect law abiding Canadians from abuse by government, is once again being used to protect criminals at the expense of ordinary and law abiding Canadian citizens?

Hon. Ethel Blondin-Andrew (Secretary of State (Training and Youth)): Mr. Speaker, as you well know the people on this side of the House are the architects of the Charter of Rights and Freedoms and we have a great deal of respect for the charter. Everything that the government undertakes does reflect that.

In reply to the question, that is a very specific question on which the minister has taken action. Of course everything we do upholds the charter. The full weight of the charter stands.

The Speaker: My colleagues, I have notice of two questions of privilege which I am going to hear.

I would appeal to all members in putting forth their points of privilege to be reminded that privilege is very narrow in scope. I would ask hon. members to identify the point of privilege which has in some way been impeded so that I might get a better idea of just what is the point.

I go first to the hon. Minister of Foreign Affairs on a point of privilege

* * *

[*Translation*]

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I fully understand your desire to ensure that all members of this House enjoy the same privileges. I raise this question because I believe my privileges as a member of this House were breached during Question Period.

As House Leader for the Official Opposition, the member for Roberval should be familiar with the Standing Orders and should know that these prevail during Question Period. The fact that he would put questions to a minister concerning a field for which he is not responsible is not, in itself, an abuse of his right to ask questions since another minister, the responsible minister, may answer the question.

Where I feel my privileges were breached during Question Period, and I would think the same was true for the Minister of Finance, was not when opposition members rose and put questions to us, knowing full well that we could not answer them because they were not related to our ministerial responsibilities. Other ministers simply took it upon themselves to answer the questions.

• (1505)

I feel my privileges were breached when, in the preamble to their questions, both the member for Roberval and the member for Laurier—Sainte–Marie made some gratuitous statements to the effect that as a member and a minister from the province of Quebec, I was avoiding answering the question and leaving this task up to another minister from the province of Ontario.

It is totally unacceptable to allege dereliction of duty on the part of a member of this House. By making such an allegation, the members for Roberval and Laurier—Sainte–Marie were hoping to cast in a negative light my work as a minister and as a member of this House who defends the interests of his constituents.

In conclusion, I ask that you reflect upon this situation and review the questions put earlier by the opposition. I think it is important that you check the blues. As the saying goes, when you lie long enough, the lie becomes the truth.

The Speaker: I will certainly reread the blues and Hansard.

Some hon. members: And the newspapers.

The Speaker: Order.

I will take this matter under advisement and get back to the House with—

Some hon. members: Good.

The Speaker: Order.

I will check Hansard and get back to the House with my ruling tomorrow.

The hon. member for Roberval on a question of privilege.

Mr. Michel Gauthier (Roberval): Mr. Speaker, I have a question of privilege and a point of order.

If I may, I will start with the point of order since it is directly related to what has just been said.

Mr. Speaker, I would like to have your opinion, which is part of your mandate, because my colleague raised the question of privilege in reference to comments made by a government minister. I admit that he may not have been speaking about something which falls within his area of responsibility but that is not my problem. I can question as I see fit, and my colleagues can also question any comment made by a member of the government because they are supposed to act responsibly. If they do not, that is a different problem.

I would like you, Mr. Speaker, to rule on this, and take the time to do the necessary research, so we can know whether the Opposition is allowed to question in accordance with Standing Orders any member of the government who has made a public statement, even if this statement is not directly related to his or her department.

I would like to have your opinion on this at your convenience and, if I may, I will now move on to my question of privilege.

The Speaker: I will make enquiries. I will get back to the House and give you my opinion.

Mr. Gauthier (Roberval): Mr. Speaker, the breach of privilege committed in this House has to do with the industry minister's comments, which I find totally unparliamentary, unworthy of this House and unacceptable. In his comments, the minister tried or seemed to criticize my attitude or the way I phrased the question or the way in which he perceived me.

• (1510)

I find it totally unacceptable that, within the framework of the parliamentary game, a government minister's only way of defending himself against the verbal jousting and the questions asked in this House is to try to humiliate, discredit and or be rude to a member of this Parliament.

Mr. Speaker, I would like to tell you that, as the Opposition House leader, I think that the Minister of Industry has violated these privileges and I demand that he withdraw his comments without further ado. That is what I demand.

The Speaker: As you know, I do not remember everything that has been said today but, for my colleagues, I will certainly go over what was said in context. I will take the request of the hon. member for Roberval into consideration and get back to the House with my decision.

Hon. John Manley (Minister of Industry): Mr. Speaker, I would like to give a short response.

[*English*]

There are many traditions in this House. You, Mr. Speaker, are the master of the rules of this House and you rule. I do not think this is a point of privilege but perhaps a point of order that is being made.

Surely we deprive this House of a great deal if it becomes inappropriate for a member of Parliament to recall a famous quotation from the Bard himself in response to a situation that arises.

The Speaker: I will take under advisement the interventions of members of both sides. I am not sure we have a point of privilege but I will treat it as either a point of privilege or point of information.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, unlike the minister, we do not want to make it into a cultural issue. This is about the privileges of the hon. member for Roberval. On the subject of culture, I could quote Confucius who said something along the line of culture is like jam; the less you have, the more you spread it.

Some hon. members: Oh, oh.

The Speaker: Order, please. At this rate we are going to start singing songs.

[*English*]

I want to take a point of order from the member for North Island—Powell River with a correction.

* * *

POINTS OF ORDER

MEMBERS STATEMENTS

Mr. John Duncan (North Island—Powell River): Mr. Speaker, yesterday under Standing Order 31, Statements by Members, I talked about a new federal building of 120,000 square feet. I would like to correct the record. The correct number is 40,000 square feet. In my metric conversion I cubed rather than squared.

The Speaker: Your point of order will be corrected in *Hansard*.

The question on business of the House. The hon. House leader. First we need to have a question and then we are going to have an answer.

[*Translation*]

Mr. Michel Gauthier (Roberval): Mr. Speaker, before you recognized me to I could put that question, I indicated to you that I would have a previous question. It is a simple inquiry about the question of privilege I have raised.

I just wanted to ask you—and it is perfectly in order—if, after ascertaining what words were spoken by the Minister of Industry, you found that the minister had indeed exceeded his rights as a parliamentarian and made unspeakable remarks, I just wanted to know if you will then ask that he withdraw his remarks, as I have requested?

• (1515)

The Speaker: As I said earlier, I will review the matter because I do not remember the exact words.

If unparliamentary language was used, I will then make a decision based on this review.

* * *

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval): Mr. Speaker, I would like to ask my hon. colleague, the government house leader, what the business of the House will be for the days to come.

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, in giving the weekly business statement I want to assure all colleagues and you that I will not say a word about the subject of culture.

Tomorrow the House will resume consideration of second reading of Bill C–22 regarding Pearson airport. If that is completed we will continue with second reading of Bill C–16 respecting the Sahtu agreement.

If on Friday we have completed second reading of Bill C–22 and C–16, only then on Monday will we consider second reading stages of Bill C–23 regarding the Migratory Birds Act, Bill C–24 respecting the Wildlife Act and Bill C–12 regarding the Canada Business Corporations Act.

Tuesday, May 3 and Thursday, May 5 shall be opposition days. On Wednesday the House will resume debates that have already been commenced. I want to consult with my colleagues opposite about this business at our regular weekly meeting of House leaders next week.

This concludes my statement.

Supply

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—AGRICULTURE

The House resumed consideration of the motion.

Mr. Alex Shepherd (Durham): Mr. Speaker, it gives me great pleasure to rise in the House this afternoon to speak against the motion by the hon. member for Québec–Est.

Part of that motion talks about the government's lack of action in the agricultural sector. I find this an insult to our agricultural sector. I do not believe that farmers have the intention of coming here with their hands out looking for favours from our government.

I would like to talk about my riding, the riding of Durham, which is a large agricultural sector. It includes Uxbridge, Scugog township, Bowmanville and Orono. These places are well known for their agricultural background and indeed not only in the riding but throughout Canada. They show their cattle at the local royal agricultural fair and compete with some farmers from Quebec.

In my riding agriculture is the second largest industry, second only to General Motors.

My years of living with these people and acting as an adviser to them and farming myself has taught me of their great independence and integrity. They do not depend on government to run their local every day operations. Today I am sure that many are out on the land cultivating and preparing for their spring crops.

What is the role of government and how does it interact with our farming community? What has the government actually done to foster this development?

I would like to talk about three basic areas. One is trade. As some will know, we have just recently culminated our trade negotiations in GATT in which we have had a change in our system from the supply management system to a tariffication system. We spent a great many days and hours in this House debating these negotiations. Indeed, our agriculture department has been involved on an hourly basis dealing with this.

● (1520)

This even continues after the culmination of GATT as we try to get side agreements with the Americans dealing with some of our problems with durum wheat and so forth. In fact, the government has been committed to representing the interests of farmers. I can assure members that the farmers in my riding that I have talked to are indeed happy and proud that our government has stood up for their interests. They realize they did not get everything they wanted from the GATT negotiations.

Having said that, I go back to my original premise. They are proud and independent people. They look at the GATT negotiations and the new trade opportunities as great challenges for Canadian farmers. They look at things like NAFTA and new markets created both in the United States and now in Mexico.

Only last week a number of farmers attended at my office. Their promotion was not that they were upset with the actions of the government, indeed not. They wanted to attend a trade negotiation in South America. They wanted to find out more about bean farmers in South America. I am happy to say that I transferred those comments to the Minister of Agriculture and Agri–Food who is considering this.

Another of these farmers had realized the great opportunities presented by the North American market and developed a food processing plant. Many of the farmers in the area got together to support this. This production facility which basically fast freezes vegetables ships 100 per cent of its output into the American market. These are great opportunities that our farmers are realizing.

I would like to speak of another area to do with research and development and our government's commitment to Canadian farmers in the areas of research and development. Our ability to innovate depends on a commitment to research. Agri–food research has produced some exceptional economic gains for Canada.

Perhaps the best example is the development of canola. From humble origins as rapeseed grown during the Second World War to produce a marine lubricant, canola has become one of our most important export crops worth almost a billion dollars.

The Cinderella story of canola is well known but it is still worth noting that researchers at Agri–Food Canada used selective breeding to reduce or eliminate undesirable aspects of the oil and produced a high quality oil substitute for human consumption.

There are many other good examples of innovative thinking in agri–research. For instance the research centre in Lennoxville, Quebec has adapted a technology that helps detect a generic mutation in pork that reduces quality. This technology will help pork producers sell their products into lucrative markets but also very selective markets in Asia.

I should interject at this point to note that as we stand here the Minister of Agriculture and Agri–Food is in southeast Asia promoting new markets for Canadian agricultural producers. I am proud to say that I have taken some of those initiatives to heart in my own riding and suggested to some of our dairy producers who export cattle around the world that they should also be focusing on southeast Asia.

Furthermore, I would like to mention that CIDA has an agricultural dairy operation testing in southern China at this very moment. We hope that some of the benefits that will flow

out of that are increased cattle production and shipment to China.

Carrying on with research and development, the Saskatoon Research Centre has developed a new type of sunflower called sunola that is heat and drought resistant. This crop can be grown further north than regular sunflowers and produces a healthier oil. Contract production began in Saskatchewan in 1993 on about 100,000 acres.

The department is also a major player in the development and application of biotechnologies like natural pest controls for the improvement of agriculture and agri–food products.

In these times of fiscal restraint expanding our budget for agri–food R and D is just not possible. But the minister has made a firm commitment to maintain current research funding levels by absorbing administrative costs in other parts of his department.

• (1525)

At the same time the department is ensuring that research priorities are driven by market opportunities. Better focused R and D is critical to global competitiveness and economic growth. It is now increasingly important for us to develop low cost processes and the new products we need to capture new markets. The future holds great opportunities and potential gains for biotechnology and from value added non–food products such as ethanol.

Canada is not alone in this field. Our agri–food sector has a lot of competitors. While Canada has a strong record on public investment and R and D our competitors invest more overall, that is public and private sector research and development, than we do.

The main challenges the government faces are to keep R and D funding at least at current levels to ensure that research priorities are driven by market opportunities, to stimulate industry investment, to look into ways of increasing the accessibility of venture capital for new products and development, to ensure that the right technologies get to the right people as quickly as possible.

R and D unlike other expenditures cannot be turned off like a tap. It requires careful planning. Because of inadequate support for research in the past, Canada has already missed the advantages of leadership in some areas. They will change policies that act as disincentives to the private sector in investment in agri–food technologies.

I would like to go on to a further section and that is to deal with our taxation policies. In Canada we have a very favourable tax policy toward farmers. It is called cash basis accounting. It means that you can buy cattle and so forth and write them off for tax purposes. This has existed in Canada and indeed Quebec for many years. It allows our farmers to build up big inventories of cattle and livestock without paying any income tax. This program of course is being continued by our government.

I look also toward the last budget. There was much talk about losing the $500,000 exemption for farmers. I am proud to say that our finance minister has listened very well to the needs and concerns of farmers and kept this in place.

I note also that we are debating through the finance committee, of which I am a member, the GST. One of our major concerns is to reduce and to avoid taxing farmers and try to make that tax simpler for farmers so that they do not have to get involved with the accounting and so forth for it.

As you can see, Mr. Speaker, almost everything the government has done has been for the best interest in advancing the best interests of farmers.

I would like to go back to where I started and that is that this motion is inconsistent and makes farmers feel they have to be dependent on government for everything. This is just not the case and it is unworthy of Canadian farmers.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est): Mr. Speaker, I appreciate the hon. member's remarks. Today's motion does not really deal with research and development in Canada, but with the department of agriculture's lack of spine, its lack of leadership, and the lack of direction in agriculture.

It is quite true that in the R and D sector, scientists across Canada are making all kinds of discoveries, and that is good. Developments regarding new varieties of wheat and seeds are desirable. As a matter of fact, we would like the government to find more funds to support R and D. As the hon. member mentioned, the opening of new markets depends first and foremost on R and D.

The government is lacking initiative even when it comes to R and D, the member admitted it himself; investments in that area have been frozen. If it really had the interests of farmers at heart, the government could at leat increase its funding of R and D for agriculture. I repeat, the motion does not deal with Canadian R and D, but with the government's lack of leadership and initiative. We could give you many examples of this lack of initiative such as the negotiations with the United States for which some Liberal members tell us that the government has taken a tough stand, when we know that in fact they are completely caving in.

• (1530)

[*English*]

Mr. Shepherd: Mr. Speaker, I want to thank the hon. member for his comments. I am as sure as we breathe here today that Agriculture Canada is undertaking research and development. The hon. member is probably correct in the sense that we cannot

increase funding and many aspects of our government have been curtailed. That is just the way it is.

I can assure the member that research and development continues as we breathe today. Indeed I find it very hard to accept this concept of lack of initiative. As we stand here the minister of agriculture is in southeast Asia promoting new markets for agriculture in Canada. It seems unbelievable that the member would think this way.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my distinguished colleague across the way who just gave us this very excellent discourse is an accountant by profession. Obviously he knows how to count things well and proper.

I wonder how he can reconcile for me the Bloc Quebecois policy whereby on the one hand it is saying today that we must reduce the number of specialists in agriculture and hire—as the member for Quebec–Est said this morning—more farmers to be in the agriculture department. A couple of hours later it was saying hire more scientists in agriculture, which is the opposite of the previous argument.

I wonder if he can also tell us what he thinks as an accountant of a party that asks us to decrease overall budgetary expenditures and at the same time today is telling us that we are not spending enough.

Can he reconcile that kind of accounting for us, because I am having some difficulty. Perhaps the professional judgment of my colleague across can help us understand this Bloc Quebecois modern math.

Mr. Shepherd: Mr. Speaker, I thank the hon. member for his question. Of course I do not know if the math in Quebec is different from that in the rest of Canada. It appears that perhaps it is.

I do not know how it balances things from one hand to the other. It seems that it lives in a different world than we do. It must be a great place to be, it must be a tremendous fairy land in some ways where you can have your cake and eat it too constantly. I find that very hard to believe. I think we have to have a more honest approach to these problems. I am sure farmers in all of Canada want a more honest approach.

Mr. Charlie Penson (Peace River): Mr. Speaker, I certainly welcome this opportunity to speak on this very important issue of agriculture.

My family and I are actively involved in operating a 1,100 acre grain farm in northern Alberta and so agriculture is very near and dear to my heart. Agriculture is important to my riding of Peace River as well because it is a very large industry. No one has any doubt that agriculture is crucial to Canada.

Although Canadian farmers have been hard hit with a trade war that has lasted many years, in 1992 alone we still managed to export over $12 billion of agriculture commodities. Wheat and other cereals are our leading exports, with principal destinations being China, Korea and Japan. Live animals, meat and meat products are also important, with exports bound for the United States and Japan. Oilseeds, mostly canola, go mostly to Japan in raw form and to the United States in the form of processed oil.

In 1991 a total of 867,000 people resided on farms in Canada and total receipts from those farming operations came to $23 billion. We also know that agriculture has one of the highest spinoffs in terms of job creation.

Today we are being asked to condemn this government for its inaction with respect to the agriculture sector which is presently being confronted with the largest restructuring it has faced in the last 30 years.

• (1535)

Restructuring is something that agriculture and farmers are familiar with and has happened since Canada has been inhabited. My response to this question is yes, the government can do more. However, in the area of trade we have made a very good start even though it is only a start.

Canada is a trading nation. One out of every four jobs in this country can be linked to trade. Therefore we must push for trade liberalization both at home and abroad. This means moving beyond what has been negotiated at the first phase of GATT. We must work within the World Trade Organization to lower remaining trade barriers at a faster pace so that those sectors that have natural advantages can compete and win markets without the support of the treasuries of those countries.

We welcome the agricultural trade rules that GATT has brought us. Let us examine some of those rules.

Number one, overall tariffs on agriculture goods will be reduced by 36 per cent with a minimum reduction of 15 per cent for each specific product. Implementation will take place between 1995 and the year 2000 in six equal annual steps.

Number two, countries will be compelled to reduce internal support of their agricultural industries by up to 20 per cent over six years where such support has the effect of distorting trade. Countries will be committed to reducing export subsidy expenditures by 36 per cent and reducing the volume of subsidized exports by 21 per cent over the next six years.

Supply managed products will now be subject to tariff barriers instead of quota restrictions. It is true that the supply managed sectors need protection for a time to adjust to the free market conditions. I would think that 10 years should be quite enough time for that adjustment process to take place.

It was evident at the GATT negotiations that Canada had no support for article XI. The world has moved beyond that. We are

looking for liberalized trade throughout the world and Canada simply could not sustain any argument for article XI support.

My concern is that having set our tariffs for certain products at excessively high levels, we are inviting challenges from our trading partners. Let me give members a run through on a quick list. We have set our tariffs on eggs at 192 per cent; yogurt, 279 per cent; chicken, 280 per cent; milk, 283 per cent; ice cream, 326 per cent; and butter, 351 per cent.

I would like to elaborate a little on that last tariff. The domestic price of butter in the United States is $1.54 per kilogram. Once transportation and the 351 per cent tariff are added and the American dollar is converted to Canadian, that same kilogram of butter will cost $10.15 in Canada. That compares with the Canadian support price of $5.32.

The tariff makes American butter almost twice the price of Canadian butter. Is this not overkill? Is this not a reeling example of overtariffication? Obviously the tariff is way out of line. It is obvious we will not see any trade in butter for many years to come. Yes, let us help the supply managed sector move toward becoming a self–sustaining industry but let us be fair and not jeopardize the trading opportunities of those agriculture sectors that are competitive by suggesting blatantly high tariff rates for dairy and poultry products.

I suspect the true test of these high tariffs may come from our own Canadian consumers. Why should they stand for excessively high prices? Furthermore, high tariffs seem to be a contradiction to the spirit of the North American free trade agreement whose benefits Canadian consumers are eagerly awaiting.

I would like to talk a bit about the grain industry which I believe will see slow but steady improvement. Here we must push for a faster action to reduce overproduction, subsidies and import quotas worldwide. As an example, western durum wheat farmers are now facing restrictive import quotas from the Americans who accuse us of subsidizing our wheat exports.

• (1540)

The truth is that on four separate occasions a binational panel has dismissed these allegations by the United States. It is the American's own export enhancement program which encourages exports of Canadian wheat to other countries which is at fault. This program has left the Americans with shortages which Canadian wheat fills. Now American farmers are crying that Canadian grain has filled their terminals.

This is the exact type of program that has so devastated the agriculture industries in countries like Australia, Argentina and Canada that had the small treasuries and cannot back their farmers up to the degree that they do in Europe and the United States.

I believe governments must move quickly to free trade. Otherwise the initial optimism of the GATT signing will be lost. The big challenge for the new World Trade Organization which replaces the GATT in January will be to define what happens at the end of the first six years. I say that our goals should be to strive for a no subsidies, no trade barrier situation in a total time frame of 10 years.

Unfortunately there is no time to address other important issues in detail. I know that my colleagues here are going to be speaking about some of those issues, although I do want to touch on them briefly.

However, we have to have a responsive, deregulated transportation system in Canada. I also believe the Canadian Wheat Board should have a democratically elected board of governors and a system that is market driven.

Canadian farmers are hard working, proud people who would rather receive their income from the marketplace than from government subsidies. Our farmers offer the Canadian public a quality product and the security of a reasonably priced food. Canadian farmers have a worldwide reputation for supplying quality products.

What do farmers want from our government? They expect protection from unfair trade practices of our competitors. They want the protection of fair trade rules throughout the world. They want our government to push to reduce subsidies worldwide so that they can benefit from free trade. They want governments to live within their means which will lead to lower taxes and lower input costs. Finally, they want governments to reduce regulations and unnecessary programs.

I believe Canadian farmers can compete anywhere in the world, given a fair opportunity. I believe our Canadian farmers will adapt and prosper under the new trade environment. I believe they do not need more than 10 years to make these necessary adjustments.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I enjoyed the hon. member's remarks but I have questions on two issues that he raised.

One is the deregulation of transportation which he has been advocating. I wonder what the arguments are in favour of doing that given our experience this past crop year in shipping into a deregulated market, namely the United States which is relatively deregulated in transport. Our hopper cars hauling wheat and durum into the United States have a turnaround time of something in the order of 40 days or more before they are dumped and returned in a deregulated system. In Canada under regulation the turnaround time is 13 to 15 days.

I wonder if he would comment on the advantages of deregulation given that experience. Would he also explain a little further why he was so critical of the proposed high tariffs on butter and dairy products between ourselves and the United States and

other countries. In reality most of the likely trade in dairy products will be between Canada and the United States.

Given the fact that it is impossible for us to export anything into the United States by way of dairy products, the reality is that its tariffs will be as high or higher than ours given that it has had a GATT waiver all these years on dairy products.

• (1545)

This is one of the reasons that Canada was very loathe to implement the GATT ruling that the U.S. got prior to these last negotiations forcing us to open our markets to its yogurt and ice cream. The facts of the situation are that if we had opened the border we could have bought ice cream and yogurt, put it in the freezer or fridge of our motorhome in order to go down to Arizona and hit the border only to find that we could not take those American products into the United States because it was absolutely illegal to take dairy products the other way.

I wonder if the member would tell us about deregulation and if he does not recognize that there may be some fairness to the high tariffs on dairy products.

The Acting Speaker (Mr. Kilger): The member for Mackenzie has put his 14 years of experience to good use today and I would ask the member for Peace River to reply.

Mr. Penson: Mr. Speaker, I would like to thank the member for Mackenzie for those questions.

First of all I believe that deregulation in the transportation industry is necessary. We have to have a very practical solution to movement of products. They should move by whatever method is the cheapest form and they should move in whatever route is the most direct and cheapest.

I think when he talked about the hopper cars going into the United States and the turnaround time, part of the reason for that is the very regulated system we have with the crow rate where we have seen grain going as far out as Thunder Bay and then back into Saskatchewan and crossing the border. That does not make any sense at all.

I believe we have to look at practical solutions to problems so that Canadians can face the reality of the nineties and adapt to the new trade environment.

In terms of high tariffs and why I am critical of the high tariffs, I believe these tariffs are put in place as an adjustment process to let our industries adapt over a reasonable period of time from a system of supply management with a lot of regulation to free trade. I think that can be done fairly quickly. These tariffs are set probably high on both sides of the border, but that does not excuse either side.

It is in our interests when we have just signed a trade deal with the United States and Mexico that says we want to move to free trade among all three countries in a short period of time to phase these out very quickly.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, it is a privilege and a very great interest of mine to be involved in a discussion in this House on agricultural issues.

Coming from the riding of Kindersley—Lloydminster where most of us make our livelihood either directly or indirectly from agriculture, myself included, I feel it is a very important issue and I appreciate the chance to speak to it. I have chosen to address the problems that many farmers face in the marketing of their produce and the federal agency responsible for prairie grain marketing, the Canadian Wheat Board.

The Canadian Wheat Board should more appropriately be called the prairie wheat board, as its mandate limits the board's activity to the three prairie provinces and a small part of British Columbia in the Peace River area. There is a similar organization in Ontario called the Ontario Wheat Board. I find it is one of the best kept secrets across the prairies that in fact the Canadian Wheat Board is not a national board but a regional board. Many producers I am finding in my part of the world did not even realize there was an Ontario Wheat Board.

This Ontario Wheat Board is rather interesting. It was established in 1958 by a vote of Ontario wheat producers. It operates under the authority of the Ontario Farm Products Marketing Act. There are 18,000 wheat producers in Ontario and the Ontario board is run by 10 directors who are elected by the producers. The board operates on a one producer, one vote system. Each of the 10 directors represents a geographic district within the province. Each district elects one delegate to the annual meeting for each 250 producers within that district. The directors are then elected from among those delegates.

The Canadian Wheat Board on the other hand has 137,000 producers or permit book holders, compared with the 18,000 farmers who control the Ontario board. Many opponents of a producer control system claim that the government will not guarantee initial prices for a depoliticized organization like the Ontario Wheat Board.

However, the realities are that the initial payments are guaranteed for both the Canadian Wheat Board and the Ontario Wheat Board.

• (1550)

The wheat board act limits the Canadian Wheat Board's activities to wheat and barley grown for human consumption. The Ontario Wheat Board is mandated by statute to limit its activities to wheat production and marketing within the province of Ontario. This demonstrates that there are some differences and some similarities in the scope and the influence of a

producer directed organization compared with one which is government run.

The single biggest difference between the two is that the Ontario Wheat Board is democratic and the Canadian Wheat Board is run by a panel of three to five commissioners who are appointed by the governor in council. This means that the minister is usually the one who recommends the names.

The Canadian Wheat Board is a crown corporation and its commissioners are political appointees. Nevertheless, producers pay for all of the operations of the board through the amount subtracted from the final payments for the producer's grain. In fact, most agriculture marketing agencies, including those in the supply managed sector, include producers in the decision making and managerial process. The Canadian Wheat Board is the odd man out, being a top down, government run corporation.

Many farmers in western Canada are not happy with the actions of the Canadian Wheat Board and the way it is run. Far too much time and energy is spent in all places, from the courts to the coffee shops, trying to determine what the powers of the board should be, what commodities should be added or left out of the wheat board's mandate, should farmers be selling their grain on a contract basis or under the quota system or both, and in that case what proportion for each.

There is much discussion about the board's monopoly power versus the principle of marketing options. Perhaps one of the biggest irritants today is the wheat board's involvement in grain car allocation. My hon. colleague from Lisgar—Marquette discussed that situation from the aspect of the western grain transportation authority as well. There are many fingers in the pot here. It seems like the end result is that the service is not very good.

What sticks in the craw of so many producers is that these complex issues to which there are no easy solutions require solutions, but the producers have no substantial say as to how these problems are to be solved.

Another great disadvantage to the Canadian Wheat Board being an arm of the government is the way that new wheat prices or final payments or price changes are announced. It was common in years past for ministers of agriculture to play politics with the announcement of either price increases or decreases. Farmers were used as pawns, waiting for the right kind of announcement so that the minister could get as much political mileage or minimize the political fallout from grain price announcements.

We as Reformers have been quite clear on the direction of marketing reforms. It is paramount that the Canadian Wheat Board be democratised. It must be accountable to the producers it serves and producers must have the ability to change or update the mandate of the board when they feel their interests could be better served.

Producers must have control over how their grain is marketed. We must remember that it is after all their grain. If producers decide through a democratic process that the mandate of the board should be expanded to cover other grains and oilseeds then the act should be changed to respect the wishes of producers. If this is done they may choose to provide opting out provisions for niche markets. The purchase of grains on a cash or pool basis might be considered to improve current marketing arrangements. We would like to see the expansion of producer contracts if farmers so desire.

Once the board is democratised the decision will be up to producers to make, but we feel that the Canadian Wheat Board should maintain its responsibility for initial payment shortfalls. Government loan guarantees for export sales should also be continued for as long as other nations do the same.

We have a responsibility to recognize that change is required because present realities in the agriculture industry are different from when the Canadian Wheat Board was brought into existence.

My father was a pioneer. When he first delivered his wheat he had to hitch up a wagon and a team of horses and haul that wheat 26 miles to a small community called Waldeck, Saskatchewan. When he got there he did not know what the price was going to be He did not know what the grade of that grain was going to be. There was a requirement for change in the way our products were marketed and we saw improvements to the system which enabled him to have some protection in the marketing of his product.

Today's situation is different with modern transportation and modern communications. In fact, we cannot maintain a system that was intended for 30, 40, 50 years ago. We must be prepared to look to new and innovative means of marketing our products.

• (1555)

We know from the Ontario example that a producer controlled system is possible. That particular organizational model may or may not fit on the prairies, but I feel that the principle of a producer directed process does. If we give farmers the chance to design, control and continually update their marketing system a much more effective, fair and cost efficient Canadian Wheat Board would result. As legislators we would give it the freedom to act.

In conclusion, I would like to express my appreciation for this time being allotted for a discussion of agriculture. The government seems to have put a very low priority on agricultural issues. On behalf of all the farmers of Kindersley—Lloydminster and all of Saskatchewan, I am grateful for the opportunity to try and solve some of the very important issues facing rural Canada.

Mr. Wayne Easter (Malpeque): Mr. Speaker, I am having difficulty sorting out where the hon. member is coming from relative to the Canadian Wheat Board. There is no question that this government showed leadership during the campaign and since the campaign.

I would quote out of the red book what we said on the Canadian Wheat Board and that is what we were elected on: "Canada's agri–food industry needs policies and programs such as supply management, the Canadian Wheat Board and stabilization programs to minimize the impact of market price fluctuations".

We ran on a campaign of strong support for the wheat board and we are continuing to show that. I recognize there is a debate taking place in the west. I have been inundated lately with petitions asking to strengthen the Canadian Wheat Board and expand its powers.

The member wants some components of the wheat board it seems, but not its all. I am wondering if he has anything to comment on in terms of the Canadian Wheat Board advisory committee. The Canadian Wheat Board advisory committee is the legitimate, elected producers who act in an advisory capacity to the wheat board. Clearly, during the last election eight of the eleven were very strong, orderly marketers.

I am wondering what the member's thoughts are relative to the Canadian Wheat Board advisory which is calling for us to maintain the powers of the wheat board, that it is the sole seller of export wheat and barley.

Mr. Hermanson: Mr. Speaker, I am happy to respond to the hon. member for Malpeque. I feel some affinity knowing that he also has provided for his livelihood. He also chews gum like I do and he forgets to do up his jacket like I do. I do feel some affinity for the hon. member.

I am also very happy to respond to his question because I think living in western Canada I am closer to some of the issues that he is talking about. I would like to just remind the hon. member that you cannot have it both ways. I know that his government was committed to a referendum or a producer vote of whether there should be a continental barley market. I favoured that when he favoured it. That was before the decision was made that there not be a continental barley market.

The hon. member and his government have changed their minds since the court ruling has been reversed. In fact, the continental barley market was ruled illegal. I have not changed my mind. Neither has my party. We still believe that producers should be in the driver's seat and make these decisions.

The hon. member on the other side is saying that as long as things are going the way my personal philosophy dictates, I am happy to put producers in the driver's seat. But as soon as my own views and the views of producers begin to differ, then I want to have control. I want to politicize this thing. I do not want to let go of the administrative control of the Canadian Wheat Board.

I am saying to the hon. member that he cannot have it both ways. You are either going to trust producers or you are not going to trust them.

I would also tell the hon. member that I spoke recently to an organization with which I know he is quite well acquainted, the local chapter of the National Farmers Union. We discussed the advisory council and it was of the same opinion as I am. In fact, this advisory board is a rather useless organization because it has no impact whatsoever as long as the wheat board is controlled by the Government of Canada and the political process rather than the producer, grassroots, bottom up process.

• (1600)

I thank the hon. member for his questions. I hope I have shed a little light on where we are coming from on this side of the House in trying to solve the problems of producers by trusting them rather than taking over the decision making process from them.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am very pleased to have the opportunity to participate in this debate. I want to draw the attention of this House to the policy and initiatives of the government regarding an important sector of the Canadian economy. I am referring to the agricultural and agri–food industry. More specifically, I want to talk about the dairy, poultry and pork industries, for which quotas are in place.

Mr. Speaker, as the member representing the riding next to mine, I am sure you will agree on the importance of quotas in the agricultural sector.

The main objective of the Liberal government's agricultural policy is food security for Canadians and decent revenues for all our farmers. Supply management, which is a system put in place by a Liberal government almost a quarter of a century ago, confirms the merits and the success of this policy.

You all remember former Liberal minister Eugene Whelan. I know that the hon. member for Québec–Est knew him well, because I think that at one time he worked in his office. Mr. Whelan's daughter is now a member of this House and she also does a very good job of representing the interests of farmers, as do the hon. members for Haldimand—Norfolk and Prince Edward—Hastings, and also the minister of agriculture.

As I said, in the early seventies, the Liberal government of the time put in place regulated marketing programs for the dairy, poultry and pork industries. This system is based on two basic principles: domestic production quotas and, of course, efficient control over imports to protect the quotas.

Supply management stabilized farmers' revenues, and ensured the supply of top quality and healthy food products to Canadians, while also providing an important regional economic development tool.

For the benefit of opposition members I would like to mention again the considerable accomplishments of this government regarding supply management. Less than six weeks after being elected, the government had already negotiated an agreement under GATT which is acceptable to the agricultural sector, and which ensures that supply management will enable us to meet the challenges ahead and take advantage of the opportunities provided by GATT. This is what we call effective and concerted action.

I would like to quote from an article written by Mr. Pierre Glaude and published in the December 20, 1993 issue of *Agricom*, a newspaper in my riding: "The goal is the same", said the new chairman of the Union des producteurs agricoles du Québec, Mr. Laurent Pellerin, "only the means to reach it have changed. The organization is trying to reassure its members. Under the new GATT agreement, supply management programs will be maintained through tariffs".

In other words, contrary to what some members opposite have said, the spokespersons for the Quebec agricultural community consider that the measures taken by our government were successful in protecting our quotas.

Not only in Quebec do farmers and their representatives make such statements. In my riding, people agree. Representatives of the farm industry maintain that the new tariffs will protect our quota systems.

This may be the best argument I could use to show how much Canadian farmers still have confidence in our quota system and why members opposite should not try to undermine that. The confidence of our farmers is what enables us to maintain the value of our quotas. Quotas have increased in value since the GATT accord was signed. What does this tell us? It tells us that the agricultural community is confident and takes position that supply management will be around for a long time. After all, people do not buy quotas, and certainly not on credit, when they expect these quotas be phased out very shortly. The agricultural community believes, as we do, that quotas will be around for a long time and will be protected by the new tariffs negotiated with other countries.

• (1605)

Speaking of tariffs, I have here, as I mentioned it this morning, a list of the tariffs tabled by our government at GATT, and I want to point out that the United States raised no objections to these tariffs. We must have tabled hundreds of pages of agricultural tariffs in Marrakesh, but no objections were raised by the United States. In the dairy sector, tariffs of around 300 per cent were mentioned, and I disagree with the way the Reform Party Member calculated the price of those tariffs. In any case, these tariffs will be reduced by 15 per cent over a period of six years, not 15 per cent annually but 15 per cent over six years.

In the Liberal red book, and especially in the policy paper on agriculture, the government was committed to staunchly defending our supply management programs at the GATT negotiations. That is what the Liberal government did, and it succeeded. It managed to obtain a tariff system under which we will be able to maintain our marketing boards and supply management and everything that entails. As a result, the impact of fluctuating prices will be kept to a minimum and farmers as well as food processors will be guaranteed a decent income.

During the Uruguay round, the Liberal government did everything it could to defend Canada's supply management system. We should remember that the position of the Canadian government during the weeks leading up to the GATT agreement was established in consultation with the agricultural sector. Furthermore, the minister of agriculture worked very hard with colleagues and senior officials to ensure that all sectors in Canada's agriculture industry would not only survive GATT but also be able to take advantage of the opportunities provided in the GATT agreement.

Earlier, the Official Opposition's finance critic said that everyone in the agriculture industry had lost at GATT, but nothing could be further from the truth. The agricultural industry made major gains at GATT, and all members opposite know that perfectly well. They know about the US farm bill which dates back to 1985 and which the United States used to subsidize its agricultural industry and thus harm our exports.

Some US $70 billion were paid out during the first five years of this American farm program, and we know that the purpose of this program was to take away part of the market share held by other countries, especially countries in the southern hemisphere, but of course Canada was also affected by the U.S. Farm Bill, though it was not the main target. The United States wanted to react against overproduction and the fact that other countries, after the crisis in Afghanistan, had tried to sell wheat and other products to the Soviet Union and thus take over part of the so–called traditional market share of the Americans.

• (1610)

The members opposite know this, just as they know that our farmers could no longer continue receiving large farm subsidies, given the major losses experienced in the sector. Some members opposite even admitted as much a while ago. That is why the government had to work with other countries for the good of the entire agricultural community.

First, it had to work to strengthen the laws governing supply management. As we know, there were problems with some of these laws. You may recall the incident with ice cream and yogurt, following the adoption in 1988 of the free trade agreement, which moreover was endorsed by the current Leader of the Opposition. Hon. members will also recall that the FTA led us to lose our case with respect to quotas on ice cream and yogurt. These were restored with the GATT agreement.

With respect to the grains sector, some of the subsidies from other countries have been reduced, thereby allowing us to market our products. New markets have been found for Canadian products. Our ministers have worked hard and so has the parliamentary secretary. The agricultural sector has been well treated by our government and we have just begun our work. We have only been in office for six months and we have already accomplished a great deal. And we will accomplish even more in the future.

Mr. Jean–Paul Marchand (Québec–Est): Mr. Speaker, I sometimes wonder if the hon. member who just spoke is really from Glengarry—Prescott—Russell and not an extra–terrestrial being from the moon, because it is abundantly clear from his remarks that he does not understand what effect the GATT Agreement had. And he does not seem to believe the farmers, as if they had not figured out what happened with GATT.

For example, to say that quota values had increased following the signing of the agreement, or that the quota system will be in place for a very long time, that is ridiculous. Especially since farmers are aware that the quota system is under attack due to tariffs and they may not be confident in what has happened, as witnessed by the Ontario chicken producers. Why did they increase their production by 30 per cent if not as a clear indication of their lack of confidence in the system? They know how the market works.

You have to do more than tell farmers that all is well, that everything is perfect in Canada, to make things work. Farmers understand very well what is going on. It is the hon. member for Glengarry—Prescott—Russell who, sadly, does not understand.

Mr. Boudria: Mr. Speaker, the hon. member opposite tells us that quotas will not survive. For 1995, the tariff for fluid milk is 283.8 per cent minimum and, by the year 2000, it will be 241 per cent minimum. Does the hon. member mean to say that these tariffs are too low? If so, how can he be so out of touch with the agricultural community?

Let me tell you what André Chabot, the president of the Franco–Ontarian Farmers' Union, had to say. I referred earlier to what the leaders of the Quebec agricultural community had said. I will now address the situation in Ontario. The hon. member for Québec–Est is a Franco–Ontario, just like me. Mr. Chabot's letter reads: "Canadian farmers agree that Canadian supply management systems are in no way threatened by the new GATT rules. Some even see this as an improvement over the situation under article XI". Certainly a Franco–Ontarian like my chum across the way can understand that.

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, politics is a funny business. If the hon. member for Glengarry—Prescott—Russell were sitting in the opposition, I am sure his comments would be very similar to those of the hon. member from the Bloc who has been speaking on agricultural issues. It seems like the government has quite a different view now of what has happened with regard to the GATT negotiations it was involved in.

• (1615)

I tell the hon. member and the House that Reform reviewed the GATT situation two years ago. The same sources should have been available to the hon. member. It became very clear that article XI would become indefensible. We were quite frank and honest in admitting that.

At the same time hon. members on the other side had not done a reality check. They were trying to tell supply managed industries that article XI was safe and could be preserved, and that they would be the agent that would preserve article XI. Reform on the other hand said it was obvious that article XI would be gone and that tariffs would have to be put in its place.

Because of that attitude supply managed industries undertook a very expensive advertising campaign involving millions of dollars to try to speak to political parties and politicians and to encourage them to take a strong position in defence of article XI which was a hopeless cause. I would hope some members on the other side would apologize for that action because these dollars were hard earned and should not have been spent on useless advertising campaigns.

Mr. Boudria: Mr. Speaker, I will not apologize for standing up for dairy farmers in my riding. It is not that article XI was indefensible. The member has it wrong. That is not what happened. If he thinks that is what happened he is mistaken.

I say to the hon. member and all hon. members that article XI was clearly defensible. It was a very good system. We gradually lost the supporters we had among other nations. That does not mean the system was bad, but we ended up on the very last day with 115 to 1. We were the only country that still wanted it. That does not mean it was bad. It was still good. We were trading with other nations and 115 of them were saying that it was no longer there.

It is like the National Hockey League deciding that every team except one is to disband. We could wish the league to exist but if it only had one team it would no longer be there. That is easy for anyone in the House to understand, particularly after last night's debate.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I say to the hon. member that I too will not apologize for standing up for supply managed commodities and for standing up for farmers in my constituency. I do not need to apologize.

I was one who stood more than any member in the House and fought for supply management. I know what I told my constituents during election time. I made no promises that I could save supply management. I told them, though, that I would fight damned hard for it. That is what we did in this party.

I am proud of the Minister of Agriculture and Agri–Food. The Minister for International Trade with whom I have had differences on this matter in the past stood up in Geneva and told the world. Unfortunately, as my colleague from Glengarry—Prescott— Russell said, in the end we could not do it.

It is easy for the Reformers. They spend half their time in the agriculture committee—and Mr. Hoeppner over there will know he is not one of them—crapping on supply management.

The Acting Speaker (Mr. Kilger): Order. I know members on both sides of the House feel very strongly, but I think a moment ago the member was probably wanting to identify the member for Lisgar—Marquette.

Mr. Speller: Mr. Speaker, I was looking for his name. He is the same guy within that party who has been unfortunately knocking supply management. It is easy to say now, after the fact: "We knew, we knew", but it would have been better to have that party support us on this when the Americans were fighting us. They were saying: "Your party over there doesn't want the wheat board, doesn't want any of these subsidies. Members from Alberta don't want subsidies". We kept arguing that supply management was not a subsidy.

On the issue of subsidies I want to look at what Agriculture and Agri–Food Canada spends province by province. These members from Alberta keep saying: "We can do it ourselves". It is funny how much agricultural spending actually goes into the province of Alberta. In 1993 figures the amount was $536,315,000. That was well over the percentage of farmers that they have. If I were as provincial as some members in the House pretend to be and if I were just fighting for the province of Ontario instead of for the country, I would argue that Ontario with about 25 per cent of the farmers in the country is not getting its fair share. However I understand some of the problems we have in western Canada so I will not do that.

• (1620)

In my speech today I want to talk about a few issues, one of which is trade. Many of the problems we are having in agriculture today and many of the problems the Reform Party has in its own ridings are because of actions brought by other countries. In a lot of cases it is the United States against Canada. I feel they are very unfair actions.

If we are talking about the wheat issue, Mickey Kantor, the international trade person in the United States, said before the Senate committee last week that Canada was taking advantage of a window of opportunity that had been created. The reason the window of opportunity was created was frankly because of something called export enhancement that the United States uses. It is a two–price system which, by the way, we would like to have in this country. However the Reformers fought us against it and we do not have it now. It is a two–price system that has been responsible for wheat going out of the country.

As a result Canadian producers have been shipping wheat and have shown U.S. millers that we have high quality wheat that is graded and will do exactly what it says it will do. As a result U.S. millers have said: "I like that better. I know and I am guaranteed, because of the Canadian system of distributing wheat, that I will get that wheat and it will do what it says it will do".

The U.S. has been complaining that some actions we take with regard to wheat in western Canada and its shipment were unfair subsidies. That is not the case. The U.S. International Trade Commission found in 1990 that transportation subsidies were not a factor in the competitiveness of Canadian wheat. The U.S. General Accounting Office found in 1992 that there was no evidence of unfair wheat board practices. Again in 1992 in a unanimous decision of a binational panel, including a former U.S. Attorney General and former Chief Justice Dickson, found fault with the U.S. contentions.

However the panel recommended that an audit be done, which results were released last month some time. That report found that 102 of the 105 durum wheat contracts between 1989 and 1992 were fully in compliance with the provisions of the free trade agreement. Clearly the U.S. has no strong position on this matter.

I congratulate the Minister of Agriculture and Agri–Food for the tough stands he has taken. Over the years I stood in the House and watched the previous government negotiate with the Americans. I always felt that somehow we were doing something wrong in this country. I always felt as a farmer that somehow Canadian farmers were not being fairly represented by their government. I was very pleased at the GATT, with the stand the minister took in Geneva, and with some of the tough stands he has taken in terms of putting Canada's agriculture position forward very strongly.

I want to go back to the Bloc Quebecois now and the member for Québec–Est, a very good member of the standing committee who represents the views of his party well on the issue. I take exception to the fact that he is denouncing the government for lack of action in the agriculture sector. He sat around that table with us in the agriculture committee, as well as Bloc members, I might add, who add to the sense of the committee; it worked very well. In recent weeks we have looked at some of the stuff Agriculture Canada is doing. As one on the other side of the House who criticized some of the actions of Agriculture Canada, I recognized over the past little while that in fact a lot of those actions have changed substantially. They have changed substantially because the government has changed. We have given a new direction to Agriculture Canada. That direction can be found in the red book. It outlines clearly the direction we want to take agriculture into the next century.

• (1625)

Looking at the money Agriculture Canada is spending in Quebec—and the hon. member asked for this information—$371,723,000 have gone into the province of Quebec. According to the chart, Quebec ranks behind only Saskatchewan, Alberta, and a bit behind Ontario in this regard. Obviously with the problems they are having in western Canada with respect to wheat prices we can understand why a lot of this money has gone there.

I really do take exception to the hon. member's contention that we have not done anything. Frankly it has been six months. I do not want to use that as an excuse, but we have made some significant changes in those areas that particularly affect agriculture. I have mentioned some of those in trade and the good work the minister of agriculture is doing in standing up for trade. I also want to talk about some of the stuff we have been doing in rural development.

I come from small town Ontario, as you do, Mr. Speaker. What we have found to be happening over the past few years, especially in an area like mine that has been hit hard because of certain commodities grown there, namely tobacco. In small town Ontario unemployment rates have been rising. There has been a loss of business in stores and other areas that help farming communities. We are finding a bit of a drifting because there are no jobs, with a lot of small town people moving to the cities.

I was very pleased when the Minister of Agriculture and Agri–Food came forward with a plan to deal with rural development. He indicated very clearly that rural development was a top priority. This means rural development not only in Ontario and Quebec but in the west also where small towns are literally closing up in some places.

There is no huge pot of dollars; there is not a lot of money in this promise. Frankly there is not the money there. Instead of money the minister plans—and we had the department before the committee today—to organize those parts of government that are specifically directing their efforts toward helping small towns and infrastructures. We are co–ordinating the machinery of government.

It really is a grassroots participation. That is the final point I want to make. The government and the minister have taken a lot of time talking to ordinary Canadians, talking to ordinary farmers. The development of the small town initiative, the rural initiative, will be through the communities themselves.

That is one of the things I am proud of. We have done very well to make sure that before we make any decisions Canadians are consulted and that the views of farmers are heard. We will continue to do that.

Mr. Jean–Paul Marchand (Québec–Est): Mr. Speaker, the member for Haldimand—Norfolk is an excellent chairman of the agriculture committee. He does an excellent job.

However today there are three points I would like briefly to correct or bring to his attention. Basically the discussion today is about the lack of leadership in government regarding agriculture. What he said would indicate even more the lack of leadership with respect to agriculture in government. For example, he mentioned rural development, which is of course extremely important, saying how the government minister indicated that it was his top priority but he did not put any money in it. What sort of top priority is that when you say it is really very important and you do not put any money in it?

• (1630)

Another example is trade. He mentioned that there are many initiatives with regard to trade. Of course, the minister has gone to China to sell wheat. However, in the negotiations that are going on with the United States right now there is a problem that was created by the Americans by their export enhancement program and other issues. Of course Canada profited from this situation. Of course Canada profited from free trade with the United States, but why suddenly is Canada giving in to American pressure and putting a cap on durum wheat to the United States? It is lack of leadership.

Another example, again in dealing with trade with the United States, which really is a big item, is instead of dealing sector by sector so that we get the maximum for our bucks for Canada we put it all in one lump package. This is what the minister of agriculture is trying to deal with the United States, instead of dealing sector by sector so that he would get the maximum for his bucks. Lack of leadership. The examples were given by the MP for Haldimand—Norfolk who is a very good president of the agriculture committee.

Mr. Speller: Mr. Speaker, maybe that is one of the differences between this party and the party of the hon. member for Québec–Est. We feel that within government if we are going to

make changes that really directly affect Canadians, in this case farmers, changes that will work in their best interest, that throwing a pot of money at them is not going to solve the problem.

We think that by taking the money we have there and spending it more wisely and making sure that money is not directed for overhead or administration but is directed into the hands of Canadians is probably the better approach.

In terms of his question on the cap on wheat, I am sorry I missed the announcement. I have not heard that there was an announcement on a cap on wheat. In fact if the hon. member might be more honest with it he will know that in fact there is not a cap on wheat yet. However, there is a question of whether or not we should negotiate a settlement.

If anyone in this House thinks that world trade is fair they do not have a clue on how the world trade system works. In fact it is not a fair system. Canada represents a very small percentage of trade done in the world. In relative terms it is important to us in terms of our gross domestic product and its importance to Canada but we are a small country. To suggest that we could stand at a table one on one with the Americans, they do not have to play fair, frankly.

The former Minister of Agriculture, Mr. Whelan, who used to sit in this House used to constantly say: "The Americans never agreed to a GATT decision because they didn't have to". It is not a fair decision. One of the points that the minister was making to them was this. He said very clearly and he said it in this House a number times that we are not prepared to trade one part of the country off against another part of the country. We are not prepared to trade one sector of this country off against another sector of the country.

In fact, if you remember both the comments by the Prime Minister and the Minister for International Trade, they were not prepared to deal with this in one lump sum. They were going to go sector by sector by sector. We feel we have a strong position. We feel that the Americans will in the end give in on this because they have to and because they are wrong. We are prepared to stand forth and fight on behalf of Canadian farmers to make sure that point of view is put forward.

[*Translation*]

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, Bloc members are very concerned with rural issues, especially agriculture. I could not say the same about the members opposite. My Bloc colleagues have succeeded in demonstrating the inequality among the provinces and the federal government's lack of action on Quebec's behalf.

• (1635)

In particular, I will try to describe the situation that exists in some rural ridings of the Gaspé Peninsula, where I am from, and the lower St. Lawrence region. In the lower St. Lawrence region, as in most rural areas of the country, agriculture should play a very important role in regional development. There are 400,000 hectares under cultivation, over 260 agricultural enterprises, and sales in the order of $190 million a year.

Our dairy products alone bring in 75 per cent of farm income and account for more than 50 per cent of agricultural enterprises. We also have 16,000 head of meat cattle, 20,000 sheep, and 30,000 pigs.

This translates into more than 7,500 permanent jobs and thousands of seasonal jobs. Forty–eight per cent of the workforce are under 40 years old.

Despite this profile, figures available for the Matépédia Valley alone show that between 1981 and 1991, farmlands declined by 22 per cent. In the same period, the number of farms fell from 420 to 285, a decrease of 32 per cent. The main cause of this reduction is the same as in other sectors.

Our regions produce raw materials for major centres, which process them before selling them back to us. When are we going to understand that, in order to grow, resource rich regions must equip themselves with the infrastructure they need to process and market their raw materials? It is much more important to us than a few sidewalks and a little road paving.

Processing and marketing also mean jobs, which we do not have unfortunately. Processing creates economic activities that give confidence to people and encourage them to start their own businesses.

We, for example, have the potential to develop beef production. But Quebec, unfortunately, is still behind in this area. Our cattle farmers must export their production outside the region without processing it. They even export calves at lesser cost without being able to finish them on site.

Over 100 valley producers have decided to spend more than $160,000 of their own money to build a slaughterhouse so they can process in their own region the animals they breed. Can you believe it, Mr. Speaker?

That is a laudable initiative from the farmers themselves. Such an enterprising attitude must be encouraged.

• (1640)

In my region people got together and are now ready to act.

After a wide ranging consultation with those concerned, the regional co–operation and development council targeted five bio–food development priorities: processing and upgrading bio–food products; diversifying crops; consolidating produc-

tion; developing human resources; developing and marketing regional products.

The people of Matane, Mont–Joli, the Matapedia Valley and our regions know what they need to develop and know how to succeed.

Centralized decisions and programs that apply unchanged throughout the country are surely not the way for the government to boost agriculture in our region. On the contrary, decisions must be decentralized. Programs must be decentralized and adapted to regional realities. Trust the men and women who actually produce what people in the cities need to live. Economic development takes place in the field, not in the offices of senior bureaucrats.

I will give you a demonstration of this unhealthy incoherence, which is demoralizing for the farmers in my region. In March 1995, the federal–provincial agreement which included a testing and experimentation component will end. This program is the most visible of those from the federal government. With the funds it provided, this program helped farmers launch productive activities with significant benefits for our region. Ending this program will really hurt us and I say to the Minister of Regional Development that he must take a stand as soon as possible on extending it.

The regions must be given the wherewithal to do what they decided to do to deal with technological change and changing markets. To overlook the resource regions is to overlook what we are: human beings who need to feed ourselves and live in a healthy environment so that we can develop properly.

Another point that I want to raise immediately is transportation subsidies. Most of them cause unhealthy competition between the regions. They pay transportation companies to send unfinished products to urban centres, instead of encouraging local processing and helping people develop.

This shows the government's neglect. By wanting to centralize everything, it hinders development. By wanting to centralize everything, it makes people dependent. By wanting to centralize everything, it kills any initiative from local people.

• (1645)

When you know that, for almost a decade now, Western Canada has been receiving ten times more than Quebec from the federal government, you can ask yourself some questions. I want agricultural producers from my region and all of Quebec to get what they are entitled to, nothing more but nothing less.

Quebec farmers are striving to reach food self–sufficiency. To that end, they have decided to: first, consolidate and develop their potential; second, make full use again of agricultural land; third, process their products themselves, to the extent possible.

These people, who generate over $4 million in annual revenues, have the right to be considered job creators and major contractors, like any multinational company which finances the old political parties.

It is not because we live in rural areas that we cannot benefit from collective prosperity or that we should be overlooked by a system which favours big business.

Producers from the lower St. Lawrence are entitled to the same support as others. They need that help to consolidate their business, transform their products and make a profit with the added value. They have the right to hope to expand as they deem appropriate. They need help to be able to do so.

I will end with this. When game became scarce, man turned to agriculture for survival, and nothing has since replaced the food obtained from that activity. This is why rural regions such as ours need help.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I appreciate what the hon. member said, when he explained some of the problems of the farmers in his riding which is in such a beautiful part of the country.

I have a question for the hon. member opposite. If we forget the partisan comments which are of course part of the parliamentary routine, and part of our job, I think he must admit that for the past 20 or 30 years, Canadian agriculture has enjoyed unprecedented growth.

I am sure he also realizes that for instance in Quebec and Ontario, in my own riding, which is right on the border with Quebec, we see outstanding farm operations which exist thanks to the system introduced by Mr. Whelan, the former boss of his colleague from Québec–Est, other Liberal agriculture ministers and, of course, by ministers of other political formations as well.

Does the hon. member acknowledge the tremendous progress which has been made in the agricultural industry, in terms of the use of technology on the farm, the standard of living of our farmers, and especially in supply managed sectors and other sectors? And will he at least, with his usual eloquence, acknowledge the excellent job done by the former boss of the hon. member for Québec–Est?

Mr. Canuel: Mr. Speaker, I certainly agree that a number of things have been done, but it is also true that many, many farms have disappeared.

• (1650)

To expand, some farmers bought big farms adjoining their own land. They modernized their operations and they used technology, of course, but I say this is not necessarily a good thing for rural communities. In a parish of 3,000 souls, if there are now only four farmers when they used to be 40, this is not necessarily a good thing. It may be the modern way of doing things and perhaps this is inevitable. That means rural communities will gradually disappear.

If they do, small towns will disappear as well. Anyone who is familiar with our part of the country will notice that, starting at Mont-Joli, it is very hard to keep rural communities alive, because most farmers have left the area, and although dairy production has increased or remained stable, people are not there any more. I think agriculture should be compatible with rural communities, and I have no answers right now, although there must be a solution and we must find it. I am sure that, when we become a sovereign nation, we will find it more readily.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 38, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Lévis—Manpower Training; the hon. member for Brome—Missisquoi—Hyundai Plant in Bromont; the hon. member for Regina—Lumsden—Trade; the hon. member for Hochelaga—Maisonneuve—Military Industries; the hon. member for Matapédia—Matane—Unemployment Insurance Reform.

Resuming debate, the honourable member for Kamouraska—Rivière-du-Loup.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, I am pleased to speak today during the first day of debate in this House on agriculture. We will have to remember that the official opposition is responsible for this first day of the 35th Parliament devoted to the subject of agriculture.

Some hon. members: Hear, hear.

An hon. member: We have the hon. member for Québec-Est to thank for this.

Mr. Crête: Indeed, the originator of the motion is the member for Québec-Est. In the past, he worked for a former Minister of Agriculture, Mr. Whelan, but he came to realize during this time, and probably because of his experiences, that Quebec had no future in Canada, particularly where agriculture was concerned. Moreover, you will recall that this Minister of Agriculture had the good fortune of being sprayed with milk by Quebec farmers because he could not grasp what they were trying to tell him. The only way they could get their message across to him was by spraying him in the face with milk.

On a more serious note, let them say what they will about sales and milk production figures of all other sectors. The fact of the matter is that rural communities are dying. The population of our villages has been declining for a number of years. When it has come to the point at which villages such as Saint-Paul-de-la-Croix in my riding have taken to advertising in the newspapers to attract families that may be willing to settle in a rural community, we know that we need to make some fundamental changes to the way we approach rural development and agriculture.

Right now in Eastern Quebec we can see dairy trucks go by, heading for Montreal, and that milk comes back in the form of processed cheese. That is the sort of thing we would like to be able to change so there could be a future in primary and secondary processing in our region. The fact that our communities are small does not mean that we do not have expertise in the various agricultural productions.

My riding has been the home of Canada's biggest milk producers for a long time.

• (1655)

Fresh lamb is another area. It should be noted that interestingly, 30 per cent of the fresh lamb consumed in Quebec is processed in our region.

Also, farmers in Eastern Quebec, and my riding in particular, have adapted successfully to changes in the agricultural industry. The UPA may be confident in the future, but this does not mean that all government's actions automatically have its blessing. Their confidence comes from knowing that with their skills and the ideas they have come up with, they will be able to ride out this time of fundamental change brought about by GATT.

A great deal of work was done in Quebec to prepare for the future and make sure agriculture had the place it deserved in Quebec in the 21st century. Take for example the "États généraux du monde rural" and the Trois-Rivières summit where a consensus was reached on the efforts required to ensure the prosperity of the Quebec agricultural industry for the future.

I hope that the government will take that into account in planning its next move and that it will make sure the interests of the Quebec agricultural community do not get lost in the sea of Canadian and Western interests. Care should be taken not to let the durum exports issue adversely affect advocacy for farmers in Eastern Canada, and Quebec in particular.

When the Bélanger-Campeau Commission held hearings in the Lower St. Lawrence region, the Minister of Foreign Affairs who was the Liberal Party representative on the commission at the time, had argued that, should Quebec become a sovereign state, we would lose any control we may have had on our milk quotas. Since then, current world events have caught up with the hon. member—who is now Minister of Foreign Affairs—and quotas will be less prominent. Belonging to the Canadian Federation may not be that beneficial for Quebec farm producers after all. A more profitable approach is to make sure we are able to sell our products abroad, and for that, we need programs to promote processing.

We must also learn from the past. In agriculture, we went from a period when many regions could be self-sufficient by processing and selling their products locally to a new era when, in the

name of productivity, natural resources are sent outside the producing regions, creating unemployment. Something can be done to bring processing back to the regions, thus enabling more people to live with dignity.

I would like to point out one of the abnormalities inherent in the Canadian system. In lamb production, Canada, under pressure from the United States, reviewed the way it treats sick animals. Before, especially in the case of pure–bred lambs, we used to slaughter all sick animals. We have now decided that moderately sick lambs would not be killed but quarantined. This can be appropriate for owners of very large herds like those in the West, for whom quarantining a small part of their herd is not a major problem.

However, in Quebec, where herds are much smaller, this type of action is inappropriate. In my riding, for example, it pushed a producer to the brink of bankruptcy. We had to intervene many times to make the bureaucracy understand the situation. Unfortunately, we have not yet managed to change the regulations, the new practice adopted under U.S. pressure.

That is one example where implementing a practice across Canada can harm the economy of one of Canada's regions.

• (1700)

The other point that I would like to bring to the attention of the House is support for exports. Much is being done to help people who are long established, but there is not much room for new exporters. For example, young people who would like to export top–quality maple syrup do not easily find the government program that could help them.

In agriculture, it is very complicated to find which program applies to which crop since agriculture has always been a shared federal–provincial jurisdiction; this does not make it easy for those who want to be involved in agriculture.

In another area, the federal government is acting contrary to the fine principles it has put forward, namely by cutting the funding for regional agricultural fairs. While they say they want to give regional agriculture a chance, this year they are cutting the budgets for the 55 regional agricultural fairs in Quebec by 15 per cent and next year they want to cut them out completely, which will eliminate these regional agricultural fairs that promote high–quality livestock.

I think that such an example proves the government's lack of leadership in agriculture. They just say the right words; what they do is in fact contrary to the decisions that should be made. Instead of encouraging agriculture, they are making drastic cuts that will hurt agriculture instead of helping it to develop.

[*English*]

Mr. Althouse: Point of order, Mr. Speaker. I would like the permission of the House to speak for eight or ten minutes, please, if that is possible.

The Acting Speaker (Mr. Kilger): Members have heard the request from the member for Mackenzie. Is it agreed?

Some hon. members: No.

[*Translation*]

The Acting Speaker (Mr. Kilger): I just want to make sure, at the request of the hon. member for Mackenzie, that he can share his comments with us for eight to ten minutes at most. Would there be unanimous consent?

Mr. Paul Crête (Kamouraska—Rivière–du–Loup): Will giving me the floor prevent a member who was supposed to speak from speaking on this point?

The Acting Speaker (Mr. Kilger): The period should end at 5.30 p.m.; we would have to add nine or ten minutes, and the minister's statement is scheduled for 5.40 p.m. So if a member speaks, someone else will certainly be unable to speak. The day must end at some point.

Is there unanimous consent?

Some hon. members: No.

[*English*]

Mr. Bill Graham (Rosedale): Mr. Speaker, it is a great privilege to speak in the House today on this debate on agricultural issues. I am conscious of the fact that I represent an urban riding but I remind the members of the House that not only are the members of urban ridings consumers of agricultural products but we are all interested in a healthy farm community.

It is in the interest of all of us and there are many of us in Rosedale riding, those for example who work at the University of Toronto in the research area and others, who make in their own way a contribution to the health of the important agricultural community in this country.

• (1705)

Since the last election probably the single most important and dominant issue for our government for Canada's agri–food industry has been international trade. That is a matter of great concern to the foreign affairs and international trade committee of which I happen to be the vice–chairman. As was pointed out by the members for Haldimand—Norfolk, Glengarry—Prescott—Russell and Peace River this has been a very intense and challenging period in that area.

I think it is important for us to bear in mind that 1.5 million Canadians, that is one in five, depend directly on exports for

their livelihood. Trade in goods and services is equal almost to half our GDP and in the agri-food sector for every dollar that is earned at the farm gate exports generate about 45 cents.

[*Translation*]

Mr. Speaker, international trade in this sector has become increasingly important for the province of Quebec. In 1991, exports from this province amounted to 9 per cent of the Canadian total. Today they are 13 per cent, an increase of 49 per cent, for a total value of 1.8 billion Canadian dollars.

[*English*]

Exports to the United States are extremely important and new markets and new jobs will arise from our entry into new international markets. Although we are presently engaged in difficult negotiations with the United States over trade in some agri-food products which we hope to resolve over the coming months, the bulk of our trade remains free of dispute and continues to expand. Once a settlement with the United States is reached we will have a more secure environment in which all sectors can plan for the future.

I would like to take the opportunity today to look at some of the impacts of the new trading arrangements and how our government is working to assist Canada's agri-food sector with its market development activities.

The Organization for Economic Co-operation and Development has forecast that the new GATT agreement will give the Canadian economy an additional $8 billion boost by the year 2002. This government is determined to ensure that Canada's agri-food sector is a major participant in that economic growth.

The new development brings agriculture under effective trade rules for the first time in history and will ensure that these rules apply equally to all countries. Under the GATT as a result of the Uruguay round members have agreed to cut agri-food export subsidies by 21 per cent by volume and 36 per cent by value over six years. Export subsidy programs like the European Communities' CAP and the U.S. export enhancement program which the member for Haldimand—Norfolk referred to this afternoon are curtailed and international grains and oilseed prices will gradually rise.

It is hard to describe the importance of these changes. The anomalies that were created by agricultural subsidies in world trade were absolutely extraordinary. We had this crazy situation in the United States for example in which its export subsidies encouraged its farmers to export wheat to Turkey. The Turks, not being crazy, turned this wheat into pasta and sent it back to the United States which then competed with the pasta manufacturers in the United States which had to import Canadian wheat. Meanwhile Canadians were selling subsidized wheat to Italy which the Italians were turning into pasta and shipping back to Canada.

These anomalies created by subsides riddled agricultural trade. They have to some extent been brought under discipline under the new GATT rules. The importance of this cannot be under emphasized.

In that context we have to recognize that our supply management system which will be preserved as a result of our high tariffs came under attack under article XI, but this government was able to negotiate those high protective tariffs which will preserve the benefits of our farm management system.

As the member for Glengarry—Prescott—Russell pointed out we do not live in an isolated world. We are one member of the GATT and 115 other members insisted that we change from the type of quotas which we had used up to this time to a new and different type of system.

• (1710)

This government recognizes that changes will be needed. Changes will be needed to help the sector. To this end, the Parliamentary Secretary to the Minister of Agriculture and Agri-Food is heading a six member federal-provincial industry task force on orderly marketing. Its mandate is to consult with all supply management stakeholders to identify the issues that need to be addressed and suggest co-operative decision making processes to deal with those in anticipation of the GATT implementation in 1995.

Amendment to the GATT rules will allow for more competition. But of themselves the rules will not ensure that we take advantage of those markets. We have to work for those markets and this government recognizes that. To help the agri-food sector capitalize on these advantages, Agriculture and Agri-Food Canada has a new branch, market and industry services, with offices in all of the provinces. This branch is specifically designated to work with the industry on enhancing its global competitiveness and increasing its share of domestic and international markets.

As well, the federal government has 55 trade commissioners and commercial officers working on agri-food trade and developing more than 150 foreign markets. This includes 18 agri-food specialists, five of whom were recently named to our diplomatic posts in Taipei, Seoul, Singapore, Osaka and Mexico City.

Here at home, an agri-food industry council will be established to advise on all matters related to improving Canada's market position, promoting economic growth and creating jobs.

In addition, Agriculture and Agri-Food Canada will be working with other federal departments and the provinces to establish a single window marketing service for Canadian industry. This

will help facilitate access to programs such as the new getting ready to go global program, which gives cost shared assistance to food and beverage processors in developing competitiveness strategies and initiatives, and the agri–food industry marketing strategy program which helps agri–food associations develop and implement marketing plans.

The government's plan is to concentrate marketing on those areas of the globe which have the greatest potential for economic growth and market expansion in the future. In that context, the government is putting particular emphasis on the Asia Pacific and Mexican markets.

The minister of agriculture and the Governor General are presently on a trip to China and to Asia with industry representatives to sell our agricultural products. I hope, having heard the member for Peace River today speak of the importance of international trade in agricultural products, he may bring some discipline to bear on the member for Wild Rose when he questions the costs of these trips and the Governor General attending when important marketing initiatives can be made by such initiatives.

The Asia Pacific region is the fastest growing economic region in the world and it offers tremendous opportunities for Canadian agri–food exporters. This government intends to exploit that market and is doing so at this time. This represents a potential for jobs. They are good jobs, high paying jobs based on real markets in a growing part of the world.

Jobs, Mr. Speaker and other members of the House, I remind you, in the export area involve not only the farm marketers themselves but support services, banking and other areas, which those who live in urban communities benefit from as well. That is why the Minister of Agriculture and Agri–Food is in Asia today and 15 leaders in the agri–food sector thought it was important enough to be there with him.

With growing access to new markets around the world, it is clear that the future of Canada's agri–food industry is full of opportunities, the opportunity for growth and opportunity to contribute to economic activity and jobs in all parts of the country.

By working in close co–operation with the provinces, industry and other stakeholders, and by continuing to support the trade and marketing initiatives of Agriculture and Agri–Food Canada and other federal departments I am confident that we can help the industry make Canada agriculture and agri–food number one in the world.

In so doing, we will be ensuring not only the wellbeing of our farm community but the overall economic health of our country which includes important interests in our urban community as well.

• (1715)

Mr. Harold Culbert (Carleton—Charlotte): Mr. Speaker, I am pleased to have the opportunity to address this unfortunate motion. However I would like to commend the opposition for raising this issue because the agri–food sector is such a strong contributor to our economy.

A few moments ago the hon. member for Mackenzie was not allowed to speak by the opposition. The member for Mackenzie, who is very interested in agriculture, often sits in on the standing committee. While I may not always agree with his comments or theories, I do feel sad that the opposition would not allow him to speak.

The rules of the road for business are government regulations. Regulations protect Canadians, ensuring them safe, nutritious food. Regulations also play a very important role. They are a way of setting standards. High standards mean quality and that can mean Canadian agri–food products are attractive to world markets because of their quality.

However times change and regulations that were helpful in the past become an obstacle to growth today. In some cases, new technology makes regulations obsolete as scientific tests replace manual inspections. In other cases, various levels of government have added layer after layer of regulation without co–ordinating their efforts and without counting the cost to industry.

We view regulations as a tool that can help the agri–food sector produce internationally competitive products. But to be an effective tool it must be honed and constantly sharpened to keep pace with changing world markets and technology. Regulations should be a tool which encourages innovation and entrepreneurship, not one that blunts industry's integrity.

That is why the government is dedicated to reforming regulations. Regulations are dry, technical and complicated. Done wrong, they cost too much to the industry and to the taxpayers but done right, they can create jobs.

As members know, the focus of the government's election campaign last fall was economic renewal and job creation. Building on this commitment in the February budget, the finance minister announced numerous initiatives to help improve the competitiveness of the Canadian industry.

One of the steps he announced was: "We will intensify and accelerate the effort to reform and remove regulations that create confusion and costs by putting in place a task force to provide on a fast track basis a better regulatory regime, one that will not compromise compliance but rather improve the competitiveness of business".

The government has already done a considerable amount of work in recent years to ensure that government regulations fulfil a specific departmental mandate and that they enhance, not hinder, industry's ability to compete. An interdepartmental committee of assistant deputy ministers on regulatory reform is

currently working to, first, provide departments with the means to use alternatives to reduce the regulatory burden; second, provide a greater variety of enforcement tools and options; and third, improve the process of the regulatory development.

At Agriculture and Agri–Food Canada, the first phase of regulatory housekeeping led to the elimination and amendment of regulations through an omnibus regulatory package passed in April 1993. This work is continuing. A second package of regulatory amendments has now been prepared involving the processed poultry regulations, livestock carcass grading regulations, fertilizer regulations and egg regulations. A copy of this package has been provided to the provinces for review and for their comment. It is anticipated that it will appear in part I of the *Canada Gazette* this summer.

• (1720)

As part of this federal regulatory reform process, the government, in co–operation with consumer groups and industry stakeholders, also reviewed the current regulatory requirements concerning best before dating and packed on dating and looked at the subject of food date marking in general.

Under the food and drug regulations the labels of most perishable and semi–perishable prepackaged foods with a shelf life of 90 days or less are required to show a durable life or "best before" date in a clear, non–encoded manner. Storage instructions are required if conditions other than room temperature storage are necessary. When packaged on retail premises, perishables and semi–perishable foods are required to show packed on date instead of best before date.

The intent of these requirements introduced back in 1974 is to provide consumers with useful information regarding relative freshness and potential shelf life of food. Foods which have exceeded the best before date are still acceptable for consumption but they may not be at their peak state of freshness.

During the reform process the government found strong, general support for retaining present date marking requirements for perishables and semi–perishables having a durable life date of 90 days or less.

Consumers and industry believe these requirements to be very effective and a useful way of informing consumers as to relevant produce freshness.

We also found support for the voluntary use by manufacturers of best before dating on foods with durable life of more than 90 days.

As a result of the review the following recommendations were developed. Support the use of best before dating on products with a durable life of more 90 days on a voluntary basis. Amend the food and drug regulations to revoke durable life date exemptions for donuts and commissary items. Review date marking in respect to products with modified atmosphere packaging. Review the need for date marking on low acid foods packaged in hermetically sealed containers and on refrigerated products and consider extending the requirements relating to the statement "previously frozen" to all products which have been frozen and thawed prior to sale.

In the last phase of the implementation process Agriculture and Agri–Food Canada's food production and inspection branch, in co–operation with the Department of Health, will be consulting on these recommendations with food industry stakeholders, including industry associations, consumer groups and other federal and provincial government departments.

Central to these discussions is Agriculture and Agri–Food Canada's inspection and regulation mandate. The department's responsibility is to set and enforce standards to safeguard human, animal and plant health and facilitate international trade and to support the protection of the environment through sustainable agricultural practices.

In line with these departmental responsibilities, the FBI branch has been working in recent months to develop a business plan which will ensure that its resources are directed to the highest priorities, to ensure that only safe, wholesome food enters the Canadian marketplace and that our inspections program works to enhance the competitiveness of Canada's agri–food sector.

The challenge is to maintain and improve the branch's current food inspection programs while at the same time making the best use of the taxpayers' dollars.

I believe our efforts to reduce the unnecessary regulations of industry and to focus on our resources on a top priority of ensuring food safety will pay off handsomely in every province. Reforming regulations create new opportunities. It creates jobs. It is a way to ensure that the agri–food sector is profitable. It will remain a very important tool for making sure the agri–food sector remains competitive.

• (1725)

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière–du–Loup): Mr. Speaker, just a short comment on what the hon. member said in his introduction, in which he reproached us for not letting another member take the floor.

I simply wanted to say that, for the opposition day we requested on agriculture, we need all the time we are allowed to voice the concerns of Quebec and those of farmers across Canada, and we are prepared to consider the possibility of having the hon. member speak when we have finished. All members who expressed an interest in speaking in this debate, members from the rural ridings who want agriculture to have its rightful place in Canada and Quebec, should be able to speak,

and that is why we felt this was important, because the treatment of agriculture in Quebec has left much to be desired in the past.

Agriculture in Canada is to a large extent western agriculture, and we want to say there is an agricultural industry in Quebec as well, and that is why we want all our members who have something to say about their ridings and certain expectations they want to express on behalf of their constituents, to be able to do so. We want to ensure that the concerns of the agricultural industry, in Quebec and in Canada, get the attention they deserve, and that is why we want to ensure that the entire debate is used to discuss those concerns.

The Acting Speaker (Mr. Kilger): As you know, I have been in the Chair all day for this very important debate and I understand, as the hon. member just mentioned, that there are still a large number of members would like to speak to the issue.

As some members have pointed out when the hon. member made his presentation, there is a tradition in this House to the effect that we do not reflect on a decision which has been made.

I imagine that we all learned something. I am convinced that the hon. member for Carleton—Charlotte will take note, as I will, and I thank the hon. member for Kamouraska—Rivière-du-Loup for his intervention.

[*English*]

Maybe the hon. member for Carleton—Charlotte would like to respond.

Mr. Culbert: Mr. Speaker, as I indicated the member for Mackenzie certainly has tremendous experience in the field. I also indicated that while I may not always agree with his comments or his theories, I do feel he deserved an opportunity to make those comments.

The Acting Speaker (Mr. Kilger): Order. Of course the House is always the master of its own destiny. It is a tradition of the House that once a decision is taken, we carry on the business of the day. It is not the tradition to reflect on a decision taken.

Mr. Boudria: Mr. Speaker, perhaps I could assist the Chair and the House by indicating that I have had informal conversations with my colleagues of all represented parties in the House at the present time and they have unanimously agreed to extend the hours to allow the member to speak.

The Acting Speaker (Mr. Kilger): We are getting ahead of ourselves here. I know that there are other members who want to speak to the issue of the day.

[*Translation*]

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, I understand that the debate should normally end around 5.40 p.m.

Consequently, since I will in all likelihood be the last speaker on this motion, I would like to first congratulate again the hon. member for Québec-Est, who is the Official Opposition critic on agriculture, for tabling a motion which, as pointed out a few moments ago by the hon. member for Kamouraska—Témiscouata, is the first one on agriculture since the opening of the 35th Parliament.

• (1730)

We, members of the Official Opposition, are justifiably proud to be the first ones to table such a motion and to show to all Quebecers, and farmers in particular, that we are here to protect their interests in every field and especially in the agricultural sector.

Today, members from the Bloc have spoken brilliantly and eloquently on the issue, and they have clearly demonstrated the nonchalance of the Liberal government regarding the agricultural sector since it took office. This lack of vision, policy and decision is hurting agriculture in Canada, and particularly in Quebec.

I want to take those few minutes to emphasize the importance of agriculture. I will use my own constituency of Mégantic—Compton—Stanstead as an example, since it is essentially a rural riding where agriculture is the number one industry. I have here some figures which I am pleased to communicate to members and to Canadians, so that we can see the impact, on this industry, of the measures taken by governments, particularly the federal government.

There are close to 2,000 farms in the riding of Mégantic—Compton—Stanstead. According to Statistics Canada, in 1991, expenditures and revenues related to the agricultural industry in my riding were somewhere around $123 million and $156 million, respectively. These two figures alone show how important that industry is for our riding and for all of Quebec also.

Moving on, 2,500 jobs in my riding are directly dependent on agriculture. Imagine, 2,500 jobs. One would have to travel to several municipalities and to several ridings to find industries which employ such a large number of workers. And for every direct job, we can count on six indirect ones, which means that farming in the riding of Mégantic—Compton—Stanstead accounts for an additional 15,000 jobs in the eastern townships.

The agricultural sector in Quebec has evolved rapidly over the years. I listened to the member for Glengarry—Prescott—Russell who tried to get my colleague from the Bloc who serves as agriculture critic to admit that agriculture has flourished in Quebec because of federal government policies. May I remind this House and point out for the benefit of my colleague that agriculture underwent a remarkable period of growth between 1976 and 1985, thanks to the vision and energy of a government, but more especially, thanks to one man, the MNA for Lévis, Mr. Jean Garon, who in many ways sparked the development of the agricultural sector in Quebec. Many people considered the MNA for Lévis to be a dreamer. Some even thought he was a

little crazy when he said his goal was to increase agricultural self–sufficiency in Quebec from 50 per cent, the level it stood at when the Parti Quebecois came to power in 1976, to over 70 per cent. Within four years or one term of office, Quebec had already achieved a level of self–sufficiency greater than 70 per cent, all because of the government's policies. Since then, the Liberal government which came to power in 1985 has managed to bring the level back down to about 60 per cent.

• (1735)

On the subject of agriculture, we should also mention certain initiatives that were taken and the benefits that accrued to show, as I said at the beginning of my speech, the impact of agriculture on a region. I would like to point out three initiatives that I am particularly proud of in my riding. First, the Centre d'initiative agricole de Coaticook, which is basically a group of farmers who not only put a lot of effort in their own farming enterprises, but also provide training to other farmers. They have just set a precedent by approving an agreement concluded with the local school board to invest in farm training for our young people. This deserved to be pointed out. They have been praised by all socio–economic stakeholders in l'Estrie for this initiative.

There is also the agri–food table, la Table agro–alimentaire, in the Haut–Saint–François RCM, which brings together—somewhat like the group in Coaticook—a number of farmers who have set out to develop the agricultural industry by encouraging new farms to locate or get established in their region and, to that end, by meeting students in our agricultural colleges, in Saint–Hyacinthe and in the Quebec area, as well as by inviting them to invest in the most beautiful riding in the province, the riding of Mégantic—Compton—Stanstead.

In conjunction with all economic stakeholders, they are also setting up agricultural products processing industries to ensure that our farm products can be processed locally, thus creating employment.

One last example, before closing: farm tourism. It was barely mentioned today, but its is nonetheless an important industry. Let me give you one figure. In 1993, in my riding and the Coaticook region, thanks to the concerted efforts of the municipalities, the agricultural community and the tourist industry, 4,000 European tourists, mostly from France, came to visit us and were able to appreciate the state of development of our agricultural industry as well as enjoying, of course, the warm welcome Quebecers are renowned for.

• (1740)

In conclusion, in the weeks and months to come, the federal government must concentrate on an issue of major importance not only to my riding but also to Quebec as a whole and even a major part of Ontario. I am referring of course to the negotiations scheduled to take place as a result of the GATT agreement, particularly to set tariffs for milk.

Someone on the government side said earlier—and I will close on this—that deals had already been made. We want, we insist that the efforts made by our farmers over all those the years not be compromised by negotiations, the outcome of which are not known. We in the opposition will be extremely vigilant in that regard.

* * *

[*English*]

MOTION TO EXTEND HOURS OF SITTING

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I wish to seek unanimous consent of the House to extend the sitting hours by 10 minutes in order to permit the hon. member for Mackenzie to address the House, and subsequently of course to add 10 minutes to private members' hour to ensure that it is not shortened and that the full hour be allotted to private members' hour as is customarily the case.

The Acting Speaker (Mr. Kilger): The House has heard the terms of the motion. Is it agreed?

Some hon. members: Agreed.

(Motion agreed to.)

Mr. Vic Althouse (Mackenzie): My thanks to you, Mr. Speaker, and to the House for extending the session for 10 minutes. I am sorry that we had a misunderstanding a few minutes ago when we tried to do the same thing and failed.

Being from the riding of Mackenzie, which is located in northeastern Saskatchewan, we are very concerned about agricultural policy and the terms that the government imposes on agricultural policy in this country. We were faced with local conditions that are quite unusual this past year such as flooding and extra rain which has meant harvesting not completed from last year and it means that many producers will not be able to seed a crop this year because last year's crop is still in the fields.

There was a great deal of hope that a third line of defence would be worked out given this circumstance in northeastern Saskatchewan and northwestern Manitoba. However, no such thing happened. The minister and his counterparts across the country simply said that the crop insurance and the GRIP programs that are in effect are going to have to be used.

We urge all farmers in the circumstance of perhaps losing two crops to make certain they take advantage of that part of the crop insurance program that covers inability to seed in the coming year.

There have been other problems that these people have been facing. They face the same problems that all Canadian farmers have faced: low incomes due to low grain prices because of the

grain wars that have erupted between the United States and Europe; the United States' insistence upon using export enhancement funds to depreciate the value of export prices to the point that the only place Canadians can get a decent price for durum wheat is in the United States, which is the only country that has not been targeted for export enhancement funds.

In effect the market is $40 or $50 U.S. per tonne higher in the United States than it is in any of the markets that we normally sell to because the United States has been paying our old customers $50 to $60 a tonne to take their durum wheat instead and their other grains as well.

As well, for a short period of time a small window of opportunity opened up in the U.S. market for barley and that became the high value market. Canada sold barley into the United States which has triggered a short skirmish in the continuing skirmishes along that border in agricultural trade to the point at which one of the senators from North Dakota—although he says it was in jest—actually suggested to one of the committees of Congress that the 300 Minuteman missiles located in silos in North Dakota be reprogrammed to hit Canadian wheat farmers.

• (1745)

Those problems will pass and they will be resurfacing again from my experience in free trade with the Americans. We have had free trade, I might add, in meats for over 50 years and there have always been times when border access was very difficult even though we have a program of free trade in pork and beef between our two countries.

The challenge I want to speak about today in the short period that I have is the global challenge that arises now that we have had Canada–U.S. trade agreements, the North American free trade agreement, followed by the General Agreement on Tariff and Trade.

All of these agreements have substantially limited the power of national governments to impose or to have their own programs for agriculture or for production of any kind of product whether it is manufactured products or a raw product like most of the agriculture products that we export.

This has been assessed by various world trade experts and economists who have concluded that in Canada's case Canadian agriculture is going to have to get used to a lower level of export, lower incomes and this means that we have a great challenge ahead in rural Canada and at the federal level as well to find new ways of reducing production costs.

Where I live our ability to export is highly dependent upon the continuation of the crow rate which was there to entice us to settle that region in the first place. We are a long way from tidewater and cheap shipping. We are relatively close to Churchill but none of our purchasers of raw products seems interested in picking up products at Churchill so we have to ship to Vancouver, Thunder Bay or Prince Rupert, very long distances.

We are located about as far from those ports as it is possible to get on the prairies. Yet the government has continued to pursue the policy of the previous government of reducing the benefits to the crow rate.

The panel has looked at who should receive that payment. Though it has not made any recommendations the study shows that there is very little to be gained by paying the payment to the producers. It shows that if you paid the producers rather than the railways barley exports would disappear. There would be very little change in the production of meats, beef and hogs, which has been the contention by those who wanted the payment made to producers rather than to the railways. The government has what will probably be a difficult decision because there is so much politics behind the feeling among some farm groups that they could do a better job of spending the money by paying the railways themselves than the government paying the railways in order to keep the rates down.

We are left with very few options in government policy for the federal government. Under the new GATT arrangements it will have to reduce its subsidies. We have a challenge of trying to identify the subsidies of other countries so that we can make certain that we are operating on a fair basis. The previous government did not do a good job of that. It did not identify the subsidies the United States has even though it spent a lot of time negotiating the agreement with the United States.

We have some positive things we can look at. I am trying to hurry because of the time. We can still use marketing boards. There are great advantages to producers in gaining regulated control of the products they wish to market. That has been proven through the wheat board, the hog marketing boards, the Ontario Wheat Board, as was mentioned, various milk marketing boards, and the chicken and egg marketing boards across the land.

• (1750)

These agencies do an excellent job of making certain that a product finds a market, that it gets to market with the least possible cost without running trucks and trains back and forth across the country. It is the most efficient way to work.

Therefore I would urge the government to pursue those options, particularly putting more grains under the Canadian Wheat Board and expanding the jurisdiction of the Canadian Wheat Board to go into eastern Ontario and the rest of the country as it chooses as well.

I note that there is a need for revitalization. I was at a committee meeting this morning at which the department officials talked about rural revitalization. I note that there are a lot of things that need to be done in this area and that can be done even in spite of the GATT rules.

We have taxation policies that favour the relatively wealthy, medium and high income people, relatively old people, but we do not have any RRSP treatment for the young which would permit them to invest in their farms and businesses at a young age to get some tax benefits. Instead, we wait until they get into their middle years and older and then the tax system encourages the investment in RRSP. We actually lose taxes as a result of that.

Why do we not invest the tax treatment in the younger people so that they can revitalize local communities and maybe back off a little bit the tax advantages that we are giving to the medium and high income people? We should be pursuing these and a whole host of other things that I had on my list. Perhaps some other time the House will grant me the privilege of presenting the rest of those ideas.

The Acting Speaker (Mr. Kilger): It being 5.49 p.m., it is my duty to inform the House that pursuant to Standing Order 81(19), proceedings on the motion have expired.

The House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

PRESCRIPTION DRUGS

Mr. John Solomon (Regina—Lumsden) moved:

That, in the opinion of this House, the government should consider repealing the Patent Act Amendment Act, Chapter 2, Statutes of Canada, 1993, to make prescription drugs more affordable to Canadians and to encourage the creation of jobs in Canada by generic drug companies.

He said: Mr. Speaker, it is my pleasure this afternoon to move this motion in the House of Commons. Bill C–91 in essence ended Canada's compulsory drug licensing system in place since 1969 which helped make medicines more affordable.

Bill C–91 increased patent protection for the large multinational pharmaceutical corporations. What that means is that those drug companies were able to extend the monopoly pricing for periods of up to 20 years for their prescription drugs. Canadians are deeply concerned about the consequences of this bill. What Bill C–91 has done is increase the cost of some prescription drugs by about 120 per cent in the past three years.

As a result of this bill, for example, the Saskatchewan drug plan, a government funded plan, has had to diminish its coverage for Saskatchewan citizens quite significantly but still pays about $10 million more a year for the plan because of increased prescription drug prices.

The boost in the cost of provincial drug programs ultimately means you pay more for drugs and increases Canada's dependence on the most powerful pharmaceutical companies. Bill C–91 also weakens Canadians generic drug companies at the expense of foreign multinational pharmaceuticals. It also sharply deteriorates our own pharmaceutical trade balance, making Canada a warehouse for drug imports. The biggest impact is on the consumer, in particular those people who require prescription drugs, the sick, the elderly, people from all walks of life.

The Eastman committee which studied drug patents and costs in 1983 claimed that across Canada at that time the public saved $211 million per year in drug costs from generics. In 1986 the Canadian Drug Manufacturers Association, which is the organization of companies that manufacture generic drugs in Canada, estimated that compulsory licensing saved us about $500 million a year.

• (1755)

We do not have an updated figure but for health care plans in this country which total about $70 billion in costs to the government the components of the pharmaceuticals in that $70 billion cost is about 17 per cent, which means it costs Canadians abut $13 billion or $14 billion a year. Estimates today indicate that we would be saving between $1 billion and $2 billion a year if Bill C–91 did not exist.

Not only do we save on the generic price but whenever a generic equivalent is introduced to the market the brand name product falls about 20 per cent to compete with it.

The Eastman committee at that time recommended a maximum monopoly of four years. The government legislated seven years for some drugs and ten years for others. Someone from the Department of Consumer and Corporate Affairs said we did not give them a nickel more than they asked for. Now it is not just seven years or ten years or even seventeen, but Bill C–91 gives these pharmaceuticals 20 years of protection.

There is a well know drug, an antibiotic, that is marketed as Septra by a company called Burroughs Wellcome and there is Bactrim by another company called Hoffmann–La Roche. This medicine is composed of two constituents that work together to produce their effects in the urinary tract and in the respiratory system.

One of these components is owned by the British drug company Burroughs Wellcome and the other component is owned by Hofmann–La Roche of Switzerland.

Not only do the components work symbiotically, so do the companies. Wellcome makes enough of its product to supply its own needs and that of the Roche company while the Roche company makes sufficient of its own product to supply itself and Burroughs Wellcome.

Then each company advertises its own product as superior to that of the opposite company and will produce research material to even prove it. Yet the only difference is that the one company markets this tablet in green and the other is coloured white. There is a slight difference in shape but they both contain the identical amounts of the same two drugs that came from the same two companies. They come from the same machinery in the same factories. Not only that, but they each thereafter supply these components to generic drug companies who could produce them under compulsory licensing at a cheaper rate and then these pharmaceuticals have the cheek to call themselves ethical pharmaceutical manufacturers.

An article in the *Globe and Mail* of January 20, 1993 cites the chairman of a company that administers many private drug benefit plans in Ontario. He told the Senate committee investigating this matter that the average cost of a prescription drug in Ontario in 1987 was $12.52. Five years later it was $21.12, an increase of 75 per cent over five years for the average prescription drug. He projected that by the year 2000, six short years away, the average would be about $34.

Of course the federal government's rationale for C–91 was that great big bogeyman GATT, the General Agreement on Trade and Tariffs. Bill C–91 was retroactive to three years prior to the GATT's being implemented before it took effect. My concern is why should Canada have internal matters decided by foreign governments?

As a matter of fact, Canadian drug manufacturers have indicated in their research that under the present Patent Act Canadian generic pharmaceutical manufacturers are prohibited from producing for export products that are under patent in Canada, even if the product is not under patent in the country we wish to export to.

For example, given that many patents are granted in the United States before they are granted in Canada, patents will expire in the U.S. before they expire in Canada. The Canadian generic pharmaceutical industry must now locate manufacturing facilities in the U.S. when a patent expires there before it expires in Canada.

This means we cannot continue to create jobs and produce our export products here in Canada. In effect we are being forced to export Canadian investment and jobs which we prefer to locate right here. Unless this problem is quickly rectified we will be forced to curtail more jobs in Canada and invest and create jobs in the U.S., Mexico and other export markets.

The repeal of Bill C–91 would demonstrate to Canadians that the Canadian government still has control over its domestic affairs rather than the multinational foreign drug manufacturers. If this bill is not repealed it will prove once again to Canadians that the Liberals are no different than the Conservatives.

We have often heard in many jurisdictions in this country the phrase "Liberal, Tory, same old story".

• (1800)

My sense of it is that unless the Liberals who voted in opposition against Bill C–91 repeal this legislation they will be no better than their sisters, the Conservative Party. I think actions speak louder than words. It is incumbent upon the Liberal government to take action on this bill and repeal it so that we can save a whole lot of jobs and a whole lot of money for our drug plans and for Canadian consumers in the end.

When the Tories passed the drug patent legislation, Bill C–91, New Democrats predicted it was a prescription for problems. The legislation gave brand name drug companies a 20 year monopoly to charge basically whatever they wanted for prescription drugs. New Democrats said that the granting of generic drug licences would be eliminated and that consumers would bear the brunt of decreased competition and increased prices. Without competition big name pharmaceutical companies would be able to set the price of being healthy.

According to a 1986 Ontario report on drug competition when five versions of the same drug were on the market the cheapest generic drug was almost half the price of the original. Since Bill C–91 was passed this type of saving to the consumer is a thing of the past.

I have here some brand name–generic price comparisons for the top 25 genericized products. For example, for the drug Cimetidine which is an ulcer drug—that is the drug name, the brand name is Tagamet—the generic price is about 80 per cent less expensive than the original brand name. We are actually paying 80 per cent more for the brand name of a drug which produces the same ultimate result.

For Naproxen which is an arthritis drug, the brand name of which is Naprosyn, the per cent savings if we use a generic is about 76 per cent. There is a whole list of examples. Every one of these examples is at least 15 per cent cheaper, and in many cases up to 80 per cent cheaper by using generics.

What we can conclude from this is that the consumers in Canada are being gouged by Bill C–91 which allows the pharmaceutical corporations to gouge consumers. New Democrats in this country, New Democrats in this House of Commons, oppose this kind of gouging of consumers.

Even provincial drug plans will not be able to shield Canadians from the high cost of being healthy. Cash strapped provinces will be forced to delete more and more drugs from the list of the products they pay for, creating a situation like that in the U.S. where people are dying because they cannot afford brand name drugs and they do not have an option to purchase generic drugs.

Saskatchewan was convinced that Bill C–91 was a severe blow to health care in Saskatchewan. At that time it estimated it would cost its drug plan between $6 million and $10 million more each year. Not only has it proven to cost $10 million a year more, but it has had to reduce the coverage because of the massive increases in drugs.

The Tories argument in favour of Bill C–91 is that without patent protection Canada is in danger of losing research and development investments. In support of this claim Judy Erola, former Liberal Minister of Consumer and Corporate Affairs and president of the Pharmaceutical Manufacturers Association of Canada, resorted to using blackmail as a rallying cry. She claimed that the brand name industry would pass us by if patent protection was not extended. While Bill C–91 is in effect the promised drug jobs have not materialized and in fact layoffs have occurred.

As recently as April 26, 1994 in the *Globe and Mail* it was stated: "Earlier this month Eli Lilly Canada Inc. of Toronto scrapped a plan to add 150 manufacturing jobs and a major expansion first announced at the time of C–91's passage. The company says it still plans to pump more money into R and D but shelved the $170 million expansion because of cuts dictated by its U.S. parent, the Eli Lilly Company of Minneapolis, Minnesota".

Here is one of many examples of this wonderful Bill C–91 falling short from every single promise that was ever made by the former government.

The problem with the arguments put forward by Ms. Erola is that the drug companies are not legally obligated to use their increased profits to conduct research and create jobs in Canada and past experience points to the contrary. When Bill C–22 was passed by the Tories in 1987 the same promises were made. However, Stats Canada figures show that only 500 new research jobs were created and these were offset by more than 1,000 jobs lost in drug manufacturing. In addition, Canada has no large drug companies with basic research facilities headquartered here.

• (1805)

We have some very serious problems in our health care program in Canada. We have increased prices in drugs which have skyrocketed since the implementation of Bill C–91. I have chosen this motion because it is important not just to me but to millions of Canadians.

I have presented in this House petitions from thousands of people who are opposed to Bill C–91 and want generic drug companies to produce lower cost drugs for their use in terms of addressing their health problems. I have letters from a number of organizations. I want to read one into the record. This was sent to me by Mr. F.J. Lancaster, the immediate past national president of the Federal Superannuates National Association, which represent about 70,000 retired federal civil servants in its 74 branches across the country. He says regarding Bill C–91: "It is insidious legislation and more so because one 10–year extension of patent rights on new drugs had already been granted, I believe in the 1970s, and Bill C–91 was a further sellout to the international drug companies. The costs of prescription drugs have risen dramatically. That is hurting the poor and aged on small incomes and causing some provincial government medical plans to virtually remove from their health care plans benefits related to prescription drugs because the plans cannot afford the coverage".

He continues: "As a result, the users of prescription drugs have had to assume an additional and very heavy financial burden. While our organization is strictly non–partisan, we will fight the government of the day on any legislation inimical to our interests and we will support the efforts of any of our parliamentary representatives who oppose such type of legislation". He represents 70,000 superannuates.

I received a number of letters, one addressed to the Prime Minister from one of my constituents, urging the government to immediately review Bill C–91. This was dated January 5, 1994. I have not yet heard whether the Prime Minister responded. I am sure he responded to this constituent. These are examples of people across the country who are concerned.

Another example is on April 5, 1994 a motion was passed in the Saskatchewan legislature, the province that I represent in this House of Commons, which was unanimously supported that read as follows: "That this assembly urge the federal government to repeal Bill C–91 because it provides excessive profits to foreign drug companies, causes severe financial hardships to prescription drug users, particularly the elderly, and makes provincial drug plans economically impossible".

The entire legislature, which is composed of 54 New Democrats, 3 Liberals and 10 Conservatives, supported this motion unanimously.

Not only is this evidence I provided important, but a poll taken recently conducted with about 1,100 Canadians was done by Insight Canada Research for the Canadian Drug Manufacturers Association. In this poll they found that 63 per cent of Canadian respondents are concerned about the high price of prescription drugs. Seventy–nine per cent of those people reside in Quebec. They say that 79 per cent of the Quebec population are concerned about it, 71 per cent of the population in the prairies are concerned about it and 77 per cent in Atlantic Canada. It also found that 75 per cent of Canadians believe the federal government should control the price of prescription drugs. Eighty–seven per cent of Quebecers believe the federal government should control the price of prescription drugs. They believe they are too high.

I was curious to note in the House of Commons during Question Period today the Bloc Quebecois member who stood up and said: "We oppose repealing Bill C–91. We want to see this bill protected and actually enhanced and strengthened". They believe it is a good bill. That is not surprising because

when they were in the previous Parliament they supported this legislation.

What I cannot find a rationale for is that they really are supporting the international pharmaceutical corporations at the expense of gouging their own Quebec French Canadian consumer. They have in essence betrayed their own people. They got elected on a policy of so–called social democracy and the first opportunity they have to protect their people, they knife them in the gut. I think it is disgusting. All I can say is shame on them for that kind of performance and that kind of stand on this very, very important issue.

• (1810)

Bill C–91 is a threat to medicare, it is a threat to our Canadian generic drug manufacturers, it is a threat to consumers of prescription drugs. Bill C–91 is a threat to our provincial drug plans and it is a threat to the sick and the elderly.

It helps no one except the large multinational corporations. It does not help anybody else in this country. That is why I believe the government of the day has to support this.

I might say that in the previous Parliament many members opposite who are now in government, including the Prime Minister of Canada and the Minister of Health, opposed Bill C–91. I am asking them in their positions in cabinet and controlling the government to follow their instincts and their position in the previous Parliament and to repeal Bill C–91.

I end by saying that I was very pleased to hear from many members of Parliament who support this motion, including the member for the riding of Ontario and, of course, the member for Notre–Dame–de–Grâce.

I know my time has ended. I reiterate by saying that I am urging the federal government to repeal Bill C–91 for the sake of our social programs, for the sake of medicare, for the sake of the sick and the elderly in our country.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I am pleased to rise in my place today to respond to the motion put forward by the hon. member for Regina—Lumsden.

We share his concern over the impact of the amendments to the Patent Act that were introduced in the last Parliament. The laws that govern pharmaceuticals must balance many different interests. They must serve the industry, consumers and provincial governments whose health care plans account for about half of prescription sales in this country. As a result, I think it altogether appropriate that the government take a careful look at the results of the changes to the patent laws that were introduced by the last government.

We would like to remind this House that the compulsory licensing regime for drugs was first adopted in 1923 following the example of an act in the United Kingdom. Until 1969, however, few compulsory licences were issued because the act required that active ingredients used in the manufacture of the generic drug would be produced in Canada.

That changed in 1969. In that year the Patent Act was amended to allow generic companies to import active ingredients. This allowed a generic drug sector to develop in Canada.

Under the system that was established compulsory licence applications were filed with the Commissioner of Patents who determined the royalty rate to be paid by generic companies to the patentees. The royalty rate was generally set at 4 per cent of the sales of the generic product. This system continued for the next 18 years.

Some have argued that the system served Canada well. They would point out how the Canadian health care system benefited from cheaper pharmaceuticals. Because the results of their investment, hard work and innovation was not protected by our patent laws, the makers of brand name pharmaceuticals were reluctant to establish research facilities in Canada.

Back in 1969 this was not considered to be as important a cost in light of the benefits of cheaper pharmaceuticals. For one thing, it seemed unlikely that brand name pharmaceutical companies would establish research facilities in this country in any event. After all, most of the innovative pharmaceutical companies were foreign multinationals and they tended to set up their research facilities in their home countries.

Indeed, when a commission of inquiry on the pharmaceutical industry, chaired by Harry Eastman, tabled its report in 1985 it maintained that the innovative pharmaceutical companies were not hurt financially by the compulsory licensing regime. The profits of the industry from 1968 to 1982 were substantially higher than for total manufacturing in most other industries.

In fact, the Eastman commission recommended that compulsory licensing brought a competitive element to the industry. It estimated that it saved Canadian taxpayers and consumers $200 million in 1983 alone. The commission recommended that compulsory licensing be continued but that the royalties paid to patentees be increased to reflect the costs of research and development to the innovator. The report also recommended that patentees be allowed four years of market exclusivity before generic companies would be permitted to enter the market.

• (1815)

The Eastman commission tabled its report at a time of profound change in the worldwide pharmaceutical industry. Mr. Eastman could not have anticipated some changes in the global environment for research and development that were taking place.

The major multinational drug manufacturers were beginning to invest their research and development dollars in countries other than their home country. One of the assurances that they sought in return for this investment was adequate intellectual property protection for their products.

Around the world other leading industrialized countries abandoned their compulsory licensing regimes for drugs. Canada became increasingly isolated in trade discussions and subject to pressure to repeal the compulsory licensing regime.

Many members of the House will recall the bitter debates that took place over the amendments to the Patent Act that were passed in 1987. Pharmaceutical patent owners were guaranteed a period of market exclusivity of seven to ten years instead of the four years that had been the case previously. In exchange, the brand name pharmaceutical companies made a public commitment to increase its research and development to sales ratio from 4.9 per cent, which is where it was in 1987, to 10 per cent by the year 1996.

In fairness to these companies the House should acknowledge that they have been increasing their R and D. The House will recall that the Patented Medicine Prices Review Board was created under Bill C–22 to control the prices of patented medicines as well as to report on R and D investments.

As the House knows, the previous government was not content to leave the patent legislation as it was amended through Bill C–22. In 1993 after another very bitter debate further changes were introduced through Bill C–91.

These amendments abolished the compulsory licensing regime entirely. They did so retroactively. The amendments rendered inoperative any compulsory licence not granted by the Commissioner of Patents as of December 20, 1991. That was the date the so–called Dunkel text of the GATT was made public. The NAFTA also requires implementation on that date. These two trade agreements, the GATT and the NAFTA, limit the possibility for change in patent laws in Canada. Compulsory licensing specifically for drugs is not allowed.

However some changes introduced in Bill C–91 went beyond what was required by these agreements. The government is taking a very close look at ways where it can harmonize the interests within the pharmaceutical industry and among consumers, provincial governments and drug companies.

I also remind the House that Bill C–91 strengthened the powers of the Patent Medicine Prices Review Board. For example, failure to comply with the board's orders now carries a fine of up to $100,000 a day for a company and $25,000 a day for an individual. Although the price tests applied by the board were not changed, new price control factors can now be added by regulation after consultation with stakeholders.

Another aspect of the act to amend the Patent Act should be mentioned here. Regulations were adopted that prevent the health protection branch of Health Canada from approving a generic product before the expiry of the Canadian patents on the brand name equivalent. These regulations have led to many lawsuits within the pharmaceutical industry and the volume of litigation arising from this provision is being reviewed.

These are matters the House must take into consideration when dealing with the motion before us. It would not be appropriate to look at just one side of this very complex issue as the hon. member for Regina—Lumsden has done.

I understand the Minister of Industry has met with representatives of the pharmaceutical industry. He is reviewing carefully the current drug policy and its effect on investments in Canada, job creation and drug prices. He will ensure that consumers are treated fairly.

The challenge is to ensure that drug patent legislation supports the development of Canada's pharmaceutical industry while making patented drugs available to Canadian consumers at affordable prices.

The government will not take the side of the pharmaceutical industry over the side of health care objectives. It will take all interests into consideration. That is what the government is committed to doing. It is what Canadians expect of us. The government is weighing very carefully the various issues at stake and acting upon its commitment to review the drug patent policy.

• (1820)

[*Translation*]

Mrs. Pauline Picard (Drummond): Mr. Speaker, in the next few minutes, I intend to share my comments and concerns about the motion tabled by the hon. member for Regina—Lumsden, who is asking the House to repeal the Patent Act Amendment Act passed by the House in 1993 and better known as C–91.

I must tell you right away that I strongly oppose this motion and I will now explain to my hon. colleagues the reasons behind my position.

To understand all the elements of this debate, we must go back to the past to see what the situation was like in Canada before Bill C–91 and its predecessor, C–22, were passed in 1993 and 1987 respectively.

In 1960, a royal inquiry commission found that drug prices in Canada were too high and recommended establishing a procedure to issue compulsory licences to import and sell patented pharmaceutical products. That is what Canada did in 1969.

This reform led to the creation of a number of pharmaceutical businesses which, after obtaining the compulsory licences, produced and sold generic drugs at lower prices than brand–name drugs. Although the purpose of the reform, namely to control and reduce drug prices, was achieved, it also had a very negative impact. Research in the Canadian pharmaceutical sector dropped dramatically.

To promote research and the growth of the pharmaceutical industry, the federal government created the Eastman Commission in 1984. In its report made public the following year, the commission proposed a major reform which was approved by the government and led to C–22, an Act to amend the Patent Act.

This reform had an ambitious goal: to stop the exodus of Canadian researchers to the U.S., convince pharmaceutical companies to invest more money in research, and put Canada back on the list of industrialized countries where high–tech medical research is done.

Now that we know the background, we understand better the various elements and the reasons that led to this trench war still being fought between generic–drug manufacturers and innovative companies. After supporting the former for over 25 years, the government lived up to the challenge of helping innovative and research companies while ensuring that drug prices remain under control.

We can identify three real consequences of this reform. First, innovative companies made a public promise to increase significantly their investments in pharmaceutical research. These companies kept their word. So these two pieces of legislation resulted in the biggest research and development expansion program ever undertaken in the medical research sector in recent history.

Before 1987, brand–name drug makers spent only 3.5 to 4.5 per cent of their sales revenues on research and development activities. After C–22 was passed, the ratio of research and development spending increased to 6.1 per cent in 1988 and to 9.7 per cent in 1991. The latest figures available, for 1993, show a ratio of 9.9 per cent.

We see that investment on research and development has practically doubled since the two bills were passed, from less than $100 million to more than $400 million invested in medical research, within less than seven years.

Just on this point, we can see that these two laws were a success, but we must hope that drug makers will continue and raise R and D spending to over 10 per cent of sales, to come closer to American innovative companies that invest 14.2 per cent in R and D and their British counterparts, who invest up to 20 per cent.

A second major consequence of this reform was to maintain the price of patented drugs. That was the biggest concern of opponents of C–22 and C–91. Even today, we see in this House that it is still this aspect that seems to give the greatest concern to opponents of this reform.

• (1825)

We must admit that drug prices account for much of the health spending of various governments. An aging population, greater consumption of health care and increasingly sophisticated research affect the kind and amount of drugs consumed and the funds allocated for drugs.

To avoid sudden increases in patented drug prices, the prices review board was created with the mandate, which it still has, of ensuring that innovative companies do not jack up above their actual value the price of patented drugs leaving the factory. The board must therefore take into account the price of drugs sold in other countries, the price of other medication in the same therapeutic category and other factors to determine whether the drug price is excessive. The Minster of Industry and the provincial ministers have the right to intervene at the board's hearings.

From 1987 to 1992, the price of patent drugs increased at an annual average rate of 2.9 per cent, compared to 4.2 per cent for the consumer price index. Since 1988, the price increase has remained lower for patent drugs than for drugs as a whole. We must therefore conclude that the Patented Medicine Prices Review Board, with the added power delegated to it by Bill C–91, was able to fulfil its role and prevent undue price increases for patent drugs.

The third consequence of the reform is mainly the result of Bill C–91, which is the legislation we are now being asked to revoke. Yet, this consequence, which I would call global realignment, is absolutely normal and was unavoidable. In these days of trade liberalization and free trade zones, Canada must provide its industries and its economy with a legislative framework that will allow them to be competitive at the international level. The two acts were passed with that objective in mind.

It is interesting to make a comparison with other industrialized countries. While, as a rule, patents for drugs are granted for 20 years, some countries have gone even farther by extending that 20–year period so as to absorb the marketing period, which can sometimes be up to ten or twelve years. This is the case with the EEC which, since June of 1992, may grant a five–year extension, depending on the length of the marketing period, so as to guarantee exclusivity to patent holders for 15 years.

Japan and Australia have also granted extensions of five and four years. It is in Canada's interest, given its limited market, to ensure that intellectual property laws are governed by GATT proposals. Indeed, the primary objective of Bill C–91 was to align the Canadian legislation on intellectual property of patent drugs with the laws and regulations in effect elsewhere in the world.

The fact is that before Bill C-91 became law, Canada was the only industrialized country which did not treat drugs like any other invention. There is no doubt that in 1993, when it decided to abolish the compulsory licence program for pharmaceutical products and harmonize its policy on intellectual property with the rules governing its major competitors on the international scene, Canada gave itself one of the best tools to get the investments it needs.

The motion asks us to repeal the 1993 act, better known as Bill C-91, to make patent drugs more affordable. Clearly, the provisions contained in the federal act can ensure the protection of consumers against price increases for prescription drugs, while at the same time promoting research and development, as well as the creation of highly skilled jobs.

The protection provided by Canada to pharmaceutical patents before Bill C-91 became law kept product manufacturers from being competitive. While Canadian companies had a seven-year protection, their American and European competitors were being granted exclusivity for 14 years.

• (1830)

Canada and Quebec cannot overlook the favourable conditions offered by our foreign competitors.

I think I have shown that Bill C-91 also provides an adjustment mechanism in this era of freer trade. This legislation enables Canada to adjust and to harmonize its laws and regulations with the international agreements to which it is a party. Bill C-91 was the outcome of a reform which has had positive and desirable consequences on the economy of Quebec and Canada, and this is why I firmly oppose this motion.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I think it is important today to put this whole debate into context. First of all, the hon. member moved:

> That, in the opinion of this House, the government should consider repealing the Patent Act Amendment Act, Chapter 2,—

This is all very well but what will we replace it with? You know as well as I do how difficult if not utterly impossible it is to undo an omelet. This debate reminds me a little of the one we had on free trade a few years back. Even though I was one of those who voted against the free trade agreement then, I think it is impossible to go back, considering the investment decisions that have been made since. Going on with the free trade analogy, I think we should undoubtedly take into consideration, for example, the fact that plants that have closed in my riding because of free trade would not reopen if the agreement were cancelled. And those that opened since would surely close their doors. As you can see, when the eggs are broken, that's it! This is what I am trying to explain to this House.

Today we are faced with almost the same situation. An hon. member tells us we should cancel a measure which was approved a year ago. And with what would we replace it? What is the point now that investment decisions have already been made? Will that lower the price of drugs? We do not know. There is no proof of that. Will that encourage other industries? Probably not. Will this make us lose investments which could or should have been announced? This is quite possible. The problem with that kind of motion is that it does not take into account the constant evolution of things. Situations change. Moreover, as parliamentarians, we must realize that the situation changes not only in our country but all over the world.

I must say that, when we were debating Bill C-22 in this House seven years ago, I did not give much thought to the possibility that a GATT agreement would be signed in Marrakesh on April 15, 1994, and even less to the provisions of such an agreement. The same thing is true of Bill C-91.

I come back to Bill C-91 because there is something important about it. A little earlier today, during Question Period, the hon. members opposite said, and that is the other extreme: How dare you say that there will be a review of Bill C-91? You do not have to be a lawyer from Baie-Comeau—to use one of my favourite expressions—to understand that under, section 14 of Bill C-91, the present Act, there must be such a review. It is not optional, it is compulsory, it is written into the law. And guess who voted in favour of that bill? The hon. members of the Bloc who where here during the previous Parliament. They never proposed any amendment to remove that provision from the bill. So I say to them: Do not get carried away.

• (1835)

Do not tell me that this legislation will never be reviewed. You voted for a bill that provided for such a review without proposing an amendment to delete this provision. I have here a copy of *Hansard* for December 10, 1992. I have looked at it carefully. No such amendment was moved by members of the Bloc in 1992.

Members opposite, do not come and tell me that you are against a review of the act in 1997. If you do, you are a little late, like the rainbow. The rain has already fallen.

So, the act provides for a review to be conducted no later than in 1997. That is reality. Since the members opposite voted for the bill without moving an amendment to delete this provision, we can assume that they were not against it.

Of course, members of my party, including myself, proposed a series of amendments at the time. My amendments were rejected, but that is unimportant. It is water under the Perley Bridge, as they would say in Hawkesbury.

Nevertheless, Bill C-91 became law and that law still exists today. It is unreasonable to suggest that we should repeal it

completely, as the hon. member for Regina—Lumsden does in his motion, without offering any alternative to replace it.

I wonder what the hon. member would do if, God forbid, we had to vote on this. It is almost like watching a dog running after a tire, and wondering what would happen if it caught it.

Would he vote for it, knowing what the result would be the day after the vote? It is all very well to propose something, but one should always consider any proposal in the light of the following question: What will happen if it is agreed to? Because, should what he is proposing today get agreed to, the members opposite might face a deplorable situation.

It is easier to propose something, knowing very well that it has no chance of getting agreed to, than to propose something that just might be agreed to by other members of the House. Fortunately, the chances of the motion put forward by the hon. member for Regina—Lumsden being agreed to are almost nil. I think I have clearly shown why a little earlier.

In 1992 we had a full debate here in this House of Commons on that piece of legislation. At that time, members of various political parties publicly stated their point of view on the bill, and then Parliament, in its wisdom, no matter whether I agree or not with what it did, passed the legislation, but with a provision for a review which must take place in or before 1997. This was provided for in subsections 14(1) and 14(2) of the bill. I am sure you remember this clause very well, Mr. Speaker. You must have read it very carefully yourself.

Repealing this act today is not a solution to be considered, because it does not give us any assurance that prices would drop, that jobs would be created, or that research needed to find new drugs for various illnesses would be conducted.

• (1840)

Mr. Speaker, you know my 16–year–old daughter Julie, who is asthmatic. She must use a pump made by one of the large pharmaceutical companies based in Kirkland. Other similar products, albeit generic products, were recommended to her at one point. In her case, and I do not consider this trivial, the supposedly equivalent generic product did not prove to be effective. Her condition deteriorated. She leads a normal adolescent life, very active, but when she has a bronchitis attack, the situation is quite alarming at home. We must then immediately fetch one of these pumps. As expected, there is one pump in her school bag, and others scattered around the house. When we come across a pump that does not have a well known brand name, we avoid it, because we know the results, or rather, the lack of results that we can expect to have.

Research is crucial. I say this personally, based on my own experience. The member's initiative does not guarantee any improvement, any research, and any reduction in prices. Again, when the eggs are broken, that's it.

[*English*]

Mr. Hugh Hanrahan (Edmonton—Strathcona): Mr. Speaker, I rise today to discuss the motion introduced by my hon. colleague. Motion 167 allows us to discuss the possibility of repealing Bill C–91 which was passed during the 34th parliament.

I believe that in all fairness to both the generic and to the brand name manufacturers we should hold off on this debate until such time is allowed to determine whether Bill C–91 has had a positive or a negative impact on research and development spending in Canada, employment and health care costs.

In fact, it is already explicitly stated in sections 14(1) and 14(2) of Bill C–91 that a review of this bill will be done in 1997. We should allow the Patent Medicine Price Review Board and the drug manufacturers time to adjust to this new legislation. However, I would like to make a few comments on the motion.

First, I think that it would be useful to examine why we need patent protection in the pharmaceutical industry. Patent protection is crucial to this innovative sector. These companies require a certain amount of market exclusiveness guaranteed to them in the form of patents in order to recoup their research and development expenditures and finance the development of new products.

I believe like other inventions pharmaceutical products are entitled to patent protection. Unlike other products, however, the pharmaceutical industry must undergo a strict regimen of tests and evaluations to determine a product's safety and efficiency before it can be sold commercially. This testing process is rigorous and time consuming, involving animal and clinical trials.

Essentially Bill C–91 allows patent extensions to approximately three or four years. This extension still does not bring us in line with the rest of the world. In fact, the European Community averages 15 years, the U.S. 14, while Canada is at 10. It is little wonder that Canada has also one of the lowest research and development spending levels compared with the rest of the developed world.

Since 1987 when Bill C–22, the previous amendment to the Patent Act, was introduced R and D in Canada also increased. It was through Bill C–22 that multinational pharmaceutical manufacturers agreed to spend 10 per cent of Canadian sales in R and D in Canada. As a result R and D in Canada has increased approximately 250 per cent between 1988 and 1992. However, as mentioned earlier, it is too soon to determine just what impact Bill C–91 will have on the R and D spending in Canada in the long run.

• (1845)

Yet I do know that since the passage of Bill C–91 the pharmaceutical industry has spent over $600 million in research and development in Canada. This is a large capital output which has been a benefit to all regions of Canada.

Other key issues that must be considered are the mandate and powers of the Patented Medicine Price Review Board. This body was created under amendment to the Patent Act enacted in Bill C–22. The board was also amended in Bill C–91 during the last Parliament. The board is a quasi–judicial body which has the power to issue corrective orders when at the outcome of a hearing it is determined that the price of a patented drug sold in Canada was excessive. The board's jurisdiction extends to all patented medicines sold in Canada, whether they be prescription or non–prescription.

The mandate of the board is threefold: first, to ensure that the factory gate prices of patent medicines charged by the drug companies are not excessive; second, to report annually on the activities and pricing trends in the pharmaceutical industry; and, third, to report annually on research and development expenditures by the patented medicine industry.

The board's pricing guidelines ensure that no medicines exceed the international range regardless of the category in which the drug falls. These guidelines also ensure that price increases do not surge above the estimated consumer price index.

Since the creation of the board the prices of patent medicines in Canada have increased on average less than the consumer price index per year. Prior to the establishment of the board prices of the patent medicines rose on the average twice that of the consumer price index.

The principal amendments to the Patent Act brought about by Bill C–91 include new remedies for firms that charge excessive prices. These remedies include ordering price reductions, ordering a monetary payment in the amount of the excess revenues, and the extension of the patent life of patent medicines by approximately three years.

With the adoption of Bill C–22 the pharmaceutical industries in Canada increase both their patent protection life and the amount of employees hired. In fact employment increased by almost 15 per cent from 1987 to 1991. Again I believe we should have had a longer time period in order to assess the impact Bill C–91 will have on the employment rate in the pharmaceutical industry.

Another key area that must be examined is whether or not the extension of the patent life to 20 years has increased health care costs in Canada. Again the jury is still out. There has not been sufficient time to do a realistic study of the prices of medicines in Canada that relate directly to the patent life. Bill C–91 allows the board to be an effective control and watchdog that has some real teeth to it, which ensures that drug prices do not become an albatross to the health care system.

According to the executive director of the Newfoundland Hospital and Nursing Home Association, the boards have brought the pricing back down and companies have made large settlements. The Drug Prices Review Board seems to have done some very positive things which have brought companies into line.

As mentioned earlier the board has a new mandate which is ensuring that those manufacturers that wish to break the pricing standards will be financially accountable.

If we look at the total costs of health care the pharmaceutical industry's portion of these costs is approximately 2 per cent of health care expenditure in Canada. Therefore I am not overly convinced that allowing these companies an extension in patent longevity is the driving force behind our increasing health care costs.

A comparison between the generic industry in Canada and the United States illustrates a few interesting points. There are two Canadian companies that control 80 per cent to 90 per cent of the generic market in Canada and their prices average 60 per cent to 80 per cent of the brand name product. In the U.S. there are 200 to 300 companies that compete in the marketplace and the prices of the generic manufacturing there average 25 per cent to 35 per cent of the brand name product.

• (1850)

I must state we are premature in discussing the pros and cons of Bill C–91 because it has not been enacted long enough to make a well informed, unbiased decision. I would think we would be better suited to discuss this issue in the future, allowing both generic and brand name manufacturers to have sufficient time to make changes and work within the new bill.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1) the order is dropped from the Order Paper.

ADJOURNMENT PROCEEDINGS

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

MANPOWER TRAINING

Mr. Antoine Dubé (Lévis): Mr. Speaker, on April 13, I asked a question to the Minister of Human Resources Development concerning the new apprenticeship program for young people which, as you know, is now called "Young Apprentices". Unfortunately, my question was not answered satisfactorily.

What I was asking the minister was to commit himself to give Quebec its fair share of the program funds so that it could invest them according to its own needs and priorities.

Instead of answering my question, the Minister of Human Resources Development criticized some figures that I had not even mentioned in terms of vocational training. Vocational training is a provincial responsibility. The next day representatives from both the Parti Quebecois and the Liberal Party of Quebec in the National Assembly unanimously passed a motion asking the federal government to withdraw from vocational training.

Quebec was not the only one to make this request to the minister. At least three other provinces also expressed their reservations to the minister, which seemingly caused the cancellation of the federal–provincial conference that was expected for the next Monday.

Since then, the minister has continued to go forward unilaterally with this "Young Apprentices" Program, despite the fact that vocational training is, and I repeat it, the exclusive responsibility of the provinces.

Using federal spending power, with about 24 per cent of tax revenues coming from Quebec, the Minister of Human Resources Development admitted yesterday before a parliamentary committee that he used funds formerly allocated to community agencies to partly finance his new programs. For the benefit of Quebecers, I may point out that these programs are commonly referred to as direct employment programs.

I think it is highly improper to divert funds allocated to agencies that focus on local community development, in order to finance a new intrusion into a field of provincial jurisdiction. Hundreds of community agencies are now waiting for a reply from the Minister of Human Resources Development.

They talk about new models and new programs but never about new budget envelopes. They just recycle and fiddle with the existing envelopes for community agencies.

Does the minister really think he can fool us? When will the federal government finally understand that it is now time to reduce duplication, get rid of bureaucratic fat, encourage consultation on program financing and respect provincial jurisdictions such as education and job training?

• (1855)

Will the minister finally understand that we can save more than $300 million if he stops the duplication in the field of job training and if he gives the Government of Quebec the money he intends to spend in this area?

Finally, will the minister show some common sense and abide by the unanimous resolution of the Quebec National Assembly on job training and the various programs for young people recently announced by the minister?

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I begin by saying that in the government's recent announcement of the youth employment and learning strategy we stated that we would work in close collaboration with all the provinces in the implementation of the approaches and specific programs for young Canadians. In saying this the government is committed to assisting Canada's youth through programs that complement those offered by the provinces.

Quebec has a very different apprenticeship program from those in all other provinces. In Quebec those who wish to learn a trade attend a CEGEP for two or three years and then seek out an employer. In other provinces a person who wants to learn an apprenticeship trade must find an employer who is willing to employ and to train him or her. As a result Quebec does not require nearly as many funds for apprenticeship as do other provinces. Therefore funds are allocated where they are most needed, such as for the forms of vocational training offered at CEGEPs.

In addition Quebec still receives more than its fair share for the province's youth through regular employment programs and services, as well as through special current initiatives such as the joint management of co–operative education and project based training courses which are jointly delivered with the SQDM.

We will continue to work with the province of Quebec to set priorities for our youth programs and, where possible, we will harmonize our programs with those of the province of Quebec.

[*Translation*]

HYUNDAI PLANT IN BROMONT

Mr. Gaston Péloquin (Brome—Missisquoi): Mr. Speaker, I have a question for the Minister responsible for the Federal Office of Regional Development–Quebec and it concerns the status of the Hyundai automobile plant in Bromont.

As the minister already knows, more than 850 workers lost their jobs when the plant closed. On March 23 last, I put a question to the minister asking him if he could provide any information to the residents of Brome—Missisquoi as to how the government planned to handle this matter. At the time, the Minister responsible for the Federal Office of Regional Development–Quebec informed us that he wanted to work closely with the Quebec government in an effort to find a way of reopening this plant located in my riding.

Today, nearly one month after putting this question to the minister, I am again asking him for a status report on the efforts made thus far to bring this matter to a happy resolution.

For over a month now, all kinds of rumours have been making the rounds about the possible reopening of the Hyundai plant. It has been rumoured that work will resume either in 1998, in the year 2000 or in the year 2002, that the plant will close permanently, that other companies have agreed to buy the building. And I could go on. Furthermore, the employees received very little severance pay from the company.

You will agree with me that the situation is already quite difficult and that it is essential for the Hyundai workers, their families and those around them, as well as for all the taxpayers of Brome—Missisquoi, that we avoid creating still more confusion on this issue.

It is time for the Minister responsible for the Federal Office of Regional Development—Quebec to tell this House what he has done and what he intends to do so that the Bromont plant can reopen to make cars or any other product that would put back to work the 850 workers who are waiting to use their talents and dedication.

• (1900)

[*English*]

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food): Mr. Speaker, I would like to begin by expressing once again the great disappointment felt by the government following the decision of Hyundai Canada to delay the reopening of the Bromont plant indefinitely.

We are well aware that a definite closing of this facility would be an immense loss not only for the eastern townships but indeed for all of Quebec. I would like to state today, however, that we do not regard this as a dead issue and we are not going to sit back and resign ourselves to our fate.

We have therefore undertaken consultations with the Quebec government in the hope of finding a solution to this problem. I would like to add that during a recent visit to South Korea in early April the Minister for International Trade had an opportunity to speak to the chief executive officer of the Hyundai group, Mr. Chung, as well as the chairman of the board of Hyundai Motor, the parent company of Hyundai Canada, a gentleman by the name of Mr. Chong.

Both of these gentlemen, I stress, clearly indicated their firm intention of reopening the Bromont plant for the assembly of a competitive vehicle which could carve out a place for itself in the automotive market.

Hyundai's directors have mentioned that they intend to submit a business plan in the fall of 1994. We will examine this document carefully. We will go over it a second time with the Quebec government. The results of this examination will determine the type of support we will give to Hyundai to carry out its plans and reopen the Bromont plant.

Our government is committed to setting the economy of this country back on the road to prosperity. Our actions are an integral part of our desire to provide all Canadians with productive and well paid jobs like those in the automotive industry.

TRADE

Mr. John Solomon (Regina—Lumsden): Mr. Speaker, on April 22 I raised with the Minister for International Trade a question concerning the recent decision by the U.S. government which affected Canadian exports of durum wheat.

What happened at that time is that the American farm lobby pressured the U.S. government, the U.S. trade representative and the President to initiate some anti-dumping regulations and penalties according to the GATT agreement.

What this has done is really create an air of uncertainty for Canadian farmers, in particular farmers I represent in the province of Saskatchewan. The problem we have with this is that the Americans in every election year seemed to initiate a number of anti-dumping and countervailing actions on our Canadian exports.

This is a very serious concern because it seems that we signed the free trade agreements in 1988 and NAFTA in 1993. We signed last week the GATT agreements to facilitate freer trade, competitive trade between nations, particularly between Canada and the U.S.

Since these agreements have been signed we tend to have all of these actions, which are extremely difficult for many of our producers, particularly the grain producers in western Canada and in other parts of the country when they have a very good market. They have a very good product and they are very competitive in terms of their product. It is not subsidized to any great extent. It is an action of fair trade.

I was not totally pleased with the response I received during question period. It was very short. What I wanted to do is give an overview of my experience in Washington last week. I met with a number of U.S. congressmen to discuss trade issues as well as with the U.S. trade representative and other people.

What I concluded from all this is that in private the U.S. congressmen understand the issue of durum wheat imports into the U.S. They understand the complexities of trade and the commonalties between the U.S. and Canada. In many ways they are aware of the very important fact that Canada is the U.S.' major trading partner and vice versa.

• (1905)

Privately they are very consoling and they are saying do not worry about these things, they are pretty important to the farmers they represent but it is election year.

This is the point. We have all of the Congress of 435 representatives, congressmen, running for re–election this fall. We have 34 of the hundred senators running for re–election in the U.S. this fall. It seems that every two years, which is a very gruelling schedule for elections, the U.S. has a large number of these anti–dumping and countervailing actions taken upon Canada. It is not only Canada, it always means to target other countries like Brazil and Europe and South America and some of the Pacific rim countries, but it always includes Canada because it is really politically astute for it.

My question at this time is the same except I would like a little more information from the government. Can we have this government's assurance that it is going to protect Canadian farmers' interests and not cave in to this American pre–election posturing?

What I am looking for in specific terms is what is our week by week, month by month response to this action, which I classify as an unfriendly action on our country, to the Americans and to some of the businesses that are based in America that do business with Canada?

Can the hon. member give us a precise overview on what that might be?

Mr. Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food): In the brief time available to me, Mr. Speaker, I think I can help the member.

This is certainly an issue that has top priority with the government. It is an issue that has been raised at the highest level and that is between our Prime Minister and the President of the United States. The minister of agriculture, the Minister for International Trade and the government have the intention and the will to stand firm and hard in order to conclude an agreement which will respect the interests of the Canadian agricultural industry.

Specifically our object in these negotiations is to reach a deal that will protect Canada's access to the United States and which provides certainty and predictability for our agricultural and agri–food producers.

As the minister of agriculture has stated many times, there can be no deal unless it is a good deal for Canada. This means a good deal for the grains, food processing and supply managed sectors.

With respect to grains, we know that on April 22, last Friday, the United States notified the GATT of its intention to renegotiate tariffs on Canadian wheat and barley under GATT article XXVIII. By notifying us this did not shut the border. Negotiations can continue for 90 days, and if at the end of that 90–day period the United States is determined and takes a unilateral action we will retaliate in kind. We will protect and we will defend the interests of Canada and the Canadian producers.

We trade fairly with the United States. Our success there has been because of our high quality and because of a shortage there; a shortage there that has been mainly created by its export enhancement program which has taken products out of the United States in order to take advantage of its huge export subsidies.

Throughout these negotiations which began in December we have consulted closely with the industry and the provincial governments on a very high level. We will continue to do that because we know that the bilateral trade between Canada and the United States of $11.5 billion is important. We are committed to ensuring that this trade continues to grow for the advantage and for the future positive effects and mutual benefits to both countries.

[*Translation*]

UNEMPLOYMENT INSURANCE REFORM

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, I put my question to the Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec.

It pertains to *Opération Dignité II*. Representatives from this organization came to Ottawa to raise awareness among government members, because they felt their message was not getting through. They are from rural areas. I do not understand. Governments change, we had the Conservatives, and now the Liberals who were here also before the Conservatives, but the rural areas are more and more dependant on UI and welfare.

• (1910)

Now, unemployment insurance is being cut. Years ago, the Eastern Quebec Development Bureau spent millions of dollars to close small parishes. Instead of creating employment they went out of their way to close villages. Fortunately some people in those places took things into their own hands. There was the first Operation Dignity, the *Ralliement populaire*—a citizens' coalition, and the creation of corporations to pool woodlots, the pooling of resources by land owners.

There were many demonstrations in the streets under the banner of the *Ralliement populaire* and we were able to get a plant, Panval de Sébec. People managed to keep open the parish of Sainte–Paule which was scheduled to close. I invite you, Mr. Speaker, as well as the minister of regional development, to come and visit this parish which took hold of its own destiny.

Other municipalities did the same thing. But governments do not seem to have any political will, they seem to be trying to turn the Gaspé Peninsula into a huge park. It is harder for us to get a bit of money for a slaughterhouse than it is for Hibernia to get billions. And all this money might not be bring a good return on

investment, while a few dollars for a slaughterhouse in our area would make sure that our beef would stay in our region, instead of going to Montreal or Toronto on the hoof and coming back as meat.

What was done over the last twenty years? Millions are spent on unemployment while we are just asking for a few thousand, a few million maybe, to produce finished products, but we are being refused. That is the reason why I was not at all satisfied with the minister's answer. I have this second chance, and I am sure that the parliamentary secretary will give me his vision of rural life. The minister promised he would come to my riding next summer. He said so on the 17th, when I invited him to come and talk to the residents of the Gaspé Peninsula.

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I would like to begin by saying to the member that I cannot speak on the minister's coming to his riding but one day I would love to visit his riding and I hope that one day he will come and visit my riding in downtown Toronto.

To the member I want to say that even though he looks after his people in a rural setting and I am in a downtown setting we both share and care in the same way. What the government is trying to do is take a number of steps that hopefully will put people back to work.

We are not just reforming the unemployment insurance system. We are also trying to urge the financial institutions and the banks of Canada to be more generous in their attitude toward small and medium size businesses, the businesses that the member described in his riding. With the support of his colleagues in committee we are beginning to have some success in that area. We are trying with our infrastructure program to get some activity stimulated in the member's community and throughout all of Quebec and Canada.

• (1915)

We are also trying to the best of our ability to reform the tax system in the finance committee. There are a number of things we are trying to do. We know that there is a great sense of urgency and we are doing our best to move these projects forward.

Make no mistake about it, the member's riding will get the same attention and the same care as any other riding of any other member in this House.

On behalf of the minister I want to say that we do care about the pain that the member's constituents are experiencing and we are going to do our best to make sure that some of that pain can be relieved in the not too distant future.

[*Translation*]

DEFENCE INDUSTRY

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, two weeks ago, I asked a question of the Minister of Industry who, very casually, did not bother answering it. And yet, I was asking him a very important question regarding the conversion of defence industries to civilian production.

As you know, for the last three years, due to the international situation and defense budget cuts, the industries involved with defense production, 60 per cent of which are located in Quebec, have been going through horrendous times.

So much so that 10,000—Mr. Speaker, you heard right, I see worry on your face—jobs were lost in the military sector and it is the reason why I had asked the minister to highlight the concrete measures his government intends to take to remedy this disastrous situation.

I was flabbergasted when I realized that all he did was skate around the issue. The minister, whom I thought was an earnest man, could not tell us anything in spite of the promises made by his government during the election campaign. They are in the red book which has know become a black book for Canadians.

This government must give us its agenda and assist these industries. There are 600 in Quebec, 30 of them in jeopardy for lack of orders. And yet they have plans, and they know how to go about this long–awaited diversification.

Allow me to quote the great Quebec specialist in the area of conversion strategies, Professor Yves Bélanger who made a statement confirming my own conviction in the *Le Soleil* on April 16. He said the defence industry is not lacking in diversification ideas, especially given the fact that it gathered the greatest concentration of specialists attracted there by good salaries and research conditions.

And Professor Bélanger concluded that we must act quickly and adequately since recent experiences show that it takes from five to seven years to convert half a company's capacity from military to civilian production. We will necessarily lose some very important players along the way if the government does not act swiftly.

One wonders why the government does nothing; it certainly has the proper tool for it, namely the Defence Industry Productivity Program under the management of minister Manley and his department. It is the perfect instrument, the ideal vehicle for the implementation of a conversion program.

How come the minister has not found the vim to propose a schedule, and a concrete plan for addressing that problem which weighs heavily upon that important industrial sector?

Mr. Speaker, you have here a man who is demoralized by this negligence on the part of the government, but I want you to know that the fight will not end for us until the government presents a concrete program or schedule. It can be sure that we will continue to fight relentlessly as long as the government will not have produced a real program including a schedule.

The stakes are too high for Quebec for us to allow the government to fail to produce a work schedule by the end of the session. We challenge it to act on this, Mr. Speaker, and you can be sure that we will be watching it closely and urging it to exercise great caution.

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I begin by saying how disappointed I am that the member for Hochelaga—Maisonneuve does not appreciate the British humour of the Minister of Industry. This is something we on this side of the House are all quite proud of.

I want to tell the member for Hochelaga—Maisonneuve that we are committed to carrying out our promise to assist defence industries in transition from high technology military production to high technology civilian production.

The member knows, because this member is educated and he is very close to these issues, that this is not like buying a can of soup, putting it in a microwave and 20 seconds later it is ready to eat. This is a very complex issue. The exercise of converting these defence industries into industries that are going to be viable in peacetime is very complex.

The member should know that we are committed and we are working with several organizations, especially in Quebec. As he knows, in the February budget the DIPP program was explicitly targeted for redesign and we are working with many companies such as Oerlikon and Paramax, so I would ask the member to please bear with us.

I think by the time we return from China along with the member and 100 small and medium–sized businessmen from all over Canada who are going there with us, there will be even more action on the DIPP conversion program.

[*Translation*]

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.21 p.m.)

HOUSE OF COMMONS

Friday, April 29, 1994

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

PEARSON INTERNATIONAL AIRPORT AGREEMENTS ACT

The House resumed from April 26 consideration of the motion that Bill C–22, an act respecting certain agreements concerning the redevelopment and operation of terminals 1 and 2 at Lester B. Pearson International airport, be read the second time and referred to a committee; and of the amendment; and of the amendment to the amendment.

Mr. John Williams (St. Albert): Mr. Speaker, I rise to speak on Bill C–22 which is the Liberal government response to the Pearson airport fiasco it inherited from the previous government.

We all know that over the last number of years the previous government tried to address itself to the cost and administration of regional airports in this country. One of the things it tried to do was follow through on a different policy regarding its budget management by setting up local airport authorities and quasi–independent authorities.

The administration and financing of airports were moved off the government's balance sheet and therefore away from the government's deficit. This allowed these independent authorities to borrow on their own although the loans were guaranteed by the federal government. Because the federal government guarantees a loan it allows them to avoid bringing forth documents to show that the budget would have been that much larger, yet the amount of money borrowed by the government and its institutions would nonetheless remain the same.

This was part of the smoke and mirrors used by the previous government to deceive the Canadian public as to the true situation of this country's finances. The previous government should be ashamed of that approach. Of course the election showed that Canadians had lost complete faith in its approach to the situation.

Because of the magnitude of Pearson airport and because it was the only profitable airport in the country, the Conservatives decided they would take a different approach. They entered into negotiations which were behind the scenes and not public tender to lease, sell and give away property belonging to the taxpayers.

It seems ironic they would choose their friends and those of other political parties to come forth and negotiate with the government behind the scenes. The agreement would allow them to take charge of one of the prime federal assets in this country, hundreds of acres of property close to downtown Toronto. They would have a sweetheart lease on it for many years which guaranteed them income, all at the taxpayers' expense.

When the situation blew up in their faces during the last election this government decided it was time to do something about it and said to stop the deal from going forward. Of course the government did not heed the cries and concerns of the electorate and the last government in its dying days signed a deal.

Now we have the present government's response to that in Bill C–22. It is going to kill the deal signed by the former federal government. It was a sad day for Canada, for government and for administration in this country when the previous government entered into the contract. However, it is an equally sad day when the government presents Bill C–22 in which it is going to use its force and power to override a signed agreement.

The phrase force majeure means if someone of a higher authority exerts their power to kill a legitimate transaction that is already in agreement, it is perfectly acceptable in law. But when the federal government enters into a transaction with the private sector and then changes its mind, no one in the private sector can do that without recourse. Nonetheless the federal government has used its power, the ultimate power in this country, to cancel the agreement which has already been signed.

• (1010)

Our position in the Reform Party is that we do not like the bill. It gives compensation to some people who knew that the Canadian taxpayer disagreed and knew the Canadian taxpayer was being taken to the cleaners in this situation. We do not like the bill because the minister, in the sum of millions of dollars to be determined, is going to compensate them for the costs they incurred in the negotiations on this contract. They knew it was contrary to public policy and contrary to the desires and benefits

of the Canadian taxpayer. Now they feel they are entitled to compensation because they entered into that type of a negotiation.

The taxpayer is being taken to the cleaners. The Canadian taxpayer is being insulted by this bill. In our opinion the people on the other side should not be entitled to any compensation whatsoever. They knew when they signed the contract there was a very good chance if the Liberals won the election that the contract would be gone. For them to wait another week or two for the outcome of the election would have prevented them from being in a position to claim any money from the government whatsoever.

Therefore, being responsible to the taxpayers and being concerned about taxpayers' money, our position is that this bill should be defeated and voted down. No compensation whatsoever should be paid to the group that signed the lease.

I mentioned on a wider topic that the whole local airport authority concept as it was envisaged by the previous government was an attempt to move some borrowing off the balance sheet and off the budget. We disagree with that as well. The Auditor General has looked at these situations over the past number of years. He has been quite critical of the way the government has approached the method of financing and administration of the airports.

It is time this government that is so new in its mandate decided to review the whole area of administration and financing of this country's airports. It should develop a clear, concise policy to ensure this type of boondoggle does not happen again, to ensure that the taxpayers are respected and that their money is spent wisely and fairly for the benefit of all Canadians in the transfer of people moving around in this country.

That is the position of the Reform Party. I hope that the government will take that into serious consideration and if this bill does go forward, when it comes time to negotiate with the other parties that the amount is kept if not to nil, to an absolute minimum.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, the bill before the House today has a very evocative title: the Pearson International airport Agreements Act.

Pearson airport has become a symbol of all the old partisan practices and the more or less above-board lobbying that goes on in a parliamentary system when elected representatives do not have sufficient control.

It is also a test of the present Liberal governement's approach to such practices. I agree that they inherited a deal that had been "negotiated" by the Conservatives, but it seems that, although Prime Ministers have changed, their friends remain the same. On the list of lobbyists who were involved in this deal, we find as many friends or contributors on both the Liberal and what used to be the Conservative side.

The point I would like to make this morning is that we often try to rationalize the lack of development in the regions by pointing to a lack of initiative in these regions or similar arguments.

• (1015)

I would like to say that perhaps the real reason is that these regions are not part of the more or less legal, sometimes "shady" networks of lobbyists. As a joke, I said to one of my colleagues: I wish there was a bill on certain agreements concerning the development of eastern Quebec. This might give us some insight into why our projects, which are prepared by development agencies, local contractors and regional authorities acting in good faith, or even by citizens groups, are seldom successful in attacking the dollars they need.

In other words, spending $250,000 in my region has always seemed more complicated than spending $250,000 on the Pearson airport deal, where $250,000 is a drop in the bucket compared to what will be paid just to the lobbyists, for instance.

So what we have here is a double standard. In the case of Pearson airport, the big bucks network makes sure everyone around those who set up this deal gets their share.

We would have liked to see this bill specify exactly what form of compensation, if any, will be provided for a given part of the contract and how it will be awarded, so that there is an open process.

One might also ask how we got into this mess. What is it in our system that lets people who are not elected have more clout than those who are? When we look at the list of people involved in the Pearson deal, those who lobby the government for a decision, why do we see so few elected representatives and so many what I would call powers behind the throne?

I think we have a system that has lost control over the way it operates, and I heard the same comment from voters during the election campaign. It does't take a genius to see that, in our current federal political system, there is a lot of waste, a lot of money going down the drain. So why is this happening? Of course we should always allow for some margin of error in the way we do things, but there is no excuse for this kind of behaviour, and I think that the Liberal government which was elected on a promise of transparency will be judged on how it settles the Pearson question. As I see it, what is in this bill falls very wide of the mark and there is certainly a lack of transparency.

What the government proposes is a bill with a kind of fragmented authority, a bill so full of holes that all parties can get what they want out of it. Another reason why this kind of arrangement was tabled is the fact that the political parties which have formed of government in Canada since this country's inception were always financed, more or less openly, by people who do not vote. By this I mean companies, unions and other organizations which, in the final analysis, do not vote and thus do not give a mandate to our elected representatives. In this connection, I would like to mention the public financing bill in Quebec, which has caused a significant shift in the behaviour and authority of elected representatives and lobbyists.

In Quebec, and the same applies to the Bloc as far as party financing is concerned, the only lobbyists who can influence us are people who contributed to our fundraising campaign as citizens and individuals.

• (1020)

In the case of federal parties, and this applies to the current government in particular, funding is provided by these very same people who, merely by changing hats, become lobbyists. They sign on to lobby for a given company, thereby placing the government in a very difficult situation. It can hardly say no to someone who, more as a corporate citizen than as an individual, has made a major financial contribution.

Next week, we will likely proceed to debate a motion on the funding of political parties. I find it totally logical that this motion was introduced by the member for Richelieu and that it ties in with the debate on Pearson airport. I think the government should take a lesson from the opposition in the case of Pearson, take a good hard look at its motives and determine how, in future, it can avoid a recurrence of situations such as this.

Regarding the sub–amendment moved by the Reform Party, my initial impression was that it was a technical amendment. However, on further consideration, since it adds the words "in Canada", it reflects more accurately the Canadian reality.

Why has Ontario always benefitted more from economic development in Canada? Is it because there are more entrepreneurs or more leadership in this province? I do not believe this is the reason. I think it is a question of networks and of contacts people have with political parties. In this respect, the Reform Party's sub–amendment is interesting because it proves to us that, in Canada, some people are more equal than others.

We want the government to take this principle of equality to heart either by amending or withdrawing the bill respecting certain agreements concerning Pearson International airport. In its place, we would like the government to introduce a bill entitled an Act respecting the Pearson airport agreement. This bill would shed light once and for all on whether friends of the government benefitted from this agreement. It would also give us an indication of whether in future the Liberals intend to take a different course of action.

Considering that, during the election campaign, a $1,000, $2,000 or $3,000 a plate dinner was held—I am not sure exactly which it was—this could be viewed as a warning sign of the direction which the government intends to take. In my view, it is important that a clear signal now be sent out that, in Canada and in Quebec, it is possible to have development issues addressed without having to resort to parallel circuits. What matters should be the relevance of the project, not whether a company is an influential friend of the government.

In this respect, it is important that all Canadians be made fully aware of the situation and that this debate uncover the whole truth about this transaction. All aspects of the deal must be fully explored.

[*English*]

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, having read through the Nixon report and previewed statements made by the Minister of Transport and other government members, it is very clear to me that the government and the leader of the Liberal Party were wise in raising concerns during the election about this agreement that was struck between the previous government and the Pearson airport authority.

It brings to mind how this deal came about. It was signed October 7 in the middle of a general election. When the deal was signed it was made very clear by the Leader of the Opposition, who it was evident was going to be the next Prime Minister, that when he became Prime Minister the deal would be reviewed and perhaps rescinded. The people who came together and invested in the Toronto Pearson deal knew in advance that it was a risky venture. They knew at that time there was a very real possibility that the deal would be struck down. We applaud the government's decision to revoke this agreement by bringing forward Bill C–22. I quote the minister on the reasons why he felt the need to revoke this deal: "The deal was surrounded by a reliance on lobbyists, by backroom dealings, by the manipulation of bona fide private sector investors and the lack of respect for the impartiality of public servants".

• (1025)

We can appreciate the reasons why the minister made this move, why the government made this decision. It causes me concern and it causes the Reform Party concern that anyone would expect to get reimbursed for having put together a proposal for government to consider, and for any out of pocket costs that it might have incurred after submitting the tender.

It causes me concern that the government is asking the House to give it a blank cheque to compensate for out of pocket expenses those investors when the investors knew it was very risky in the first place. My experience with government contracts and tenders is that a cost is involved in preparing documentation for a proposed contract, and that for all those many people who put proposals forward before government, they

never get reimbursed for the expenses incurred in putting the proposal together.

I am concerned in this instance that we have a clause in the bill that allows for compensation to be paid. We have to continually remember the date that this contract was signed, which was October 7, in the middle of a general election. Is consideration being given for out of pocket expenses prior to that date or are we talking about after October 7, after the contract was actually signed? It is very important that the government remember that companies making a proposal for government do so at their own risk and at their own expense. They should not be compensated.

I would suggest that anybody who was made well aware by the media and by the statements of the soon to be Prime Minister that the investment was very risky, going ahead and spending more money after October 7 did so at his or her own peril.

This government, if it is truly committed to rejecting the previous government's way of doing business, the Tory way of doing business, will send a loud and clear message today that if you involve yourself in a questionable arrangement with a government in the dying hours of its mandate, you do so at your own peril. If the government wants to show this group and others in the lobbying business that it was wrong and that government has to take a firm stand, half measures will not do. I would like to suggest to the government that it take out any concept of reimbursing the private sector for doing business with the government.

The minister went on to say that the Minister of Transport may, with the governor in council, approve appropriate payments to the partnership for its out of pocket expenses. I mentioned before that it sounds like a blank cheque. We have no idea what these out of pocket expenses might be. It is definitely going to be in the millions of dollars. I do not think that Canadian taxpayers owe anything to a group of investors that got involved in a risky venture at best.

Canadians want their government to reject the type of patronage that was shown in this instance. If it pays this group, it is completely undermining the message that it is trying to send to Canadians. I do not think this bill should provide a consolation prize.

When one gets into the discussion of the appropriate place for government to be, there are other options of how government can remove itself from direct control of airport operations. It has done so successfully in the Vancouver International airport, the Edmonton International airport, the Calgary International airport and Montreal by establishing local airport authorities, non–profit organizations, with the ability to provide the service that Canadians expect with no consideration for making money for themselves.

• (1030)

Although I am not an expert in civil aviation, I am a frequent customer of the Vancouver airport. It is not because I want to be, it is because I have to be. From a consumer's point of view I am really quite impressed with what the private sector is doing at that airport.

The Vancouver airport is the second largest airport in Canada. It is undergoing major expansion. A second main runway is being built. The terminal is being greatly enlarged. The local authority there is planning ahead to capitalize on the ever increasing Pacific rim market. While this expansion is actually taking place, the Vancouver International airport appears to be running smoother than ever before.

The services in the existing terminal are better and more accessible than they were in the past. Despite some early objections to the airport improvement fee, which is payable by everybody using the airport, it is being used for expansion of the airport.

Canadians are quite prepared to see a user pay system come into play so that the people who are actually using the services are the ones who are paying for it, not the general taxpayer who if ever or very seldom uses the airports under consideration.

The airports have to provide a service but it is best left in the hands of the private sector. The government has to consider this as an option when it is finished with the contract for the Pearson airport. The government has to remember what the role of government should be in the operation of an airport. I feel the government's role is to ensure that the flying public has a safe, affordable and convenient means of travel. It is not to make profits or have politics as a priority.

The non–profit airport authorities appear to be a good way to ensure that public interest comes first and that the service is there for the public.

If the previous government had taken this approach we would not be in this mess with Bill C–22. If the current government wants to avoid problems in the future it should do two things. First, it should scrap any payments to the Pearson Development Corporation and second, it should carefully examine the effectiveness of a non–profit authority running Pearson International airport.

[*Translation*]

Mrs. Monique Guay (Laurentides): Mr. Speaker, I appreciate this opportunity to rise today on Bill C–22 tabled by the Minister of Transport, a bill that cancels the agreements to privatize Pearson airport. This whole affair can certainly not be

held up as an example to follow. It is to me—and to the majority of Canadians, I am sure—a total mess in all respects. A mess founded on blatant patronage on an unprecedented scale.

It is an enormous cloud behind which the players, who are certainly no angels, worked to reach their goal: get their hands on the No. 1 airport in Canada, a profitable and promotable facility, under certain terms of the agreement.

I think this case could be described as anything but transparent and open. Every step is surrounded by very troubling facts. The way this case was handled is no way to promote the role and image of governments and elected representatives.

The Pearson agreement, signed in the midst of the election campaign and whose cancellation was announced by the Prime Minister on December 3, requires a thorough examination. This whole affair must be cleared up quickly and in broad daylight.

• (1035)

This was not done by the Nixon report, which was conducted in private—again, demonstrating a lack of transparency and openness, and which the Prime Minister commissioned and used as a basis to cancel the agreements. Instead of Nixon's quick and superficial look, people want an in-depth public enquiry to really determine the facts surrounding the negotiations on the agreement, in particular whether the firms involved should be compensated. I remind the government that several members from the Toronto region have demanded such a public enquiry. I hope that the little they got, namely the Nixon report, will lead them to continue to press their case. Let us hope that their party's gag order will not turn them into sheep.

Commissioning the Nixon report shows a real lack of will and courage. They wanted to look at this case and keep it under covers. The Liberals, led by the Prime Minister, preferred not to make waves to avoid splashing anyone. However, many questions remain unanswered. People have a right to know every detail of this case.

In this affair, decision makers were surrounded by many people called lobbyists. As we all know, especially the ministers opposite, various groups call on lobbyists to defend their specific and well defined interests. These lobbyists, that the law divides into two classes: professionals and employees, haunt lobbies, pay visits to decision makers, and communicate with public officials and ministers to influence their decisions.

In the airport case, it is clear that lobbyists played a crucial if not predominant role. At every step of the way, including the Nixon report, the close links between the players produced results. If we look at the parties involved, it is easy to establish close connections between them and the decision maker; we can even picture a big spider web where everyone got caught in the end. Conservatives and Liberals found themselves mixed up in this case. Former ministers, organizers and chiefs of staff, and old friends of the old parties, they all worked together. They used their knowledge of the system, the people and the situation to influence decision makers to their advantage or that of their clients.

One wonders whether these people are not more influential now than when they used to work right in political circles. They have the financial resources they need to achieve well defined objectives.

Faced with all this systematic and well-organized influence, we must question our governments' decision-making process and wonder if our political system and its supporters are preyed on by lobbyists. Are our decision makers independent? Do they make allowances? Are they vulnerable to all this pressure? Do they keep a good measure of realism?

There is no getting around it: the causes worked on and promoted by lobbyists are mainly economic and financial. Lobbyists are paid by big business and, in the end, they exist to make a profit. According to the annual report on the Lobbyists Registration Act, the most popular issues are: international trade, industry, regional economic development, government contracts and, in fifth place, science and technology. All these issues are strictly economic in nature.

The first social issue listed in this report comes in 40th place. Youth issues, 40th place; housing, an issue I deeply care about, 41st place; women's issues, 42nd place; seniors, 43rd place; and in 52nd and last place, human rights.

There is no doubt that lobbyists try to influence decision makers on profit-related economic issues. Social and humanitarian causes lag far behind and stay on the back burner.

• (1040)

The results are obvious and denounced more and more. Everyday reality is the best proof. Poverty which is becoming more entrenched and the unmet basic needs of a growing number of individuals and households clearly show that the decision makers have given up social causes.

Nevertheless, many organizations work in the community and demand thorough changes. Are they heeded? Their power is very small compared to that of big corporations and industries. Nor do they have the same means to exert influence. The big shots have dollars and the little people have cents. The big shots know many friends in high places, and the little people know little people.

For some, it is cocktails, business dinners and fancy meetings. Others have to march in the street, occupy offices and hold hasty meetings with decision makers so that these officials can have a good conscience and get rid of the few reporters who are interested.

The effects are there. The evidence is quite clear. Governments are disconnected from the grass roots and have been for a long time. Considering all the clout wielded by lobbyists and large political contributors, there is very little room left for ordinary people.

Seniors' groups, associations of the unemployed, community groups, housing committees, women's shelters, day care centres—none of these gives thousands of dollars to the old parties.

The Liberals are caught in this system of lobbying and large donors. The Martin budget is a perfect illustration of this. The lower and middle classes are affected and the rich are allowed to breathe easy.

The Pearson issue also shows very clearly all the influence and pressure exerted by the wealthy. We sense that the government is ill at ease and that it is reluctant to get to the bottom of the issue.

The political system and politicians owe it to the people to be open and aboveboard. Secrecy and intrigue are no longer in order. The government absolutely must deal with the present system of influence and also the financing of political parties.

Lobbying must be examined very thoroughly. Who is doing what? Who is working for what? Who is meeting whom? Why? With what results? Voters and taxpayers are entitled to know everything because they are the ones who pay the government. As for the financing of political parties, I call on the old parties to show moderation. I call on them to follow our party and adopt the Quebec formula. Governments must at last be free and independent.

Let us hope that the system will soon be completely open and let us give everyone equal access to decision makers. Democracy can only gain by it.

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, I usually rise with enthusiasm in this House to speak to various bills introduced by the government. In fact, I often open my remarks by saying it is with pleasure that I will rise in this House to speak to such and such a bill.

Today however, it is without enthusiasm and even with disappointment that I do. I am taking part in this debate with no pleasure, but with the conviction of carrying out my duties and obligations as a parliamentarian.

It is indeed my duty to stand up in this House and publicly denounce the bill now being debated. The debate on Bill C–22 opened last Tuesday has brought to light an absolutely outrageous business. The contract to privatize Pearson airport entered into by the previous Conservative government has turned out to be an exercise in distributing presents to the friends of the system, the whole thing being engineered in an atmosphere of scheming and secrecy.

Allow me to recall a number of flaws that led eminently serious observers to come to that conclusion.

In 1993, Pearson airport generated over $23 million in profit. Under the contract passed with the Conservative government in the middle of an election campaign, Pearson Development Corporation was to operate Terminals 1 and 2 for an annual fee of $27 million.

At first glance, it looked like this transaction could be profitable to the taxpayers.

• (1045)

The picture changes completely once you know that the corporation with the winning bid was planning a 350 per cent hike in passenger fees, which would have resulted in a net increase in earnings totalling over $100 million annually, airport users footing the bill, naturally.

Air Canada publicly challenged this decision. To sugar the pill, Air Canada was also given a little bonus in the form of rent reduction, another cost to be absorbed by the taxpayers, naturally.

The reason given by the government to explain why it was not increasing fees itself and pocketing these substantial profits was the necessity to finance major redevelopment work in Terminal 1, to the tune of $100 million. Yet, in a huge fit of generosity, the government granted Pearson Development Corporation a 40 per cent rent deferral for 1994, 1995, 1996 and part of 1997.

While these amounts were to be eventually reimbursed with interest, the fact remains nonetheless that the government was reneging on its promise not to finance the modernization of Terminal 1 by accepting that rent be deferred over four years. Also, it is stunning to see the obvious lack of financial analysis in the development of these privatization agreements. No financial viability study was done, and Paxport, to which the contract was originally awarded, was faced with serious financial difficulties and decided to team up with its only competitor, Claridge Inc., thus creating a monopoly situation.

Yet, for some obscure reasons, the contract was not cancelled, even though it should have been. It must also be pointed out that, because the contract was split in two periods of 37 years and 20 years, the owners do not have to pay provincial tax, which would have amounted to ten million dollars if the contract had been awarded for a period of 50 years. Even if you include the cost of work paid by investors, the taxpayer is still the big loser in this transaction.

I also want to mention briefly that several newspapers have reported that the rate of return of about 14.2 per cent after tax given to Pearson Development Corporation was too high for this type of transaction. The media, the Ontario government, public opinion, and even the Liberal Party at the very end of the election campaign, have all voiced their opposition to that outrageous deal. Common sense dictates that the government should have gone to the bottom of this issue.

Unfortunately, this is not the case at all. Bill C–22 is not the beginning of a new era. It is a smokescreen to cover the dealings that took place. The government wants to avoid at any cost having to go to the root of the problem, which is first an acute lack of transparency in the privatization process, collusion between the old federal parties and certain private businesses, and also a lack of appropriate legislation to regulate the activities of lobbyists.

Last October, the government appointed a former Ontario Liberal minister, Mr. Robert Nixon, to conduct an *in camera* inquiry to find out about the dealings which led, as Mr. Nixon said in his report, to "an inadequate contract arrived at through such a flawed process and under the shadow of possible political manipulation".

Mr. Speaker, I remind the government that you rarely shed light on an issue when you look at it behind closed doors. Also, a former Liberal minister, regardless of his personal credibility, is certainly not the best choice to inquire about a transaction in which some key players are directly linked to the Liberal Party of Canada.

Following that inquiry, and in a moment of clear–mindedness and common sense on its part, the government decided to fulfil its election promise and cancel the formal agreement with Pearson Development Corporation. Unfortunately, the government did so in such a way that everything leads us to believe that it has every intention of paying off its political debts to its friends. When I say its friends, I mean those of both the Conservatives and the Liberals, since the people and companies involved in this mysterious transaction are very closely related to one or the other of these old political parties.

While it is true that section 9 of Bill C–22 provides that no compensation will be given in lieu of unrealized profits, or for monies contributed to lobbying activities in connection with public office holders, the fact remains that, in section 10, the government gives the Minister of Transport the arbitrary right to pay to people of his choice such amounts as he deems appropriate.

• (1050)

Does not that open the door wide for some more abuse? Under section 10 of Bill C–22, the government can compensate and even reward individuals and corporations involved in a rather sordid deal which not only went against public interests, but also bordered on something criminal.

Last Tuesday, the Parliamentary Secretary to Minister of Transport said that the Liberal government had learned from the mistakes made by the previous government. I am not so sure about that. There is something fishy about the government's refusal to get right to the bottom of this nebulous deal, but the government adds insult to injury by giving itself *carte blanche* to hand out very generous compensation to the loyal contributors to the war chests of the old political parties. The government, which not so long ago solemnly promised to abide by such principles as openness, integrity and sound management of public funds, was quick to turn its back on its pious wish and to revert to its old habits. As the old saying goes: what is bred in the bone will not out of the flesh.

By allowing big corporations to generously contribute to the parties' election coffers, the Canada Elections Act certainly does not help to restore the credibility of federal politicians and political parties. By refusing to change the legislative framework under which such a deal was made, the current Liberal government is asking the public to make another profession of faith and to believe that it is totally impervious to the financial and corporative interests supporting it and to the pressure coming from its good friends.

All of this disgraceful incident just goes to prove how crucial it is to act as soon as possible and pass an act concerning the financing of political parties, something similar to Quebec's current legislation. This would release federal political parties from any obligation to the big financial interests and make politicians accountable to those they are supposed to represent, that is the people of Canada.

The other major problem stems from the fact that the legislation concerning lobbyists is full of holes and does not define specifically enough the nature of lobbyists and the nature of their activities. The identification of the individuals who are subjected to pressures raises also serious ethical problems.

The Nixon Report speaks of dealings by members of the political staff who got too much involved in the transaction. It seems that lobbyists are directly responsible in the case of several officials who were reassigned and others who asked to be replaced. The promoters behind the privatization proposal knew very well that a future Liberal government would revoke the privatization contract, so they decided to take a risk. The government should not have to compensate for investors' miscalculations. The reform of the Lobbyists Registration Act would greatly contribute to prevent such muddle which, I must say, borders on something illegal.

I urge the present government to do its utmost to avoid making the same mistakes as the Conservatives. It was a mistake, for example, to entrust the airport management to private interests while everywhere else in Canada and in Quebec it was agreed that the best solution was to establish a non–profit group composed of local interests. It was also a mistake to deal with this issue without taking into account the will and the choices of the province concerned.

To conclude, I will join the opposition leader in asking for the establishment as soon as possible of an independant royal inquiry commission to get right to the bottom of this nebulous privatization deal so that never again organized and well–funded interests may influence the decision–making process in such a big way. This public inquiry could pave the way for the reform of the Lobbyists Registration Act. At the same time, it is imperative that the government amends the Election Act so that

Canadians begin again to trust their political institutions as well as politicians.

Mr. Gaston Péloquin (Brome—Missisquoi): Mr. Speaker, with its Bill C–22, the Liberal government is reviving the debate on what is now commonly known as the Pearson affair. However, the provisions contained in this bill take the debate one step further than a mere discussion on the sale of Pearson International airport. They bring to light one of the biggest flaws in the Canadian political system.

• (1055)

The Pearson airport issue, which may only be the tip of the iceberg, is a perfect example of the influence of lobbyists and various pressure groups on government decisions, which have the unfortunate tendency of always favouring special interests rather than the public interest.

It is important that Canadians finally realize what goes on behind the closed doors of their federal Parliament. In fact, it is the whole decision–making process that must be called into question. Right now, the most effective way to make your grievances known to the federal government is to hire a lobbying firm which, for a few thousands dollars a day, will put you in touch with the highest government authorities. Needless to say, only large corporations and very rich people can afford to hire a professional lobbying firm.

There is another effective means of establishing contact with the government in office, and it is, of course, by making a substantial contribution to the election fund of the party that will form the government. As for ordinary Canadians, after having had their say in the federal elections, they must now sit and wait to see how the government will manage its resources. People do not always realize that their vote does not carry much weight compared to the powerful corporations and the rich friends that the government will support during its term. The Liberals and the Conservatives have certainly helped to reinforce the image of lobbying as an obscure phenomenon.

But what is a lobbyist? The image that most people have is that of a mysterious individual who, in a dark corner, hands over a big envelope to a minister or a senior official to obtain some favour from the government. Unfortunately, reality is much more subtle than that since very often, the lobbyists who are active today behind the scenes are former ministers, deputy ministers or lawyers of political parties who, thanks to their contacts inside the government, are able to make the case of those who hired them.

Their work is made easier by the fact that, most of the time, their bosses contributed richly to the campaign fund of the party in power. The lobbyists' task is to remind the government of its political debts towards those interest groups. In fact, the real elected representatives, that is the hon. members of the government side as well as those from the opposition side, collectively get less of a hearing from ministers than any of those obscure professional lobbyists. That tells us a lot about their clout in the decision–making process of government.

About fifteen years ago, political analyst Stanley B. Ryerson argued that the Canadian federation had been formed in 1867 in response to the demands of some interest groups. If you allow me, I would like to quote what he said: "Macdonald and Galt were representing the general interests of English Canadian business circles".

The Speaker: It being eleven o'clock, pursuant to Standing Order 30(5), the House will now proceed to Statements by Members, pursuant to Standing Order 31.

I will add, dear colleague, that you still have five minutes left to finish your speech when we resume after question period.

STATEMENTS BY MEMBERS

• (1100)

[*English*]

SERIAL KILLER CARDS AND GAMES

Mr. Derek Wells (South Shore): Mr. Speaker, I take this opportunity to commend the Minister of Justice for introducing draft legislation to deal with the availability of serial killer cards and board games in Canada.

Our government is committed to dealing with the growing incidence of violent crime in this country. Therefore, the exploitation of violent, cruel and horrible crimes must not be allowed to undermine our crime prevention measures.

The glorification of people whose acts have taken lives, hurt families and shattered the security of communities is inappropriate and unwarranted. The government must seek to curtail access to these products.

Mobilized by those who have been dramatically affected by violent crime, people are signing petitions and indicating to Parliament that these cards and games must not be made available in Canada.

By introducing this draft legislation the minister has shown that this government is listening and taking action. We must not lead the children of this country to conclude that violent acts of a Clifford Olsen or a Son of Sam are in anyway comparable with those of—

The Speaker: Order, please.

* * *

[*Translation*]

MARALOÏ FAMILY

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, the Maraloï family, who had to put up with a lot of hostility from the federal Department of Citizenship and Immigration, and a good deal of procrastination from the department of immigration and cultural communities, will finally be allowed to stay in Quebec.

As the Official Opposition, we want to pay tribute to the courage and determination of these people who found themselves, quite unwillingly, at the centre of bureaucratic wrangling over immigration. After being wrongly told by the federal government that Quebec had the power to accept them as permanent residents, and then, turned back at the U.S. border while facing threats of deportation to Rumania, they finally saw an end to their troubles with the bureaucracy.

We are welcoming the Maraloï family in the Quebec society and we wish them all the success and happiness they deserve, at the eve of their new life in Quebec.

* * *

[*English*]

CANADIAN ARMED FORCES

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, yesterday near Saint John, New Brunswick two airmen died and two were seriously injured in service to our country. We do not know yet how this accident happened and will not for some time know why.

What we do know is that every day, whether it be here in Canada, in Croatia, Bosnia or in other parts of the world our Canadian forces service men and women willingly serve and take risks for their country.

Nothing can change what has happened in this instance and nothing can alter the impact it has on the families of those involved.

On behalf of all members of this House we extend our best wishes to Owen Hanam of Baddeck, Nova Scotia and Michael Langdon of Canadian Forces Base Shearwater, Nova Scotia for a full and speedy recovery.

To the families of Major Walter Sweetman of Peterborough, Ontario, and Major Robert Henderson of Victoria, British Columbia, who died in the crash we offer our heartfelt sympathy and the hope that will help you to know that you are not alone in your sorrow.

SOUTH AFRICA

Mr. Geoff Regan (Halifax West): Mr. Speaker, when Nelson Mandela cast his ballot Wednesday morning at the Ohlange High School north of Durban, people around the world watched and cheered. Nobel Peace Prize winner and democratic pioneer, Mandela stands as a pioneer of integrity and dedication in our chaotic world.

Canada played an active role during the 1980s mobilizing world opinion against apartheid and supporting sanctions. Our effort in South Africa includes the participation of some 57 Canadians in the observation groups of the UN mission. We have sent electoral experts, NGO sponsored observer missions as well as the Canadian bilateral observation mission led by the Secretary of State for Latin America and Africa.

These observers come from all walks of life and all regions of our country. Nova Scotia is represented by her provincial Chief Electoral Officer, Ms. Janet Willwerth, and a few others.

Neither bigotry nor bombs can deter the democratic spirit in South Africa. The secretary of state told the *Cobourg Star* that the international community must continue its support for South Africa after the election. The problems that lie ahead are formidable, but when the results come out on Saturday, Canadians and people all over the world can share in this victory for equality.

* * *

FISHING LICENCES

Mr. Fred Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, the Minister of Fisheries and Oceans last Wednesday announced the results of a review of inactive groundfish licences following a meeting in Halifax with fishing industry representatives.

The minister agreed on new measures that would return frozen licences to groundfish fishermen who meet the following criteria.

They are head of an inactive multi–species fishing enterprise. They have fished full time for seven years and have made 75 per cent of earned income or recent annual enterprise revenues of $20,000 from fishing.

• (1105)

Earlier in the week the minister agreed to amend the seal licensing policy for eastern Canada to allow retired fishermen who are eligible for a sealing licence in 1993 to take up to six seals a year for personal use. This approach to the frozen inactive groundfish licence and to the seal licensing policy is a step in the direction of economic viability in the groundfish industry without jeopardizing conservation objectives. It moves toward the fishery of the future by promoting multi–species licensing.

S. O. 31

GOLD RESERVES

Mr. Peter Thalheimer (Timmins—Chapleau): Mr. Speaker, recently the Minister of Finance announced that Canada would stop selling off its gold reserves which was initiated by the previous government and which has resulted in the depletion of Canada's gold reserves and has no doubt put pressure on the downward trend of the price of gold on the international market.

This is good news for Canada and to my riding Timmins—Chapleau, in particular to the city of Timmins which is known as the city with the heart of gold.

I want to acknowledge in this House the hard work of His Worship Mayor Vic Power, the mayor of the city of Timmins, for having brought pressure to bear on the government to stop the sale of Canada's gold reserves.

I am confident that this move by our government will have positive results and that gold will once again regain its glitter on the international market.

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[*Translation*]

12TH REGIMENT OF VALCARTIER

Mr. Antoine Dubé (Lévis): Mr. Speaker, a group of soldiers, most of them from the 12e Régiment blindé de Valcartier, arrived in Quebec City yesterday, on their way back from several months of peacekeeping duty in the former Yugoslavia. The remaining troops from the 12th Regiment are due to arrive in a few days.

On behalf of all the Bloc Quebecois members, I would like to pay tribute to these Quebec and Canadian soldiers for the dedication and sense of duty they have shown in the accomplishment of their task, during their long and difficult stay in the former Yugoslavia. I believe that several of these soldiers deserve that their acts of bravery be officially recognized.

The UN peacekeeping mission in that country is not over, and the 12th Regiment is being replaced by troops from Calgary. We wish them all the best.

* * *

[*English*]

FEDERAL ELECTION

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, Reformers have been telling the government for months that it is possible to do more with less.

This morning several Canadian newspapers reported how much each party paid for its seats in this House. It should come as no surprise to anyone that the party that sank the nation so deeply into a sea of red ink was the Conservatives, spending well over $10 million for two seats. That is over $5 million per seat. The NDP was also extremely wasteful, spending more than $825,000 per seat. The governing Liberals fared a little better, spending $56,000 per seat.

If the government wants to see how real fiscal responsibility is practised it should take note of the party that spent less than $1.5 million for 52 seats. That party is Reform which kept the cost per seat down to only $28,000, half of what the government spent and miles ahead of the others.

Canadian taxpayers are very concerned that much of their tax money is wasted. Federal party spending in the last election illustrates that the Reform Party would be the best stewards of taxpayers' money because the party also completed the election campaign in the black.

* * *

GOODS AND SERVICES TAX

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, I rise in my place today to thank the members of our Standing Committee on Finance for the sterling work they did on behalf of this House on the issue of replacement measures for the GST.

I commend them for the many long hours and the many thousands of miles they travelled on our behalf, listening to the suggestions of Canadians as to how we can replace this detested and very damaging tax.

This week I was privileged to testify before this committee here in Ottawa to discuss my proposal for a tax on gross business output at a rate of 2 per cent to replace the GST at 7 per cent.

Our government pledged in the famous red book to look at options through public consultation to replace the GST. I believe this committee deserves our sincere thanks for its diligent efforts to consult seriously with Canadians to provide a real alternative to the GST.

* * *

CRIME

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton): Mr. Speaker, crime in our society is a very serious matter and is becoming more of a problem every day.

• (1110)

In 1992, the Canadian Centre for Justice Statistics reported 3,270,000 criminal incidents, 87 per cent of which were Criminal Code incidents.

Violent crime has been steadily on the rise every year since 1977 at an average yearly rate of 5 per cent. Youth crime has become a major concern for many Canadians. In 1992, 135,348 youths aged between 12 and 17 were charged under the Criminal Code. Fifteen per cent of these incidents were violent crimes.

Canadians want decisive action to curb the increase in crime—

The Speaker: I regret to interrupt the hon. member.

* * *

TRADE

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, the haranguing continues with Canada and the United States over trade disputes on everything from beer to softwood lumber. Sometimes it reaches the level of near harassment.

The minister of trade in the last government was correct when he said in the House one day: "It is too bad that we could not have agreed on a definition of what a subsidy is". This government should take a much needed initiative and call a meeting of trade reps of Canada, United States and Mexico and arrive at a definition of subsidy before things further disintegrate.

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[*Translation*]

INTERNATIONAL WORKERS DAY

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, the Bloc Quebecois wishes to draw attention to the International Workers Day, also known as May Day, which will be celebrated on May 1.

To mark this event, the leader of the Bloc Quebecois met this morning, as he does every year, with the leaders of the three main Quebec unions to talk about the problems that workers presently face.

This year, Quebec bishops will be part of the rallies which will be held Sunday to denounce the growing poverty problems that our society is experiencing.

The Bloc Quebecois urges workers to come to these rallies to show their pride and remind society of their vital contribution. We also invite the unemployed to participate and thus denounce the lack of action of governments in the area of job creation.

* * *

[*English*]

PARLIAMENTARY REFORM

Miss Deborah Grey (Beaver River): Mr. Speaker, many Canadians believe that the key to parliamentary reform lies in the principles of direct democracy. This would include freer votes in the Commons, referenda, citizens' initiatives and of course recall.

Much of the dynamic and constructive changes that have occurred throughout our history have been due to citizens who have insisted on renewal and reform of government.

Canadians have become cynical about politics. Parents, when asked if they would be pleased to see their children become politicians, replied no 98 per cent of the time. These responses and the perceptions behind them reflect a serious sickness in our parliamentary system and bode ill for the future of democracy in Canada unless we reform now.

Accountability is the key word here. If an MP fails to do the job that he or she was elected to do or abuses a position of trust, their constituents should have the power to remove them. The three *r*s are still alive. Let us be radical. Let us reform the system. Let us be subject to recall, like every other worker in the country.

* * *

OFFICIAL LANGUAGES ACT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, notwithstanding statements of some members across, the support for the Official Languages Act in Canada remains strong. A recent Angus Reid Southam News report reveals that 64 per cent of Canadians support the policy of having two official languages.

[*Translation*]

Some members take pleasure in adding the costs of bilingualism. How many of them took time to evaluate its benefits. For example, the former president of Air Canada, Claude Taylor, said that the company flourished because of the language ability of its employees. How many similar cases can we find?

A good knowledge of French and English allows us to deal with these two great cultures. In fact, 33 countries have French as a working language, while 56 use English. As Canadians we are privileged.

[*English*]

Let us remember how lucky we are. Let us cherish the wealth of using two great languages, the languages of Shakespeare and Molière.

* * *

[*Translation*]

DRUG PATENTS

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, contrary to the claims of several opposition members, the pharmaceutical industry is neither surprised nor alarmed by the federal government's position regarding Patent Drug Act.

• (1115)

Not only is the industry in good shape, to use the words of Mr. Charles Pitts of the Pharmaceutical Manufacturers Association, but it has a time trying to understand the concerns of the Bloc Quebecois. There is no need to reassure an industry which is not worried. I find it unacceptable that the Official Opposition is using the pharmaceutical industry as a pawn to further its own political ends!

The people would be better served by political leaders working at building a stable and thriving environment that would encourage industry to create jobs, instead of playing politics.

* * *

[*English*]

REVENUE CANADA

Mr. Nelson Riis (Kamloops): Mr. Speaker, as Canadians heard the news this morning they were shocked, astonished, and by the end of the day they will be enraged. The Professional Institute of the Public Service of Canada revealed that Revenue Canada is not serious about enforcing the Income Tax Act and other legislation.

They conducted a survey among the 4,000 employees who audit corporate income taxes for Revenue Canada and 75 per cent of the auditors surveyed believe that operations had been hindered by the level of politicization by the Liberal government. The auditors say that they get the word from the Liberal government to drop this file and move to another.

While Canadians are filing their individual tax returns, while small businesses are filing their tax returns and paying through the nose, we now find out from Revenue Canada that corporate Canada is once again getting off the hook from paying its fair share of taxes.

* * *

BILL C–18

Mr. Stephen Harper (Calgary West): Mr. Speaker, I rise today to commend the Liberal member for Vancouver East who stated in an interview in the *Hill Times* on April 28 that she realizes the provision in Bill C–18 for imposing a two–year suspension on the redistribution of ridings does not do her province any favours. In fact it would make it almost impossible for the process to conclude before the next election. The hon. member goes on: "One year would probably be the right approach".

If this is the case I wonder why so many Liberals, including the hon. member for Vancouver East, chose to defeat the one–year amendment when it was brought forward by the Reform Party in the House.

This is a perfect example of why Canadians are so cynical of the representation they receive in the Chamber and why democratic reform such as free votes are essential to restore the confidence of Canadians in their elected officials.

ORAL QUESTION PERIOD

[*Translation*]

PATENT DRUGS

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, my question is for the Minister of Industry. Despite the unsettling effect that his hasty, irresponsible statement about reviewing the drug patent legislation has had, the Minister of Industry reiterated yesterday his intention of going ahead with a review of the legislation. Already, the review is jeopardizing important investments in Quebec.

Does the minister intend to follow up on the request of his Quebec colleague and put to rest his concerns, as well as those of the multinational which this week decided, further to Ottawa's hasty announcement to reopen Bill C–91, the drug patent legislation, that it was holding off on a $50 million investment in Quebec?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I want to say a word about this because the opposition is truly exaggerating.

It is really very simple. A bill was passed by Parliament and the pharmaceutical industry made a commitment to the Canadian public. It undertook to invest money and to refrain from increasing the price of drugs. The government therefore has a duty to ensure that the promised investments have been made.

If the industry believes that it has fulfilled the obligations set out by Parliament, then it has nothing to fear. However, if it has not fulfilled its obligations and made the investments, the opposition should be telling us to take steps to ensure that these investments are indeed made. But if we do not carry out a review, we will never know.

We have an obligation to carry out this review, pursuant to the legislation passed by Parliament. As the whip stated earlier, a industry spokesperson said he was not in the least bit worried and that this was nothing more than a tempest in a teapot whipped up by the Bloc Quebecois. On the one hand, Bloc members rise in the House and ask us to protect this industry, while on the other hand, they want us to go along with their plans for Quebec independence, which will create even more instability for potential investors in this country in the years to come.

• (1120)

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, as usual, in response to serious questions, questions dealing with Quebec's economic interests, the Prime Minister and his ministers talk nonsense.

The Speaker: Some days are more trying than others and we had hoped not to hear words like the ones just used by the hon.

member and those I have already asked another hon. member to withdraw. I hope the hon. member can understand why I ask him to withdraw the word "nonsense".

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, I withdraw the word "nonsense", but I simply used it to indicate that, when we talk about vocational training for example, we are told that it is nothing but one of Quebec's whims, and when we talk about drug patents, we are told that we are getting excited over nothing. Just last evening, Minister Tremblay called for government intervention and I reiterate minister Tremblay's request in that respect.

Could the Minister of Industry deal directly with the company that reconsidered a $50 million investment it was about to make in Quebec? Do you not think this would be a good way to reassure the pharmaceutical industry as a whole? These companies are seriously concerned at present, Mr. Speaker, about the irresponsible remarks the minister has made. So, I put the question to him.

Right Hon. Jean Chrétien (Prime Minister): Did you hear that? He just described the remarks as irresponsible. As for the hon. member's own remarks, insult being the weapon of the weak, as the saying goes, it is only natural that he would want to insult everybody.

We have said, and the people in the industry themselves said yesterday that they were not concerned about what is going on right now. The industry itself said so. However, if the industry wants to invest, it should go ahead and invest! The legislation is in place, it was passed and investments have been made under it in past years.

Why is it all of a sudden that one of them has become more nervous than the rest? Those who made investments last year did so under the same legislation. I imagine that these people who have invested so far were familiar with the provisions of the legislation. This company should read the law and follow the same reasoning as the ones that invested last year and the year before. That is the way to do it. It is nothing to make a fuss about, and our position is that we will abide by the law in the interest of investment and in the interest of the patients who have to buy drugs.

That is one of the objectives of this legislation and we will enforce it because either the patients pay or the governments have to pay for them, when the pharmaceutical industry goes too far.

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot): Mr. Speaker, I hear the Prime Minister talking about a review of the prices charged and investments made by the pharmaceutical industry. It is also provided for in Bill C–91. We do not need to re–open that bill, a review is already planned. A body has been set up to monitor these things, so I put the question to the minister again.

Does the minister not agree that his intention to review the law has already hurt investment in research and development in Quebec and that his intended review has a much broader purpose than checking the prices of patented drugs or investments, which are already controlled by a body reporting to the Department of Health?

Hon. John Manley (Minister of Industry): Mr. Speaker, I already indicated in the House yesterday that we intend to conduct a review, as the Prime Minister promised during the election campaign, but as the Prime Minister just said, the proposed review is not what is causing uncertainty. I can tell the hon. member that I have two press releases here, the first from Merck Frosst, issued yesterday, announcing that they have completed their engineering study and have begun the design work for the plant in question, and I quote: "We will honour our commitment because we are sure that the Canadian government will honour its commitment".

• (1125)

Also, I have a letter from Astra Canada.

[*English*]

Excuse me, Mr. Speaker, the hon. member is having—

The Speaker: Perhaps the hon. Minister of Industry could bring his answer to a close.

Mr. Manley: Mr. Speaker, if the Bloc is genuinely concerned about assurances on these things perhaps it could listen to the assurances I can offer.

This is Astra Canada: "I understand there has been some indication that an unnamed pharmaceutical firm has indicated that their $50 million investment has now been cancelled. I have had some calls inquiring as to whether or not that company is Astra. Please be assured that we remain fully committed to the establishment of our basic drug discovery facility in the city of St. Laurent. This is a very significant investment involving about $33 million in building and equipment and an annual investment of over $10 million in research".

[*Translation*]

It is the Bloc Quebecois that wants to create instability by pursuing its political goal of separation for Quebec.

* * *

MANPOWER TRAINING

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs. The Prime Minister says that the Bloc Quebecois is stirring up a tempest in a teapot. Yet, he seems to refuse to listen to several comments and interventions made by Quebec ministers.

The Quebec minister of employment has been trying unsuccessfully for several months to convince the federal government to reach an agreement on the manpower training issue. Yesterday, he sent out a real alarm over the state of relations between Quebec and Ottawa. Speaking of malaise, the minister said that several of his Cabinet colleagues have been coming up against Ottawa's centralizing designs.

Are we to understand from that statement, and contrary to what the minister said in this House, that the negotiations between Quebec and Ottawa over manpower training are more than ever in a deadlock because of Ottawa's refusal to give anything to Quebec?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, since I have been involved in interprovincial relations for several dozens of years, I evidently do not have the same blood pressure as the hon. member when it comes to a problem such as manpower training, which has been going on for many years.

Our position in the negotiations is clearly not the same as the one of Quebec. We are pursuing our discussions with Quebec; it is possible that we will come to an agreement, but it is also possible that we will not come to an agreement on this issue at the present time. That is part of the way federal–provincial relations have been working for many years in this country, and there are not more problems today than there were at any other time in our history.

M. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, so the minister is confirming that the negotiations are deteriorating and that we are in a deadlock.

Is the Minister of Intergovernmental Affairs confirming, and will he have the courage to admit, that relations between Quebec and Ottawa have been deteriorating in several areas, particularly in education, youth programs, readjustment programs for fishermen, the review of Bill C–91, health financing and the high–speed train, to name just a few, and that, finally, Ottawa's intentions are aimed at centralization?

The Speaker: I find that questions and answers are perhaps a bit long. I would ask everyone to please make it shorter.

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, the answer is no.

* * *

[*English*]

HEALTH CARE

Mr. Grant Hill (Macleod): Mr. Speaker, my question is for the Prime Minister.

Yesterday the Minister of Health said that the government would not reopen the Canada Health Act "in the short term". She said: "There is no question that there will have to be some changes and change is always difficult".

• (1130)

In light of these comments, could the Prime Minister tell the House exactly when the government plans on reviewing the Canada Health Act?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the government is planning a conference with all the people involved in health services and I will be presiding over it.

We said we were having this review. We are holding discussions with the provinces at the moment and the first meeting of this continuing conference on health problems in Canada will be held in the middle of June.

Mr. Grant Hill (Macleod): Mr. Speaker, the health minister was quite clear yesterday in her comments. She said there would be changes to the Canada Health Act and that those changes were necessary.

Yesterday the health minister also said that health funding was holding steady under this government but the fact is that federal funding as a portion of total health spending has dropped from 50 per cent to 23 per cent and continues to drop. As a result the provinces, handcuffed by the Canada Health Act, are being forced to cut health services.

I repeat, when and how will the government amend the Canada Health Act?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the financing of these programs is done by through a formula. Sometimes the figures that are used are confusing because the money transferred has been reduced, but there has been a transfer of tax points to be used for the financing of these programs.

Over a period of years people have stopped thinking that. In fact we have made more room for the provinces to collect more money. The transfer of cash has diminished but the participation of the federal government has not been reduced, as some people say.

What I was very pleased with yesterday was seeing the Reform Party asking the federal government to spend more, more, more.

Mr. Grant Hill (Macleod): This is a good day, Mr. Speaker, a good day.

The actions and inactions of the government amount to a total abdication of responsibility toward the health care system. The Liberal government keeps telling us about the sanctity of medicare but cannot answer as to how it will be preserved.

Why is the government now trying to snuff out creative attempts by provinces, doctors and patients to preserve the health care system when the government appears to have no answers at all?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I question that statement. We have one concern that is very important to this party. We do not want to fall into the trap of finding so–called new solutions, new approaches that very soon in Canada it would be like in the United States: good service for the rich and poor service for the poor. We will never let that happen in Canada.

* * *

[*Translation*]

INCOME TAX

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, this morning we heard that a number of auditors with the Department of National Revenue complained about political interference when auditing Canadian companies.

The president of the Professional Institute of the Public Service of Canada said, at a press conference this morning, and I quote: "Auditors received instructions to back off from certain files".

My question is directed to the Prime Minister. Does the Prime Minister intend to investigate these very serious allegations and could he give us the assurance that all provisions of the Canadian Income Tax Act apply to all companies in Canada, without exception?

[*English*]

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, the survey that was released today is very general in nature. There are no specific allegations revealed whatsoever.

The department is very committed, as is the government, to fair taxation for everyone. If concrete evidence of political interference is provided, the department will definitely investigate.

[*Translation*]

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, I may add that 250 public servants complained about this kind of political interference, which to me is pretty factual.

Would the Prime Minister agree that these serious allegations may cause the public to doubt the impartiality of our tax system and will he undertake to clarify this question by calling for an independent investigation by the Auditor General, whose findings would be released as soon as the report is tabled?

• (1135)

[*English*]

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, the department is aware of the survey and has a meeting scheduled with the union on May 11. It was scheduled before the announcement today. We will proceed with that meeting. The survey is an item on the agenda at that meeting.

Again I state there were no specific allegations released today.

* * *

HEALTH CARE

Mr. Keith Martin (Esquimalt—Juan de Fuca): Mr. Speaker, my question is for the Prime Minister.

According to a recent study by the Association of General Surgeons, 23,000 people in Quebec are on waiting lists for surgery. Half of them have been there for over 18 months. This waiting list has doubled since 1985 and 626 of those individuals are cancer patients waiting for urgent surgery.

In light of this will the Prime Minister acknowledge that health care in this county is collapsing. The act is obsolete and reform of the act is crucial. We are not asking for more money.

I would like the Prime Minister to please guarantee that federal transfer payments for funding for health care will stay at 1992–93 levels at least and not decrease any more.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, on the one hand the member says he does not want us to spend any more money. On the other hand he is pointing out the difficulties being faced by the provinces.

The Minister of Health met with provincial ministers in February. She has another meeting scheduled in the next few weeks specifically to discuss making sure that every Canadian has access to health care services at no cost to themselves.

Frankly, if we followed the suggestion of the Reform Party to cancel the Canada Health Act, every fibre of the work that we have done over the last 30 years in building one of the best health care systems in the world would be flushed down the toilet and we do not intend to do that.

Mr. Keith Martin (Esquimalt—Juan de Fuca): Mr. Speaker, we do not have the best health care system in the world right now, but we should.

The government on the one hand is denying the provinces the right to get health care under control by forcing them to adhere to an obsolete Canada Health Act. On the other hand it is not living up to its commitment by continually decreasing funding for health care over the last 15 years.

Will you give us and this country, and on behalf of my patients—

Some hon. members: Oh, oh.

The Speaker: Order. Will the hon. member please direct his question through the Chair and put his question, please.

Mr. Martin (Esquimalt—Juan de Fuca): Mr. Speaker, will the government guarantee that it will live up to its commitments and provide federal funding for health care for Canadians based on 1992–93 levels and not continually decrease it?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I would certainly not agree with the member's statement about the state of Canada's health care.

Yesterday I had the privilege of discussing with the wife of the President of the United States their health reforms. She was asking me how they could put in place a system which would mirror or be similar to the system we have in Canada. The Americans are coming to this country to see a system that works.

Obviously the system has to respond to new realities.

[*Translation*]

We were very happy to see that midwives were finally accepted by physicians in some provinces, including Quebec and Ontario. It is very important that changes be brought to the system.

It is not enough to say that we will only amend the Canada Health Act. The answer lies in innovation and that is what we are seeking to do in cooperation with provinces.

* * *

TAINTED BLOOD

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, my question is for the President of the Treasury Board.

The Minister of Health stated in this House on February 3, on March 23 and again this week on April 26 that the request for extra funds for the Krever Commission and the Canadian Hemophilia Society was still being examined by Treasury Board.

Can the minister promise this House that he will give immediately a clear, definite and positive answer regarding the request for additional funds for the Krever Commission and the Canadian Hemophilia Society?

• (1140)

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, consideration of the matter is nearing completion. I can assure the hon. member that every opportunity is being taken to try to expedite the matter, understanding the importance of it.

I must also add that nobody is being denied an opportunity to appear before the commission and have his or her views appropriately heard.

[*Translation*]

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, we can understand that the President of the Treasury Board is more eager to put on a show with the infrastructure program than to address the real problems.

My question to the President of the Treasury Board is this: Is he going to wait until the work of the commission is over to give an answer to the Canadian Hemophilia Society? What is the rationale behind such delay, given that granting additional funds requested by Justice Krever would allow the commission to carry on fully its mandate and to get right to the bottom of that scandal?

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, the government has provided very substantial funds to the Krever commission. In fact it has asked for additional funds. That has taken some review but it is being done in an expeditious manner.

As I said a few moments ago, nobody is being denied an opportunity to have his or her views heard by the commission. We will continue to make sure that we advance this matter so that the commission can get on with its work and provide its report.

* * *

JUSTICE

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Justice.

Jason Gamache of Courtney, B.C. was recently convicted of the first degree murder of six year–old Dawn Shaw. Evidence shows that Gamache was a repeat sexual offender who was not allowed to be with children. However, this fact was not known to the local authorities or to Jason Gamache's neighbours because of the protection of privacy sections of the Young Offenders Act.

Will the parliamentary secretary and the ministry advise the House if it is the government's intention to eliminate this section of the act?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, it certainly is the intention and the present activity of the Minister of Justice and the department to look into this important question.

The Minister of Justice has stated to the House that he and the department are presently analysing the question of a registry of

sexual abusers and that there will be something brought before the House in the not too distant future.

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, I would ask the government if it is prepared to commit to a philosophy that the rights of victims must come before the rights of criminals, or does it believe that the rights of the Jason Gamaches of this world should take precedent over the rights of the Dawn Shaws?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, the children in our country are the future of our country. This government places the utmost reliance on our children. Nothing will come before the benefit and the welfare of the children of Canada.

* * *

[*Translation*]

PUBLISHING INDUSTRY

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies): Mr. Speaker, my question is for the Minister of Canadian Heritage.

In order to justify the controversial sale of Ginn Publishing to Paramount, the governement has pointed out the specific commitments made by Paramount to ensure that Canada obtains a net advantage from that deal. But Paramount does not abide by its commitments. The 140 members of the Canadian Publishers Association ask the government to investigate the behaviour of Paramount.

Does the minister aknowledge that, by depriving the Canadian distributor Distican from a market of approximately $2 million and by entrusting it to a firm controlled by American rather than Canadian interests, Paramount blatlantly violates the deal which was agreed regarding the sale of Ginn?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I am of course aware of the allegation just made. So is my colleague, the Minister of Industry.

Surely, a company must abide by its commitments, especially when these are made to the Government of Canada. This is the reason why an investigation has been launched in consultation with the Minister of Industry.

* * *

• (1145)

[*English*]

FOOD LABELLING

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, recently at a meeting of the Middlesex County Federation of Agriculture the concern was raised that Canada may have abandoned the idea of expanding and improving country of origin labelling for agri-food products. My question is for the Parliamentary Secretary to the Minister of Agriculture and Agri-Food.

Has Canada made any commitments with the United States and Mexico as part of NAFTA to implement country of origin labelling for food products purchased in Canada? Could the parliamentary secretary indicate what timeframe he might foresee for the implementation of such labelling?

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food): Mr. Speaker, country of origin labelling is required on products coming into Canada at the retail level. Most provinces also have requirements for any bulk vegetables or fruit to be labelled whether they are a product of Canada or another country. Also produce that is repackaged in Canada must have its Canada grade designation on it.

There have not been any changes in the rules with NAFTA on that. We will continue to ensure safety with the labelling so that the consumer knows where the product comes from.

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GRAIN TRANSPORT

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, my question is for the Minister of Transport.

In a letter dated November 15, 1993 the Thunder Bay Harbour Commission Port Authority warned the minister that the rail car shortage problem had been some time in the making and was due in part to the policy of dispersing the rail car fleet into trades and routings outside its original purpose. This is just one of the several warnings the minister received.

Could the minister please explain what measures were taken in light of these warnings?

Hon. John Manley (Minister of Industry): Mr. Speaker, on behalf of the Minister of Transport I will take the member's question under advisement and undertake to get a reply to him as soon as possible.

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, further to that I would ask the government whether it is doing something with demurrage charges that are piling up on the west coast. Grain and oilseed sales have been lost. Japan is in search of a reliable supplier to grow more canola next year.

Would the government indicate what measures it intends to take to keep Canada a reliable grain and oilseed supplier to the world?

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food): Mr. Speaker, all government departments are aware of the situation in grain handling in western Canada today. The minister of agriculture will be announcing later today that as soon as he returns to the country

he is bringing together the key players in the grain handling industry in western Canada to resolve that issue.

The rail car companies have informed us they will be putting several more thousand rail cars on the rails. They have already started. It is our intention to solve this so we can better serve our customers as we have in the past and will continue to in the future.

* * *

[*Translation*]

HOUSING

Mrs. Monique Guay (Laurentides): Mr. Speaker, my question is for the Deputy Prime Minister.

On April 10, the City of Montreal and the key players in social and cooperative housing made a plea to the Quebec and federal governments, asking for a non–recurring $40–million program to renovate 1,000 dwellings every year in that city.

Considering that the Quebec Minister of Municipal Affairs reacted positively to this project called "Resolution Montreal", is the federal government prepared to make a commitment to the Quebec government and to Montrealers, and help meet the urgent needs of the population?

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, I thank the hon. member for her question. The minister has already met with his counterparts and will meet them again soon. The minister is holding consultations and will make a decision later as to what new initiative the government can undertake in co–operation with the provinces and territories. Obviously, the above mentioned project is one which will get very serious consideration.

• (1150)

Mrs. Monique Guay (Laurentides): Mr. Speaker, since the beginning of this Parliament, no concrete action has been taken regarding social housing. Does the Deputy Prime Minister agree that, by unduly postponing necessary funding to implement this innovative program, her government is avoiding its responsibility to the poor in Montreal?

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, we have to consult with the provinces; we are asked to do so. We have met with ministers and we will continue to do so. I said that the project would be carefully considered; we will see what other ministers propose.

To say that the government did nothing for social housing is not true at all. Across the country, there are over 559,000 units costing annually $2.1 million to the federal government. Also, we will spend $100 million, over a period of two years, to renovate dwellings. There are several other projects which I do not have the time to mention. There are several projects, including in Quebec, and I would appreciate it if the opposition recognized that great efforts have been made. Moreover, the minister said that the savings of about $100 million would be used to support other initiatives.

* * *

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

Mr. Jay Hill (Prince George—Peace River): Mr. Speaker, my question is for the minister of agriculture.

Recently the United States enacted article XXVIII of the GATT in response to what it perceived as unfair imports of Canadian durum wheat. The fact is that American prices for durum wheat have increased approximately 90 per cent in the past year. This totally refutes the claim that the American industry is being harmed by Canadian durum wheat imports.

Could the minister please explain what actions his government is taking to dispute the U.S. claim that Canadian durum wheat imports are hurting its farmers?

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food): Mr. Speaker, we certainly regret the Americans took the action they did a week ago today by putting in place article XXVIII. I want to assure the member and the industry that this does not close the border; what it does is move the negotiations to another stage.

We will continue to negotiate as strongly and as firmly as we have with the Americans on this issue. We have won a number of challenges and panels since 1990. The score for Canada on the trade disputes on wheat with the United States is 4 to 0. And at this time of the year when a hockey score is 4 to 0 it is a pretty decisive win.

Mr. Jay Hill (Prince George—Peace River): Mr. Speaker, as the hon. member indicated, four previous investigations have exonerated the Canadian Wheat Board of unfair pricing. Despite this we now have a scenario for counterproductive retaliatory tariffs between the U.S. and Canada.

Is this government prepared to insist that the root cause of this trade disruption is not Canadian durum wheat imports but the distorting influence of the U.S. export enhancement program?

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food): Mr. Speaker, we have made it very clear to the United States if it decides to go ahead and take unilateral action at the end of the 90 days that we will respond in kind. We have indicated some of the areas where we might do that.

I also assure the member that we had representation yesterday in Washington at the International Trade Commission hearings. This should be of some comfort to us.

We must remember all of those commissioners who are attending that hearing are American and as one of the commissioners said: "We have only received two documents from the department. Both are essentially statements devoid of analysis and one I could barely understand". I think that bodes well.

We look forward to the response and conclusion of that ITC panel in July of this year.

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NUCLEAR DISARMAMENT

Mr. Ted McWhinney (Vancouver Quadra): Mr. Speaker, my question is addressed to the Minister of Foreign Affairs.

Remembering Canada's record of leadership in the United Nations General Assembly over the whole post–war period under St. Laurent, Pearson, Paul Martin Sr. and Trudeau, in the movement for nuclear and general disarmament under international law, will the Minister of Foreign Affairs consider intervening in the World Health Organization process now pending before the World Court in The Hague on the illegality of nuclear weapons?

• (1155)

Hon. Michel Dupuy (Minister of Canadian Heritage): I thank the member for Vancouver Quadra for his question.

Indeed Canada was always a leader in the field of non–proliferation. We can take pride in the fact that we invented strangulation of nuclear weapons.

The question the hon. member raises this morning is a very legitimate one. I am informed that it is up for consideration by the foreign minister who will make a decision in due course. However, there is no evidence in sight that Canada is going to change its traditional support for non–proliferation and to stop its fight against nuclear weapons.

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[*Translation*]

COPYRIGHT

Mrs. Madeleine Dalphond–Guiral (Laval–Centre): Mr. Speaker, my question is for the Minister of Canadian Heritage, who happens to represent the riding next to mine.

The Société des auteurs et compositeurs du Québec appeared before the Copyright Board this week to ask for a 2 to 5 per cent increase on royalties paid to songwriters every time their songs are performed.

Would the minister give us a progress report on the review of copyright legislation currently underway in his department, as well as in the Department of Industry, and tell us when he intends to introduce a bill to modernize the outdated provisions of the current act?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I agree that the current legislation is outdated. I think it is important we make all necessary changes.

The proposed amendments are being reviewed, not only in my department, but also in all other departments concerned. When all the preliminary work is done, we will be happy to report to the House.

Mrs. Madeleine Dalphond–Guiral (Laval–Centre): Mr. Speaker, I am glad to see that my neighbour and I both agree that some of our laws are outdated.

Recently, the Minister of Industry announced the membership of the National Advisory Committee on the Information Highway. We noticed that creative artists and songwriters are not represented on this committee.

Would the Minister of Canadian Heritage tell us if he intends to suggest to his colleague, the Minister of Industry, to appoint such a representative to this committee?

Hon. John Manley (Minister of Industry): Mr. Speaker, I think the minister responsible for this issue should answer the question.

On the committee I set up to advise my department are representatives of the cultural industries. What the hon. member just said is not true. We have on this committee some very important Quebecers, who contributed a lot to the overall cultural industry, such as Mr. Chagnon, of Vidéotron, who implemented in the Chicoutimi area a very important pilot project for the building of the information highway, as well as Mr. Bureau, former chairman of the CRTC, and many more.

I do not know why the Bloc member would think that these people do not understand cultural issues.

* * *

[*English*]

MINISTERIAL STAFF

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, my question is for the Prime Minister.

In November the Prime Minister announced that cabinet ministers would be limited to 19 staff members, thereby saving

$10 million. Yesterday it was reported in the press that the Prime Minister in response to pressure from his caucus will soon allow cabinet ministers to hire more staff.

• (1200)

Can the Prime Minister please tell the House if there is any truth to this report?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): No, Mr. Speaker, I am sorry. It is good news and bad news. A provision has been made for summer students to be hired.

In the red book we said we were going to cut the budgets of ministers by some $10 million. We have not only done that but we have actually exceeded that amount.

I am pleased to be able to say that as part of the savings we are able to provide ministers with an opportunity to hire summer students and, most important, to create job opportunities for those students to help to prepare them for the job market when they are finished their education.

I would hope that all members would applaud that move.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, we applaud any savings that the government can get in place. Our concern was that there may be an announcement later on in the summer. We applaud the government's move and congratulate it on holding the line on staff requirements.

The Speaker: Maybe I should stop while I am ahead here.

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THE ECONOMY

Mr. Andy Scott (Fredericton—York—Sunbury): Mr. Speaker, my question is for the Secretary of State for International Financial Institutions.

According to a report in the Montreal *Gazette*, Canada's economy is outperforming that of the United States. Specifically the report indicates a 4 per cent growth during the last quarter in Canada and it projects continuing growth this spring compared with 2.6 per cent growth in the United States.

How does this compare with the economic performance projections contained in the government's budget?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, I am very pleased to have the question and the opportunity to confirm that those numbers are good news for Canada.

We have had a series of good news reports. Our economy has performed better than it had before and a number of forecasters have pointed this out. These are much better numbers than we had used for the projections in the budget. That should be good news to all members in the House.

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POINTS OF ORDER

QUESTION PERIOD—SPEAKER'S RULING

The Speaker: Yesterday I was asked to consider and rule on two points of privilege and a point of order. I am now prepared to rule on the point of order and I will be ruling on the points of privilege later on.

I have had a chance to look over the "blues" and *Hansard* from yesterday with regard to statements which were made in the heat of debate. At the time the hon. Minister of Industry in a comment quoted Shakespeare.

Now I, as a former teacher, am far from ever criticizing anyone for using quotes, especially from Shakespeare. However, in the context in which the words were used, I have of course done research and I find the words in the context in which they were used are in my view unparliamentary.

I would invite the hon. Minister of Industry to reconsider the words he used. In fact I would ask him to withdraw the statement which he made yesterday on page 3648 when he referred to the hon. member for Roberval.

The hon. Minister of Industry is in the Chamber and I would invite him to withdraw.

Hon. John Manley (Minister of Industry): Mr. Speaker, certainly out of deference to your wisdom and your office I will withdraw the comments and I shall in future endeavour not to associate the member for Roberval with Mr. Shakespeare.

The Speaker: I accept the withdrawal. I think the point has been made.

We do have days such as yesterday where exchanges are quite strong. I would simply invite all hon. members to please be very careful in the words they use because words are our weapons and our tools here in the House of Commons. I thank the hon. Minister of Industry for withdrawing and the matter is closed.

• (1205)

I will return to the House with the decision on the two points of privilege which are before me.

ROUTINE PROCEEDINGS

[*English*]

MINISTER'S PERMITS

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, I would like to table, in both official languages, the report to Parliament on the minister's permits issued from January 1 to December 31, 1993.

WAYS AND MEANS

NOTICE OF MOTION

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, pursuant to Standing Order 83(1) I wish to table a notice of a ways and means motion to amend the Income Tax Act, the income tax applicable rules, the Canada Pension Plan, the Canada Business Corporations Act, the Excise Tax Act, the Unemployment Insurance Act, and certain related acts.

I am also tabling a summary of the document and I ask that an order of the day be designated to debate the motion.

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have the honour to present the 18th report of the Standing Committee on Procedure and House Affairs regarding the main estimates of the House of Commons.

The committee has considered the estimates and reports them without amendment.

[*Translation*]

I also have the honour to present the 19th Report of the Standing Committee on Procedure and House Affairs concerning the list of committee members.

With leave of the House, I intend to move for concurrence in this report later this day.

* * *

[*English*]

NATIONAL SOLIDARITY DAY FOR THE ABORIGINAL PEOPLES OF CANADA

Mr. Nelson Riis (Kamloops) moved for leave to introduce Bill C–244, an act respecting a national solidarity day for the aboriginal peoples of Canada.

He said: Mr. Speaker, considering that most Canadians consider it desirable that we have a day in recognition of Canada's original inhabitants and considering that Canadians earnestly seek an example of their commitment to honouring native cultures, this bill would set aside June 21 of each year to be called national solidarity day for the aboriginal peoples of Canada.

Just for certainty, Mr. Speaker, this day would not be a legal holiday nor would it be required to be kept or observed as such.

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

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I move that the 19th report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

(Motion agreed to.)

* * *

• (1210)

PETITIONS

KILLER CARDS

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, I rise in the House today to present yet another petition requesting that Parliament ban the importation and sale of killer cards.

By now it must obvious that the wide public outrage over these despicable cards must be addressed swiftly by government.

Mr. Stephen Harper (Calgary West): Mr. Speaker, I have the honour to present two petitions pursuant to Standing Order 36. The first is signed by 31 residents mainly from the city of Calgary that ask the government to amend the laws of Canada to prohibit the importation, distribution, sale and manufacture of killer cards.

I note with some satisfaction that the government has tabled draft legislation relevant to this subject.

[*Translation*]

TWO OFFICIAL LANGUAGES

Mr. Stephen Harper (Calgary West): Mr. Speaker, my second petition concerns a national referendum on the issue of the two official languages in Canada. It is signed by 36 citizens, mostly from the city of Calgary. I think such a referendum could succeed better with a policy based on the territorial principle proposed by the Reform Party of Canada.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, question No. 17 will be answered today.

[*Text*]

Question No. 17—**Mr. Forseth:**

For the years 1992 and 1993, have any departments, agencies or crown corporations contributed funding to the legal education and action fund and, if so, (a) which ones (b) in what amounts?

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): I am informed by the Departments of Justice and Human Resources Development as follows:

	Justice Canada	Human Resources Development
1992–93	$9,395	$232,248
1993–94	None	259,324

[*English*]

The Acting Speaker (Mr. Kilger): The question enumerated by the hon. parliamentary secretary has been answered.

Mr. Mifflin: I ask that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Kilger): Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

PEARSON INTERNATIONAL AIRPORT AGREEMENTS ACT

The House resumed consideration of the motion of the Minister of Transport; of the amendment; and of the amendment to the amendment.

Mr. Gaston Péloquin (Brome—Missisquoi): Mr. Speaker, before I was interrupted by Question Period, I was mentioning that Stanley Ryerson, a political scientist, was arguing some fifteen years ago that the Canadian federation was created, in 1867, because of pressure by certain interest groups. I would like to quote him.

"Macdonald and Galt were representing the general interests of English Canadian business circles. And Brown was the spokesman for Toronto's commercial and industrial circles. Finally, Cartier represented the conservative wing of the French–Canadian bourgeoisie and of the clergy. The new political structures were tailored to the economic and politic interests of the dominant social groups".

Our proud Fathers of Confederation were therefore Canadian bankers, financiers and businessmen pressuring the British Parliament to unite the Canadian colonies in order to widen their markets and protect themselves against the economic threat posed by the U.S. According to that view, Canada was created by lobbyists, and successive governments have perpetuated that long tradition of favouritism. Since then, the two main national parties have always relied on large corporations to finance their political activities.

The Pearson airport privatization proves that things have not really changed since Confederation, except that interest groups have gained more and more influence on the decision–making process in the Canadian government.

• (1215)

Today, our society is organised around a corruption system perfectly institutionalized. The voice of the people is getting weaker in the hallways of the Parliament of Canada, and Bill C–22 does nothing to prove it is not so. On the contrary, it makes the system even more susceptible to manipulation by interest groups.

The names that keep cropping up concerning the sale of Pearson airport show how the system works in Ottawa. Here is a list of friends of Mulroney and Conservative organizers: Otto Jelinek, former Conservative minister; Don Matthews, former president of the Conservative Party; Bill Neville, Joe Clark's former chief of staff ; Hugh Riopelle, lobbyist and friend of Mr. Mazankowski; Fred Doucet, former chief of staff of Brian Mulroney; John Llegate, lobbyist and friend of Michael Wilson; Pat MacAdam, lobbyist and friend of Mr. Mulroney; Bill Fox, lobbyist and friend of Mr. Mulroney; Harry Near, lobbyist and Conservative faithful; Scott Proudfoot, Conservative lobbyist.

On the Liberal side we have: Herb Metcalfe, former organizer for Mr. Chrétien; Leo Kolber, a Liberal senator.

The Acting Speaker (Mr. Kilger): Order! I ask the member to refer to those who presently hold a seat in the House by their title. For example, when referring to Mr. Chrétien, he must call him the Right Hon. Prime Minister, since he happens to be speaking about the head of the Liberal government. I am committed to maintaining tradition whether members are present in the House or not. I know the member for Brome—Missisquoi has gained a lot of experience in a very short time in the House but I ask his further co–operation in this matter.

Mr. Péloquin: All those people were more or less implicated in the secret dealings surrounding the sale of Toronto Pearson International airport up to this point. Because of their political contacts those lobbyists succeeded in having the government sign a bad contract. In order to thank them, our government is now considering compensating them because they could not carry their shady deal to fruition.

That is exactly the kind of situation that confirms the population's cynicism towards politicians. According to a popular saying, a politicians's promise is a broken promise. This brings the credibility of the whole Canadian parliamentary system into question. Bill C–22 will certainly be adding to the contempt and scorn with which Canadians regard politicians. In fact, Cana-

dians should not be surprised to see the Liberals act exactly the way they do each time they form the government in Ottawa.

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, I am pleased to participate in this extremely important debate. This bill concerns the cancellation of the deal signed by the Conservative government. But it also puts to the test the government's credibility and the integrity of the parliamentary process.

The point I would like to raise in the next few minutes concerns the compensation provided for by bill C–22. When I read this piece of legislation, I had serious doubts. You, and all the members in this House, will surely agree with me that when parliamentarians make legislation, they must respect certain principles to ensure that our legislation is clear, the wording as precise as possible, and the clauses consistent.

• (1220)

Clause 7, regarding compensation, reads as follows:

> No action or other proceeding, including any action or proceeding in restitution, or for damages of any kind in tort or contract— may be instituted by anyone against Her Majesty, or against any minister or any servant or agent of Her Majesty—

In other words, clause 7 means that no compensation may be paid in connection with the Pearson deal.

But when reading clause 10, we find that:

> 10.(1) If the Minister considers it appropriate to do so, the Minister may, with the approval of the Governor in Council, enter into agreements on behalf of Her Majesty to provide for the payment of such amounts as the Minister considers appropriate in connection with the coming into force of this Act, subject to the terms and conditions that the Minister considers appropriate.

And further, still under clause 10:

> (3) No agreement may be entered into under this section after one month after the coming into force of this Act.

When comparing those two sections, in my area, we would say that "there is something missing" because on the one hand, we have the impression that no action may be taken by anyone against the government in relation to any possible agreement or compensation while on the other hand, the minister may, with the blessing of Her Majesty, enter into an agreement, but only within one month after the coming into force of the bill.

After rereading those sections, I finally managed to find some cohesion. Basically, what the bill is suggesting to us in terms of compensation is that there is already a done deal. We now have to find a way to go ahead with the deal. We have to be careful not to fall into two or three traps. First, according to section 7, we must not give the impression of giving away compensation. Better still, we say to people: "Don't worry, you will not have to take us to court because we are going to forbid that. So, there's no problem, you see the minister—under section 10—and you make a deal with him which does not seem to be related to the transaction itself but which will basically allow you to achieve the same result".

The reason I say that in all likelihood the deal has already been made is because of the obligation to come to an agreement within one month after the coming into force of the bill. Therefore, there seems to be some urgency because the legislator, who does not usually speak for nothing, comes to the conclusion that all agreements must be entered into within one month. That is what I wanted to point out.

I will go on about this deal, which has obviously already been struck, although we know nothing about it. As was mentioned by some of my colleagues, including the hon. member for Brome—Missisquoi who just spoke and others who repeatedly said so this week, lobbyists belong to every party and feed at every trough, whether it be with this Liberal government or with the former Conservative government. They just turn coat, then go meet the minister and get the same results.

• (1225)

Everybody remembers the famous $1,000–a–plate dinner held during last election campaign. Charles Bronfman, unquestionably a francophile emeritus who, in 1976, the day after the election of the Parti Quebecois, had nothing better to say than he would move the Expos out of Quebec, attended this dinner party and was told by the Prime Minister that the agreement concluded for the privatization of Pearson airport would be cancelled.

During the election campaign, the Prime Minister took great pride in saying that Mr. Bronfman paid $1,000 to hear that his agreement was no good. The dinner must have lasted a little longer that this conversation, and Mr. Bronfman surely got guarantees for what was to follow.

Several people reached that conclusion, especially the chairman of the board of inquiry, Mr. Robert Nixon, who said in his report: "My review has left me with but one conclusion: To leave in place an inadequate contract, arrived at with such a flawed process and under the shadow of possible political manipulation, is unacceptable. I therefore recommend that it be cancelled".

Also, still with reference to the famous $1,000–a–plate dinner, I would like to quote the comment made by André Pratte, a journalist for *La Presse*, during the election campaign: "If a $1,000 gift can help you drop a few words in the leader's or the potential prime minister's ear, what privileges do people who give $5,000 enjoy?"

And what does a business like Canadian Pacific, which gave $64,000 to each party last year, get? These questions have to be asked; and they have to be answered! There is an old saying, "A man is known by the company he keeps". We have to know the facts, we have to find out about these relations.

Therefore, it goes without saying that I support the Bloc Quebecois's amendment and the Reform Party's sub–amendment requesting a commission of inquiry. Mr. Speaker, it is one thing to come and legislate in this House, even if we support the purpose of the bill, which is to cancel this ridiculous contract, but we must also ensure that the government and politicians never again find themselves in such a situation.

And to ensure this, we have to know the facts. To find them out, since we have the report prepared by Mr. Nixon, who conducted an *in camera* inquiry but still came up with some serious conclusions, it is absolutely justified to appoint a commission of inquiry. I repeat that we must not permit this bill to end a process which, in my opinion, reveals some troubling facts.

We have to know the truth because those who elected us throughout Quebec and Canada want to know what this is all about. The credibility of the government and of all parliamentarians is at stake, and that is why we need a commission of inquiry.

• (1230)

Mr. Bernard Deshaies (Abitibi): Mr. Speaker, I welcome this opportunity to take part in the debate today on Bill C–22 to explain how my constituents may be indirectly affected, by the more or less successful privatization of this major airport.

Pearson airport in Toronto is Canada's largest airport, with nearly 20 million passengers coming through annually, which is nearly 57,000 per day. Pearson airport has a direct economic impact worth nearly $4 billion annually on Ontario's economy.

Considering these figures, Pearson airport is considered to be, and indeed is, a very profitable airport. That is good news, because in a big country like ours, where equalization is the rule so that all citizens get a fair share, profitable airports in the south make it possible to finance the operations of airports further north.

We need a commission of inquiry to investigate the transactions that took place and those that might have been concluded to realize the real financial potential of this airport—whether or not it is sold to private interests—in order to measure the financial impact and ensure profits can be used to finance the maintenance and development of northern airports.

Air transportation in the north is a vital part of local communications between communities and provides a vital link between communities in the north and the south. Considering the fragile economy of these communities, free competition could adversely affect the security and autonomy of the people in these regions. In fact, I would like to take this opportunity to discuss the privatization policy the government wants to implement in Canada and Quebec. I think that in both cases, Pearson airport and the government's plan to privatize air traffic control, the result will be a loss of services for people in the regions.

Some time ago, the Minister of Transport announced that studies would be conducted on the privatization of air traffic control in Canada and Quebec, to be followed by consultations with users, unions and groups with an interest in Canada's air navigation system.

The Bloc Quebecois is concerned about the implications and especially about the lack of transparency around this project. The information we are getting is extremely vague. The Bloc Quebecois is therefore anxious to find out the real reasons behind the government's plan to transfer nearly 6,000 jobs, including 2,000 air traffic controllers, to an as yet unknown entity.

Will this be a Crown corporation, like Canada Post, or a completely private enterprise?

Does the minister intend to give us the names of the companies, commercial groups or interest groups that have shown an interest or even tendered bids for an air navigation system in Canada or parts of that system?

We think it is important that the public should know who wants what and what the conditions will be for the sale of the system, if there is one. We do not want the scandal of the Pearson airport privatization happening again.

Air traffic safety. If there is a transportation area where decisions concerning the safety of the travelling public should not be delegated to the private sector, it is certainly air traffic safety. Can the government explain to us how it will force this new company to offer air traffic control services where they are needed?

Will the government force this new company, or these companies, to offer air traffic control services even in regions where air traffic is not lucrative? Let us take, for example, an airport with thousands of small plane flights every year which does not bring in much money in terms of landing fees and which is not economically viable, but where the volume of flights is such that the danger of air collisions is high. Will the government force this or these new companies to offer air traffic control services even if they were to lose some money on that part of their activities? We are not too sure about that.

How will remote areas such as Abitibi or the North Shore, or any other Northern or remote area, be treated? How will the government force this new commercial entity to monitor the level and quality of services provided?

• (1235)

You will recall the Dryden crash, where it was demonstrated that Transport Canada had had trouble enforcing laws and regulations. It has been proven that self–regulation does not

work and is unacceptable, especially in air travel. How will the government enforce air traffic safety?

If there is a service which is of national interest, such as the Armed Forces, how can the government think about transferring this responsibility—I am talking about air traffic control—to commercial interests?

By the same token, can the minister tell us what will become of the travellers protection, given the fact that he is now considering putting an end to the presence of permanent and professional fire fighters in regional airports in Canada?

We have not forgotten the cuts in services that followed when Canada Post became a Crown corporation. In remote and isolated areas mail service was drastically reduced in order to save money and in the name of profitability. Does the government intend to do the same thing in the case of control towers, flight service stations and fire fighters in regional airports? Will we end up with airplanes being controlled from Quebec and Montreal? In a nutshell, is the government getting ready to shut down regions by reducing services to a minimum?

Furthermore, can the minister explain why his government is still going ahead with its project of "modernizing" the air traffic control system by closing thirteen control towers in Canada? Why does the department want to close four towers in Quebec, or 44 per cent of all towers in Quebec? Must I remind the minister that three out of those four towers are located in peripheral areas, namely Val–d'Or, Sept–Îles and Baie–Comeau? What a coincidence!

In addition to air security, how air traffic controllers and other workers who are currently public servants will be treated is of great concern to our party. Can the minister tell us what will become of those men and women who have given 5, 10, 15 and, for some, 20 years of faithful service to the Canadian public? Will the minister dismiss those who refuse to join the new private corporation or company? Does the minister intend to offer them maybe a "grandfather" clause which would allow them to remain public servants although working within the new air traffic control system?

Is the minister aware of the fact that many believe the air controllers working for the new entity could have the right to strike, which they do not have now? Can the minister confirm or deny that rumour? Can he tell us what he intends to do to clear things up concerning that essential service? Will the government require that seniority and other benefits accumulated by theses employees as public servants for the Canadian government be respected or will these people be at the mercy of every whim of the new managers?

If the government maintains that project of privatizing the Canadian air control system, will it force the new company to abide by the Official Languages Act with regard to services offered to users and employees? Will the pilots, private or professional, still have access to air control services in the language of their choice? Will the employees enjoy the same work rules as they have now, for example the right to receive training and communications in French wherever the legislation permits?

I mention these points, Mr. Speaker, to stress the possible impacts of loss of income in the south which would allow grants and support for the northern regions.

Any privatization project which is of national interest, be it the Pearson airport or the air traffic control system, should be reviewed with everyone's interests in mind and in such a way that citizens in the northern regions or remote areas would be treated fairly.

Mr. Antoine Dubé (Lévis): Mr. Speaker, I would like to take advantage of the debate on Bill C–22 to show how the Quebec City airport has been unfairly treated by the federal government up until now, to the point that it is slowing down the development of Metropolitan Quebec City.

• (1240)

What is striking in this bill is the double standard applied by the Liberal government when dealing with the airports in Toronto and Quebec City. In the case of Quebec City, the Liberal government is dragging its feet. But in Toronto, it uses a steam–roller approach, overlooking a lot of things, probably under the pressure of lobbyists.

As a matter of fact, I am starting to understand what some Liberal candidates in the Quebec City area meant, during the last election campaign, when they mentioned the corridors of power. They probably meant the corridors used by lobbyists. But do people really want to leave the task of influencing the government's actions to the lobbyists? Or would they rather have their elected members make representations to the government? I believe the latter.

Otherwise, Quebec should probably consider speeding up the HST project or upgrading the Quebec City airport, to shorten delays, since lobbyists for Quebec City appear to be less powerful than those for the Toronto airport.

For some time now, the federal government has known that the Quebec City airport infrastructure is totally inadequate to meet the needs of an area where the capital city of all Quebecers is located. On June 23, 1993, on the eve of Quebec's national holiday, representatives of the federal Conservative government held a big ceremony during which they unveiled a new sign and announced that Jean Lesage airport in Quebec City would henceforth enjoy the status of an international airport. Without wanting to minimize the promotional impact of this new status, plans to expand Jean Lesage airport are still collecting dust on the responsible minister's desk.

A simple sign identifying the airport in Quebec City as an international facility will not resolve the bottlenecks that occur. The international flight passenger waiting area is so small that overcrowding occurs on a regular basis, particularly when several international chartered flights carrying hundreds of passengers arrive at the same time. To avoid total chaos,

passengers on the last incoming flight must all too often wait to disembark.

A circus atmosphere prevails when hundreds of passengers converge on the sole luggage conveyors in the area reserved for international flights and on the customs area. How can we hope to attract major international carriers when a short stopover in Quebec City on a Paris–Los Angeles flight can mean a delay of several hours for passengers who must patiently wait until those wishing to disembark can do so and the flight can resume?

Under the circumstances, it is not surprising that the many past attempts by airline companies to establish international links to Quebec City have been quickly abandoned.

Another good reason for expanding the airport is Quebec City's bid for the Winter Olympic Games in the year 2002. According to the *Association des gens de l'air du Québec*, Jean Lesage airport is too small to handle the traffic that would be generated by the Olympic Games in eight years' time.

The association is of the opinion that, because of its bush–league airport, foreign travellers will be left with the impression that Quebec City is, and I quote, "a banana republic". In fact, in our region, people can hardly believe how little was done to fix the airport in recent years.

• (1245)

Again, the president of the air transportation workers union was quoted in a Quebec City daily newspaper as saying: "The main runway was widened so 747s could land. It is all very well but runway lights were not even moved, so if that heavy aircraft veers slightly off course, it will hit the lights and the necessary repairs will slow everything down".

A brief that the air transportation workers union sent to the people responsible for the Quebec City airport development plan and to Corporation Québec 2002 lists four major deficiencies that need to be addressed quickly. First, a runway less than 4,000–feet long running parallel to the main runway would separate heavy aircraft from lighter aircraft for better safety and efficiency.

Second, a taxiway network should be developed to allow aircraft to quickly leave or enter the main runway, thus reducing waiting periods. Third, access ramps must be widened as they are getting more and more congested. Passengers must walk long distances outside, an embarrassing and sometimes dangerous situation, especially in winter.

Fourth, customs personnel must be increased. The lack of customs officers sometimes creates long and tiring line–ups at peak times for international passengers.

It is worth pointing out that these recommendations were tabled on December 8, 1992. We are still waiting for a concrete response from federal officials, something other than simply designating as international an airport with such a status but without the necessary facilities. Whatever we do, we must not make the mistake of minimizing the importance of an adequate airport for the 2002 Olympic Games.

Salt Lake City will certainly be Quebec City's fiercest rival. It even has a truly international airport with all the amenities likely to sway the people who will pick the winning city among the applicants.

The applicant's guide to hosting the 19th Winter Olympic Games in 2002, issued by the International Olympic Committee, says under "transportation" that, as previous experience shows, one of the keys to successful Games is an efficient transportation system. This guide recommends that applicant cities focus on three key areas, namely the transportation of people, equipment and luggage, as well as customs clearance. This is a very good reason to increase the number of customs officers and put in new baggage conveyors at the Quebec City airport.

Of course, the decision to expand the airport should not be based only on the possibility of hosting the 2002 Winter Olympic Games. We must consider above all the needs of the Quebec City region, before and after the Games. The figures quoted in this House on Wednesday by my colleague from Louis–Hébert demonstrate the need for expansion due to the dramatic increase in transborder and international flights at the Quebec City airport between 1988 and 1992.

According to Transport Canada's own figures, as quoted by the hon. member for Louis–Hébert, transborder flights have increased by 179 per cent in Quebec City. In comparison, they went up 12.5 per cent in Halifax, 13 per cent in Winnipeg and 15 per cent in Calgary.

I can hear from here the government side argue that investments were made to upgrade the runway to accommodate jumbo jets like the Boeing 747. It was a very minor reconstruction project, a $7.5 million project, while the $33.5 million five–year capital plan announced in September of 1990 called for the construction of a new control tower, among other things.

• (1250)

Now what has come of that plan? I fear that, as usual, this government will say it is under consideration, the classic excuse to avoid admitting that, again, nothing was done.

The fact of the matter is that millions of dollars were spent to reconstruct the runway, just to prevent grass clippings blown away by the 747s' jet engines from blowing back on the runway. That is the kind of upgrade the Quebec airport has undergone!

But the business community in the Quebec City region have been calling attention to the deficiencies of our airport for a great many years.

Our region's development depends for a large part on technological enterprises open on the world and on tourism. Quebec has acquired international stature after it was declared—the only city in Canada, by the way—World Heritage City by UNESCO. Its cultural life and festivals make it a choice destination for tourists from around the world. However, our development is being compromised because, once again, a central government out of touch with local needs is dragging its feet.

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, like my colleagues, I am pleased to speak in the debate on Bill C–22 and, following them, to shed some light on this bill. This bill absolutely must be clarified because, as you heard in everything they said, there are grey areas, some very dark grey areas, in this bill.

A major topic of the government's red book, the real political manifesto of the Liberal Party of Canada during the election campaign, is to question the disproportionate and decisive influence of behind–the–scenes lobbies on government policies.

The purpose is to restore the image of this same government so that the people again trust their political elite and democracy will experience an unprecedented renewal. The Liberal bible says: "We will develop a Code of Conduct for Public Officials to guide cabinet ministers, members of Parliament, senators, political staff, and public servants in their dealings with lobbyists".

Indeed, a key word in the Liberals' election campaign was openness. However, the reality is quite different. Instead, it shows this party's shameless opportunism and its thirst for power with a view to consolidating the political and financial establishment in Canada.

In the attempted privatization of Pearson airport in Toronto, there is a series of troubling facts that make one seriously question the openness of the Liberal government and of the previous government.

Bill C–22 is a unique opportunity for the Bloc Quebecois to shed light on all the lobbyists who are the real leaders in the old parties, a shadowy area in Canadian politics, Mr. Speaker.

When the federal government published its policy on airport management in Canada in the spring of 1987, it showed that it intended to turn airport management over to local authorities, such as provincial governments, municipalities or boards authorized by federal or provincial legislation. Transport Canada is to provide a safe and efficient airport system. This can be done through appropriate legislation and financial support, without Transport Canada owning an airport.

In the summer of that year, the Conservative government designated Claridge Properties Inc. to build and operate terminal 3 at Pearson. Since then, this consortium owned by Charles Bronfman has had a monopoly. In the first half of the 1990s, he, with the help of the Conservative Party, was in a position to become the sole manager of the airport's three terminals. Not more than a month after his triumph in English Canada last November, the Prime Minister, acting completely contrary to a spirit of openness, asked a former Ontario Liberal minister, Mr. Nixon, to conduct an inquiry behind closed doors, yes, in secret, on this incipient monopoly. As you know, doing something behind closed doors is just the opposite of ensuring transparency. Yet, this is the way these old parties work. Mr. Nixon writes in his report:

> Terminal 3 will be privately based and operated for a further 57 years. To contemplate the privatization of the remaining two terminals of this public asset is, in my view, contrary to the public good.

• (1255)

In March 1992, the government blatantly contradicted its political statement by officially requesting proposals for the privatization of terminals 1 and 2 at Pearson airport. The deadline for proposals was 90 days. A 90–day period in this case was not normal, because this was no ordinary call for tenders, since it involved a very complex contract over 57 years. So, why have such a short bidding period, if not to favour those firms which had already expressed an interest, including Claridge Properties Inc. and Paxport, which had already submitted a privatization plan in 1989?

Let me give you some details on Paxport. The Don Matthews Group, which has a 40 per cent interest in this consortium, has links to the Progressive Conservative Party and the Liberal Party. Mr. Matthews was chairman of Brian Mulroney's leadership campaign and is a former chairman of the Conservative Party. When Paxport made its bid following the government offer to privatize terminals 1 and 2 at Pearson, its president was Ray Hession, a former deputy minister of Industry and senior civil servant with Supply and Services where contracts are awarded. In other words, all the key players were related to the previous Liberal governments. The president of Paxport Inc. himself hired the group of lobbyists which was to work on the privatization project for the benefit of the company. He then resigned from his position as president in 1992, once approval of Paxport's bid was confirmed by the government. And there you have it.

In February 1993, Paxport and Claridge Properties Inc. merged and became T1 T2 Limited Partnership. One of the reasons Paxport's bid had been accepted was that it would create healthy competition between the manager of terminals 1 and 2, Paxport, and the manager of terminal 3, Claridge. Consequently, the merging of the two companies had the effect of totally eliminating any such competition. Not to mention that Claridge

managed to acquire a 66 per cent interest in the consortium. So, this is a monopoly.

Claridge Properties Inc. has very close ties to the Liberal Party of Canada. Senator Léo Kolber, who sat on the board of directors of Claridge when the agreements were signed, is the same guy who held a benefit dinner at his home, in Westmount, for the Liberal Party, at $1,000 per guest, where the guest of honour was the current Prime Minister. Now you see why they tried to keep this benefit dinner secret.

Herb Metcalfe, former party organizer for the current Prime Minister, is a lobbyist at Capital Hill Group and represents Claridge Properties. Ramsay Withers, former deputy minister of Transport at the time the request for proposals concerning Terminal 3 at Pearson airport went out, is a Liberal lobbyist who has very close ties to the current Prime Minister.

Given these facts, we have to wonder about the nature of this government and about its ties to the Toronto financial establishment. What about the openness they promised us? What about the ethics? Be serious. What we have here is cover–up and patronage benefiting some private interests at the expense of Canadian taxpayers, and particularly middle–class citizens, which the government always picks on, and the underprivileged. Let us be blunt. The Liberal Party of Canada has always been in cahoots with the financial establishment.

On October 7, 1993, the legal agreement on the privatization of Terminals 1 and 2 was signed. However, Claridge Properties had taken control of T1 T2 Partnership Inc. a few months before, in May of 1993. So, the October agreement was between the government and Pearson Development Corporation.

• (1300)

What is Pearson Development? It is a joint venture partnership which manages operations at all three Pearson airport terminals. Claridge Properties, which is the contractor for terminal 3, holds a 66 per cent interest in Pearson Development and is also the majority shareholder in Paxport, which was awarded the contract in December 1992 for the privatization of Terminals 1 and 2. Once again, so much for transparency and ethics! The least we could say is that the Pearson deal is nothing more than the takeover of all three terminals by a financial power that has a friendly relationship with a so–called democratic government.

Clearly, whether the government is Liberal or Conservative, it is all the same. Today more than ever before, it is increasingly obvious that powerful financial interests, to achieve their ends, will put at the head of the Canadian government a friend who will stop at nothing to stay in power, a person who will have absolutely no regard for the most fundamental rule of transparency and ethics.

Due to the troubling circumstances under which the 1993 agreement was negotiated and executed—

The Acting Speaker (Mr. Kilger): Order. I am sorry but your ten–minute period has expired. We have to move on.

Mr. Leroux (Richmond—Wolfe): May I conclude my remarks?

The Acting Speaker (Mr. Kilger): I will leave it to the hon. members. If they give unanimous consent, I have no objection.

Is there unanimous consent to allow the member for Richmond—Wolfe to conclude his remarks?

Some hon. members: Agreed.

Mr. Leroux: Mr. Speaker, because its credibility is at stake here, the government has no other choice but to confirm the need for a commission of inquiry to examine this matter as soon as possible. We need an inquiry.

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies): Mr. Speaker, most of my Bloc Quebecois colleagues who have taken part in the debate on Bill C–22 so far looked at it in terms of government openness, and all of them came to the obvious conclusion that a royal commission of enquiry should be set up to look into the whole issue of the privatization of Pearson airport.

In the speech he just made, my colleague for Brome—Missisquoi brought out quite well the large number of friends of the government, both Conservative and Liberal, who were involved or had a hand into this matter, which represents millions of dollars.

My colleague for Mégantic—Compton—Stanstead told us how this piece of legislation before the House today was put together: under clause 7, no action may be instituted against the government by any company that could have grievances against it, but clause 10 allows the minister to make a direct but secret settlement with people who might want to claim some small compensation.

Besides, the Nixon Report, commissioned by the Prime Minister, concludes along the same lines. I would like to quote its conclusion:

> My review has left me with but one conclusion. To leave in place an inadequate contract arrived at through such a flawed process and under the shadow of possible political manipulation is unacceptable. I therefore recommend that it be cancelled.

Leading to that conclusion, Mr. Nixon said: "Failure to make public the full identity of the participants in the agreement and other salient terms of the contract inevitably raises public suspicion".

In my opinion, when the government proposes to privatize a Crown asset, openness should be mandatory and the public

should be entitled to know all the details in the agreement. That is why, on the whole, we are asking for an enquiry in that matter.

I would also like to quote some remarks made by the hon. member opposite for York South—Weston and reported in the media. They were reported in the November 26, 1993 issue of the *Ottawa Citizen*, and I quote:

[*English*]

"I didn't spend the last nine years in Ottawa bashing Tory sleaze to have it occur in our party or for our party to condone it".

[*Translation*]

Some other remarks were also reported by the *Globe and Mail* where he was quoted as saying:

[*English*]

"This will be a true test of Mr. Chrétien's commitment to integrity in government and I have considerable confidence in him that he will kill the deal".

• (1305)

[*Translation*]

Of course, this is the bill that kills the deal. The only problem is that giving the Minister of Transport discretionary powers to compensate people party to this behind–the–scenes deal is tantamount to having the fox in charge of the chicken coop, and the Bloc is obviously against that.

Why was the privatization of Pearson airport ever considered to begin with? It is quite simple. Pearson airport makes money. Incidentally, it is one of the very few money–making airports in Canada. Why does it make money? Because everything was done to put it in that position.

The Mirabel airport was built many years ago because the Montreal airport was crowded with international flights. A few months after Mirabel was built, the ban on international flights landing directly in Toronto without a stop–over at Mirabel was lifted. After that, all international flights could land directly in Toronto without stopping first in Mirabel.

What did that mean? It meant killing Mirabel and increasing the number of international flights landing directly in Toronto. Today, Mirabel airport is a white elephant and we are on the verge of expanding Pearson airport at the cost of millions of dollars, several million of which will come from Quebec.

The same pattern can be seen in the case of the port of Montreal, with the opening of the St. Lawrence Seaway. Over the years, that system diverted traffic from Montreal to Toronto. The port of Montreal is failing and the one in Toronto is thriving.

The same thing happened with the Borden line. It was recommended by the Borden commission, on which not a single Quebecer sat. It resulted in the petrochemical industry of the east end of Montreal being transferred to Sarnia.

The Auto Pact is another example. It was signed with the United Stated, which goes to prove beyond the shade of a doubt that a small country like Canada can strike deals with a giant such as the United States. But that deal was made for Ontario. Quebec did not get anything out of it.

What is the logic behind all this? They want Ontario to be the economic heart of Canada. This is a Canadian way of thinking. Concentrate all the economic activity in Ontario. Unfortunately, this concentration is to the detriment of Quebec. In the four points I just mentioned, thousands of jobs were lost in Quebec.

Once Toronto's and Ontario's international attraction is established, many companies deciding to come to Canada will follow the same logic which says: "If you want to do business, go where the business is". So they all go to Toronto or elsewhere in Ontario because that is where the business is.

Once this attraction has become extremely strong, it even drains Quebec's own companies. And I am referring to companies like Cadbury, Black and Decker, Electrolux, Habitant Soups, which all left Quebec because there were better opportunities in Toronto. Of course, this endless corporate exodus is responsible for the loss of hundreds of thousands of jobs in Quebec. As we speak, the media report that there are 790,000 welfare recipients and 400,000 unemployed workers in Quebec. And the media—and I heard it again this morning—tell us about an economic recovery.

There is no economic recovery, Mr. Speaker, let us not kid ourselves. The Prime Minister of Canada, under the circumstances, must find a culprit because he does not want to admit the phenomenon I just described. Of course someone to blame is always found, as we saw recently in the House: the unemployed and the welfare recipients, they are to blame.

So they are officially accused of being beer drinkers slouched in front of their TV, this after their jobs have been taken away. Unfortunately all these people are in fact looking for a job. Since he got a very strong reaction, the Prime Minister is attempting to find other reasons why the situation is bad, even if the corporate exodus from Quebec to Ontario is very clear. And now the Prime Minister has called all of Quebec's legitimate and historical demands whims.

I would like to say a few words on this. All the Premiers of Quebec, whatever their political party, as far back as I can remember—and I am not very old, but I still remember it—always said the same thing.

In the mid–1950s, Maurice Duplessis wanted Ottawa to give Quebec back its due. This was not a whim on his part; he said it because he believed that we were being had by Ottawa.

• (1310)

In the early 1960s, Jean Lesage liked to use the expression "masters in our own house"; that was no whim. He was simply convinced that we were not in charge of our own affairs and that Ottawa always controlled everything.

A few years later, Daniel Johnson used the expression "equality or independence". That was not a whim either. He simply felt that, with the way things were in Canada, Quebec was not getting equal treatment. The situation was such that ultimately Ottawa always decided what was best for Quebec.

Of course, several years after that, René Lévesque began to champion the cause of Quebec sovereignty. And that was no whim either. He believed that sovereignty was the only way for Quebecers to become masters in their own home.

The Bélanger–Campeau Commission came to the same conclusion. Either Canadian federalism undergoes a radical change to ensure that Quebec is given its fair share, or Quebec becomes sovereign. That conclusion was certainly no whim. It reflected the clear consensus of all Quebecers who appeared before the Commission.

I see, Mr. Speaker, that you are indicating that I have one minute remaining. There is so much more that I could say. When we say that we do not want the federal government to intrude into our field of jurisdiction with respect to vocational training, it is no whim. This is the unanimous position of the National Assembly.

The Prime Minister claims that disaster will ensue if the separatists—this is the word he used—are elected. Need I remind him that Moody's, which is certainly not a den of nasty separatists, has pointed out to him that the debt, not the political situation, is responsible for what ails Canada. When the Liberals came to power in 1980, the debt stood at $80 million. They managed to increase it to roughly $200 million. Under the Conservatives, the debt rose from $200 million to $500 million. Now the Liberals, in office once more, are saying that the debt will come in at about $600 million.

It does not take a genius to figure out why our bankers are nervous. The fault does not lie with the nasty separatists. They are nervous because they are owed money. May I conclude, Mr. Speaker?

The Acting Speaker (Mr. Kilger): If I recall correctly, I was asked yesterday if, by allowing one hon. member to speak longer, I was in fact impinging on another member's speaking time. We are supposed to adjourn at 1.30 p.m. this afternoon. I will let your colleagues decide whether they will let you conclude your remarks, briefly.

Is there unanimous consent to allow the hon. member to conclude his remarks?

Some hon. members: Agreed.

Mr. Pomerleau: To make it short, Mr. Speaker, I will skip a few things. Let us just say that we request a royal commission into the Pearson airport transaction. It is obvious from all the facts stated in this place that there has been some degree of scheming. We do not want any dealings to take place outside of this House. If certain facts need to be disclosed to the public, we want them to be made public here, before this House, so that the people can have a good idea of what this is about.

The Speaker: I wish to thank the hon. member for his co–operation. On debate, the hon. member for Jonquière.

Mr. André Caron (Jonquière): Mr. Speaker, in the last days of its second mandate and in the middle of an election campaign, the previous government privatized Terminals 1 and 2 at Pearson airport in Toronto by signing an agreement with a company called T1 T2 Limited Partnership. After defeating the Conservatives on October 25, the Liberal Party came to power planning to cancel this deal, as promised during the election campaign.

On October 28, the Prime Minister commissioned Mr. Robert Nixon, former treasurer of a Liberal Ontario government, to investigate this controversial agreement. The bill before us today gives effect to Mr. Nixon's recommendation to cancel the privatization agreement made between the government of Canada and the T1 T2 Limited Partnership consortium.

Let me remind you that the principal shareholders of this company are the fabulously wealthy Charles Bronfman and Mr. Don Mathews, Brian Mulroney's leadership campaign manager and former fund–raising campaign president for the Conservative Party.

In light of the exceptional circumstances under which this agreement was made and the many disquieting facts surrounding it, and also in light of the findings of the Nixon Report, simply cancelling the contract will do very little to clarify matters for the public, which is expecting more from the government.

The public wants light to be shed on the role played by lobby groups in this whole business. According to the Nixon Report, lobbyists had put a great deal of pressure on the Conservative political staff as well as on senior government officials.

• (1315)

Mr. Nixon says that lobbyists, by their actions, led the government to make dubious decisions. He said, and I quote: It is clear that the lobbyists played a prominent part in attempting to affect the decisions that were reached, going far beyond the concept of "consulting". With regards to lobbyists' influence on government officials, he added: "When senior bureaucrats involved in the negotiation for the government of Canada feel that their actions and decisions are being heavily affected by lobbyists, as occurred here, the role of the latter has in my view,

exceeded permissible norms". Permissible norms were exceeded in the Pearson airport affair. Such statements cannot remain unanswered.

Obviously, excessive lobbying was used with Conservative politicians and federal officials in order to influence their decisions. It seems evident that the public service integrity and impartiality are being questioned by the findings of Mr. Nixon's inquiry. In view of these circumstances, the government cannot turn a blind eye on this affair and just cancel the Pearson airport privatization deal, by secretly compensating people who may have lost money, as it intends to do with this bill before us.

A royal commission of inquiry must be established to shed light on this dubious transaction which looks increasingly like a political and financial scandal as the facts come out. Quebecers and Canadiens must be told the truth about the role attributed by the media to Bill Box, Pat MacAdam, Fred Doucet, Harry Near, Hugh Riopelle, and Garry Ouellette, all lobbyists linked to the Conservative Party, former senior officials or members of Mr. Mulroney's party political staff. One could add to that list Ramsey Withers, a Liberal lobbyist and former deputy minister of Transport, and Ray Hession, former deputy minister of Industry and senior official of the Department of Supply and Services under Trudeau.

A royal commission of inquiry will be able to throw some light on this whole affair and on the role played by these persons. If nothing reprehensible is found, great, we will be pleased to know it. This is not all. The government has to learn a lesson from all this and to take this opportunity to conduct a comprehensive review of the legislation governing lobbying in Canada.

In a free and democratic society as ours, where citizens have the right to express their views, lobbying is part of the decision–making process. Citizens as well as organized groups may influence the government decisions if they feel it is in the public interest. In the United States, lobbying is institutionalized, part of the political scene and well regulated. In order to prevent undue influence of lobbyists on the government, it is essential that their activities be governed by stricter legislation than what we presently have in Canada, which has been totally inefficient as far as the Pearson airport issue is concerned.

The present Lobbyists Registration Act identifies two categories of lobbyist groups. These are: professional lobbyists who have contracts with third parties and approach politicians and civil servants in order to influence them; and the other lobbyists who, because of their functions, may have to approach federal civil servants or politicians to defend their interests; those are, for instance, unions or professional associations seeking the support of the government on a specific piece of legislation.

As for disclosure of their activities, professional lobbyists must give the name of their employer, the name and address of their clients and the purpose of their approach. Those of the second group are required to give only their name and the name of the organisation for which they are working.

Like the Standing Committee on Consumer and Corporate Affairs and Government Operations in its report, I think that interest groups of all categories should be required to follow the same rules of disclosure. Since the purpose of interest groups is essentially to influence the decision–making process of the government, it seems normal that they all be subjected to the same rules.

• (1320)

In brief, time has come for lobbyists to be required to disclose the nature and object of their activities with governmental authorities, as well as the financial benefits they receive for their services.

Moreover, we must protect senior public servants against the schemes of interest groups.

As a matter of fact, the Nixon report reveals that many senior public servants were exposed to considerable pressure by lobbyists who were trying to influence their decisions regarding the privatization of the airport. It even points out that, and I quote: "Indeed this element of pressure resulted in several civil servants being re–assigned or requesting transfer from the project".

The investigator found that some government officials involved in the privatization of Pearson airport had to quit working on that matter because the pressures from lobbyists were too strong and their integrity was in jeopardy.

Given those disclosures, which are very disturbing—to say the least—and in order to avoid any recurrence of such things, Mr. Speaker, all public office holders must be required by law to disclose all contacts they have with lobbyists. Canadians and Quebecers have a right to know who is trying to influence government officials, and why.

In conclusion, at a time when our fellow citizens are asking governments to be more open, we have no other choice than to demand that a royal commission of inquiry be established to clarify the strange events that surrounded the privatization of Pearson airport.

The government must also clean up lobbying in Canada. It has to, because of the scandal that surrounded the privatization of Pearson airport. We have to put an end to the maneuvering by friends of the government and to influence peddling, which tarnish the reputation of our democratic institutions and that of the people working in those institutions.

Mrs. Madeleine Dalphond–Guiral (Laval Centre): Mr. Speaker, Bill C–22 has been the focus of debates in this House

since April 26. It is now at the second reading stage before being referred to a committee.

However, it seems the decision of the House will have to wait because the Official Opposition clearly intends to show that supporting Bill C–22 is tantamount to supporting non–transparency. Otherwise, the Prime Minister, who professes to be the best advocate of transparency, would never forgive us.

Since October 25, 1993, things have been happening in Canada; among others, the House received a new group of members for whom political transparency is just a ploy if there are no strict statutory rules governing the democratic financing of political parties. The impact of our arrival was traumatic for Canada. But just like some hard–to–swallow pill, I believe this impact can only be beneficial.

This debate on Bill C–22, driven firmly and efficiently by the Official Opposition, is also educational since it proves clearly that the present laxity of the federal rules on political parties' financing is contrary to the best interests of society.

Traditionally, oppositions, like those of the 34 previous Parliaments, hesitated, with good reason, to point a finger at friends of the party in place because any accusation on their part had a 90 per cent chance of turning into a boomerang as fierce as the attacks themselves. But the opposition in this 35th Parliament intends to prove that the absence of legislation on the financing of political parties can only create a vicious circle with a very simple and clear–cut rationale.

Mr. Speaker, no one has the right to bite the hand that feeds him, much less this government. It's an open secret: this government considers that corporate contributions to the election funds of traditional federal parties are as essential as bread and butter. There is enough butter left to clog the most performing liver. Otherwise, how can we explain the presence of clause 10 in this bill, which, for all intents and purposes, authorizes the Cabinet to compensate Limited Partnership, if it considers appropriate to do so? I looked into my crystal ball and I could see, without any doubt, that the government will pay a reasonable compensation to the groups connected with the Pearson Development Corporation.

• (1325)

But can a reasonable government take upon itself to pay a reasonable financial compensation when the whole contract, according to Mr. Robert Nixon, was anything but reasonable? You can judge for yourself, since Mr. Nixon wrote the following in his report:

> My review has left me with but one conclusion. To leave in place an inadequate contract arrived at with such a flawed process and under the shadow of possible political manipulation is unacceptable. I recommend to you that the contract be cancelled.

In his wisdom, the Prime Minister followed the recommendation of his investigator. Indeed, Mr. Robert Nixon, the former Treasurer of Ontario under the Liberal government of David Peterson, and a prominent member of the Liberal Party of Ontario, knew what he was talking about.

I will repeat my question: Is it reasonable to pay compensation as a result of the reasonable cancellation of an unreasonable deal? Any citizen with any degree of common sense will answer a resounding no. Why would the government be tempted to answer in the affirmative? We can safely assume that the reasons are many, but I will suggest two.

Answer no. 1: You do not bite the hand that feeds you, especially when that hand is called Charles Bronfman, whose links with the Liberal Party are well known; or Leo Kolber, a Liberal senator and host of benefit diner at $1000 a plate during the election campaign; or Herb Metcalfe, well–known lobbyist and, surprisingly, former organizer of the present Prime Minister, one job preparing the way for the other I suppose; or Ramsey Withers, another Liberal lobbyist; or Ray Hession, former Deputy Minister of Industry during the Trudeau era.

Answer no. 2: You do not bite the hand that feeds others. You never know. Even if the others seem to be dying, there might be a miracle, they might come back to life. Don Matthews was chairman of the leadership campaign of Brian Mulroney in 1983.

I have other names, but time is getting short and since I want to give you my conclusion, I will skip them. Besides, they are well known.

So, we have come full circle. The government, which has been bragging for a long time about openness, has no choice but to act according to its commitments.

Since October 25, the government has made a number of decisions. In Quebec, it cancelled the helicopter contract, but where are the compensations for lost jobs? Do we have any expectation of industrial reconversion? No. True, Quebec workers are not the ones who contribute the most to the finances of the Liberal Party of Canada.

In Toronto, the Pearson airport deal is cancelled. In that case we know where compensations are going to go. Canadians and Quebecers know it too. The jobs will be saved, and friends of Pearson Development Corporation will be rewarded—I mean compensated, Mr. Speaker.

On the one hand, contracts are cancelled and on the other hand, verbal agreements are carried out, which is hardly conceivable. Members will understand that I am referring to the Ginn Publishing deal.

I can appreciate that our colleagues opposite think it is time to stop quibbling about the issue. In my career as a teacher, I have learned that even a clear message will not necessarily be understood by everyone. We believe that, if we repeat it enough, the population of Canada will finally come to understand and will ask the government to implement a law on democratic funding of political parties, for the sake of transparency.

• (1330)

The government should take the Quebec legislation as a model in that matter. Besides, there is no reason to be ashamed of trailing behind Quebec on that issue. In that field as in many others, Quebec does not see things the same way, perhaps on account of its difference.

I can assure you, Mr. Speaker, that when Quebec decides to cut the Canadian trailer loose, my country will be glad to collaborate with its neighbour in order to help bring more justice and equity to our world.

[*English*]

The Acting Speaker (Mr. Kilger): It being 1.30 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

RECALL ACT

Miss Deborah Grey (Beaver River) moved that Bill C–210, an act to provide for the recall of members of the House of Commons, be read the second time and referred to a committee.

She said: Mr. Speaker, for a moment I thought we had unanimous consent to put it straight through the House; that would have been absolutely marvellous.

It is a real pleasure for me to stand in the House today to bring forward an issue that many Canadians, at least outside the House, are talking about probably far more regularly than some of our colleagues would like to acknowledge.

Canadians are seeking dynamic and constructive change in their political institutions; not just tinkering with this or that but real change. They are demanding that political institutions and politicians listen to them, consult with them, and ultimately be accountable to them.

Over the past 25 years governments have expanded their scope of activities enormously and touched people's daily lives in many ways. Canadians want an increasing share in decisions that affect their lives and their pocketbooks. During the same 25 years governments have become very large, very complex, and are often out of touch with ordinary citizens.

One need only reflect on the findings a couple of years ago of the Citizens' Forum on Canada's Future, of course referred to as the Spicer report, to sense the frustration and anger felt by Canadians toward government in the recent past. The defeat of the Charlottetown accord in October 1992 was seen by many as a massive rejection of the typical or traditional style of leadership in Canada.

Members will know from media reports, from a wide variety of polls and from their own door to door experience in the last election, that many Canadians do not even think it worthwhile to participate in the political process. Too many have become disillusioned, alienated and cynical about political parties, politicians themselves and government in general, perhaps in some cases with good reason, sad to say, through failure of politicians to listen, failure to consult, and failure to be accountable at all times to the people who elected them.

We in the 35th Parliament have an opportunity to change this, to rectify these shortcomings, and to improve the quality of representative democracy in the country. Through a series of modest, pragmatic, parliamentary reforms we can improve this in future parliaments and work to restore confidence and pride among Canadians in our political institutions. Nothing would be more refreshing than that. We would have people coming from sea to sea to the Chamber and saying: "Yes, this place is real; it is practical and it works".

Recall legislation is one of those sensible, pragmatic, progressive parliamentary reforms that the House should legislate. Recall is a parliamentary reform whose time has come.

There is much misinformation about recall. I would like to quash some of the misinformation about recall legislation. I certainly hope this may change the speeches on the other side of the House that are already prepared. I would like to talk also about the virtues of recall legislation because I believe they far outweigh any misinformation or myth. Otherwise I would not be introducing the bill.

• (1335)

I think is important that we remember the key words again, to listen, to consult and ultimately to be accountable to their employers, the voters in their particular districts who hired them and brought them into office.

Recall legislation would make sure that there was benefit both to our constituents who voted us in and to ourselves. There has to be benefit on both sides. It is not going to be just all good for them or all good for us who sit within the sanctity of these halls.

The opponents of recall suggest at least three bogeymen in expressing their opposition. First, they say that recall is a procedure that has failed when tried in other jurisdictions. In other words it has not worked so it will not work. That certainly is inappropriate.

Second is that recall would be used mischievously for partisan purposes. For example, high profile government members such as cabinet ministers or my friend from Broadview—Greenwood who certainly is high profile would be subjected to harassment. We would hate such a thing to happen.

Third, people will say that recall would encourage short term or parochial thinking by members to the detriment of the long term common interest of all Canadians.

If we fall for any one of those three myths we are saying that the Canadian public does not have common sense. I am not sure there is anyone in this House who would dare say such a thing, especially after the fall of Meech Lake, after the fall of the Charlottetown accord and after last fall's general election where we saw incredible changes in this House of Commons.

Hon. members will know that recall has been a facet of the Swiss system of direct democracy for a long period of time and it is well regarded in that country. Fifteen states in the United States of America employ recall for elected state officials and two additional states, Hawaii and Utah, are now actively considering recall legislation.

This is not ground breaking, this is nothing totally radical. It is not the Canadian way of course to do anything radical. We would be following other countries that have brought in legislation on recall and which have proved substantially that it works well. Thirty–six states provide for recall of locally elected officials. No American state has ever repealed recall legislation once it was established. I think that tells us volumes.

The United States has 36 states that have recall in place. They have never once repealed recall legislation. Something about it must work.

Of course we as members of Parliament know that it is not maybe so much the exact act of recall but it is the threat of recall where members must be looking over their shoulders all the time, not so much with a fine bunch as this, but people are saying: "We do not think he or she is doing their job well". We would be continually looking over our shoulder realizing that somebody stands there with a chain to bring us back into line if we stand out of line.

That whole thing is so important. There would be members in this House as they have done any number of times even in the life of this Parliament, who would say: "Oh, yes Deborah, but Alberta brought it in and then repealed it".

As we know recall legislation was brought in by Premier William Aberhart in 1936. It was repealed. But it was repealed because of some very serious weaknesses in it. They were basically that people could buy off names for a petition. My recall bill has made sure that cannot happen. When that bill was repealed, and we want to make sure that it is on the record in *Hansard* one more time, Premier William Aberhart and Ernest Manning who was a senior cabinet minister then, the father of Preston Manning the leader of the Reform Party, the hon. member for Calgary Southwest, in fact voted against the repeal. We can honestly say it was not their fault. They brought in the legislation but it was repealed by a bunch of backbenchers who thought there were real serious weaknesses in it.

Let us turn and look at the positive side because that is where we gain the most. Let us look at Switzerland and the 36 American states in assessing the success of recall. The charge that recall would be used in a frivolous manner by defeated parties or special interest groups to harass high profile government members such as cabinet ministers does not stand up under examination. Who would benefit by such actions?

Political parties do not wish to appear frivolous. Dear knows they may wish to appear to be any number of other things. But I am not sure that political parties go out to seek the goal of being frivolous. Not one.

• (1340)

Second, not all the losing parties in a constituency have an interest in a byelection at a particular moment. They would not say: "Let us defeat that person immediately and have a byelection". As all of us well know, we are exhausted after a general election and much work has to be done for the new Parliament. By making the threshold high enough people will not be tempted to be foolish and say: "Let us unseat that person".

Most important, political parties do not have the degree of authority over their members between elections for such nonsense to occur. There is no way anyone from any political party in this House of Commons would have their leadership say: "We demand that you trigger a byelection to force that MP who won the election out of office". I do not believe that would happen. It takes an incredible amount of time, energy and money to get the process going. I do not think political parties would do that just to appear frivolous.

The second myth, the view that voters can be shamelessly manipulated between elections, shows little trust in the electors. If anything has been learned from the last five or ten years of Canadian history it is that we should trust the electors. Some of us might think they made some wrong choices at a particular time. There are some Reform Party candidates I would have loved to have seen in office because they would have made excellent MPs.

At the same time, I know we must trust the common wisdom of the electors. Therefore, when we say the people have spoken on election day we must mean it. We must be able to say that the electors spoke and this is the way it is. Sure, maybe those of us on this side of the House wish the numbers had been different. Who knows, maybe some on that side wish the numbers had

been different as well. However, they were voted in by people who care about their country and we must not dispute that.

These are the same electors who showed wisdom and judgment during the general election. Surely they can be trusted to show the same wisdom and judgment when faced with a petition for recall.

It cannot be said on the other side of the House: "We were voted in with a huge majority so we think all the electors are very wise" and then this afternoon stand up in this House of Commons and say: "MP recall is ridiculous for any number of reasons", by intimating that the electors could not fall for such foolishness. It does not work.

The third charge against recall and another myth I would like to dispel is that members might become very parochial to the detriment of implementing the government's mandate. Similar to my previous comment, this view shows little trust in the intelligence or the judgment of the electors. In addition, it shows no confidence in the ability or judgment of the ordinary member of Parliament.

I think it is always seen by MPs who are safe and cosy in this place after being elected that they are on the payroll as it were for four or five years, to say: "Well MP recall is negative. It can never do me, as a member of Parliament, any good".

Let me talk about the positive side of recall for an MP. If I am doing my job to the best of my ability or if my neighbour is doing his best job, then why would they be able to get an enormous number of constituents to sign a recall petition against him? There would be a great deal of difficulty in getting the number of people necessary to sign under my Bill C–210. It would then show a vote of confidence in the member for Kindersley—Lloydminster. If they were not able to rustle up enough names to vote against him that would not be a negative thing, it would be positive. It would show he has the confidence of his electors.

It would be a marvellous exercise to see recall in action. For constituents not to be able to get enough signatures together on a petition, what a vote of confidence that would be for my friend here to say: "Wow, they could not get enough people together. That means they generally believe in me and what I am doing". That would be healthy, refreshing and long overdue at this point.

The charges against recall contain little substance and much misinformation.

There have been quotations in the House in the last several days. Let me add a quote by Thomas E. Cronin in his discussion of the pros and cons of recall in his book entitled *Direct Democracy: The Politics of Initiative, Referendum and Recall* put out by Harvard University Press in 1989. Thomas Cronin states:

> Today's critics of the recall device—

I suspect there may be some of them in the Chamber today.

> —continue to view it as an invitation to unruly, impatient action and as a potential hazard to representative government. They also say it is another media age factor that could weaken the party system.

• (1345)

Then he says, to close his comments:

> No evidence exists to support either contention.

Beware anyone who might stand up in the Chamber this afternoon, and say that such a thing would not work because Thomas Cronin has said there is no evidence at all to support the contention that member of Parliament recall is weak.

When I last spoke on this bill, as I have done several times because I believe in it, I emphasized that members have nothing to fear from its introduction. The bill contains a number of sensible provisions to prevent its mischievous use and ensures strict regulation in its application.

Perhaps the bill in Alberta in 1936 was not tight enough and that is probably why it was repealed. However, we have come up with sensible legislation.

These are some examples of why I think it would be taken seriously by the electors and would not pose any personal threat to probably most members in the House.

First, the petition must be signed by a sufficiently high number of electors in a constituency to prevent mischief. If I needed 100 names or 5,000 names or whatever I could find them very easily. However if we looked at the number of voters who voted in the last election and then took 50 per cent plus one, that is a powerful number of names that we would need. It is a high threshold because we have a multi–party system.

In the United States it is just one way or the other. You vote Republican or Democrat and the person needs 50 per cent plus one. It is about as simple as that. But we have four or five parties running here. A seat can be easily won without 50 per cent of the vote, so I have put the threshold high, that 50 per cent plus one of the number of people who voted in the riding in the previous election is needed. That number of names is very difficult to come up with and the Chief Electoral Officer would need to make sure that all those names were legitimate.

Also I have incorporated a period of grace into the bill, an 18–month waiting period after the general election before a recall petition can be initiated. That also would destroy the myth of people turning around and saying, "let's go get her" after she has been elected for two weeks. We would need a period of a year and a half in the bill for people to prove themselves. This would make sure that MPs are given a chance.

Naturally unusual circumstances such as criminal charges, fraud, et cetera could shorten this period in the case of blatant misrepresentation. Also, recall could be used only once in a constituency during the life of a Parliament. If people got this tool and went wild with it, they would be able to say: "Oh, let's get him" and "let's get her". Let us put some sensible guidelines in place. Another one is that it could only be used once in the life of the Parliament.

Anyone who is still dubious about this should remember that people are sensible. If we are talking about power to the people we need to give it to them whether we like it or not. As we have witnessed around the world people are taking power into their own hands. Canadians are no different. They have proved it time and time again: Charlottetown, 1992. That side of the House was in opposition then, they all said "yes" at least publicly. I know of some, I will not mention any names, who had a great deal of difficulty with it and they voted "no". But publicly they all came out and said "yes".

It depends how loudly we talk publicly, but nonetheless we would make sure that if this only happened once in the life of a Parliament that would be healthy. The recall process also would be subject to strict regulations, verified by the Chief Electoral Officer. For example, there should be procedures for verifying that all signatures are genuine and obtained through legitimate means.

Of course the first thing somebody would say is: "That's going to cost an incredible amount of money and you Reformers are always, always saying cut, cut, cut". There would be some dollars involved in this but I ask the question to all of those cynics: How much will it cost if we do not do that? What will the ultimate cost be if we do not initiate recall and see some incredible situations as we are witnessing even today where members of Parliament are going to sit as independents or whatever else? What is the cost ultimately to the constituents, to the particular member, and to the Canadian political system in general? We are all going to be harmed. I think this would be cheap and would make sure that we have some healthy balance in here.

• (1350)

Let me talk about some more merits of recall. I have a feeling I have not convinced everyone on the other side of the House.

An hon. member: They are coming.

Miss Grey: They are coming, though. Let us remember that recall will strengthen the link between individual representatives and their electors. That is a good thing to to have happen in the country.

It will provide the disillusioned or dissatisfied voter with an instrument and public process for practical action. We saw it in the Charlottetown accord where people said: "I have a vote", and vote they did in incredible numbers with an incredibly resounding n–o from sea to sea. It was not just us rebels in the west; one of the maritime provinces voted no as well and Ontario as good as voted no.

That is exciting to me because people realize that they can hold the reins of power; it is not just in the Chamber. People will be able to do more than just sit and complain as they wait for the next election. One can deduce from this that recall will ensure political parties and politicians listen more.

I can think of nothing more to say to wrap this up. If politicians would listen more, if they would consult more, ultimately they would be accountable far more to the people who actually voted them in, who actually are paying their paycheques, and who are actually saying: "We want some mechanism in place whereby you are accountable to us".

We have heard time and again from across the floor the Prime Minister and others saying that we do have accountability, that we do have recall; it is called general elections. No, it is called MP recall. I would be thrilled to see the bill pass through the House of Commons as quickly as possible.

Mr. Ted McWhinney (Vancouver Quadra): Mr. Speaker, it is a pleasure to follow the hon. member for Beaver River. She speaks with thoughtfulness. She is always interesting and she is good humoured. I hope to enter the debate with those same qualities.

It is an interesting question. I think we are all interested in participatory democracy. It was, after all, Pierre Trudeau who coined the term. This Parliament is marked by a feeling that transcends all parties to change the system to get more direct involvement by people, more participation by members.

It should be understood, though, that we operate within the context of two different antinomies or sometimes conflicting principles of liberal constitutionalism today in western societies and western influenced societies. One is the concept of government by assembly, which is returning power to Parliament after more than half a century in most western societies of executive dominated regimes.

The other is direct democracy, getting people involved in decision making in its logical conclusion or what my friend, Professor Mirkine–Guetzévitch, called plebiscitarian democracy. Sometimes those two trends run counter to each other. Without anticipating the work of the Standing Committee on Procedure and House Affairs, the committee of the House of Commons now studying these issues including the institution of recall, I would refer to some changes that are already apparent.

The office of prime ministership is in the process of change. It is always true that the office depends on the man or woman in it. The prime ministership was different under Mr. Churchill from that under his successor, Mr. Attlee, or under Margaret Thatcher

and her successor whose name is often forgotten. The same is happening in Canada.

The Chrétien model of the prime ministership is a very kinder and gentler Prime Minister who rests on collegiality, consensus and a heightened respect for Parliament. Some would say after the last eight years that was very much needed. It is the Pearson model and it is changing Parliament interestingly and constructively.

There is also a heightened sensitiveness among individual members of their responsibilities to their constituents and getting their opinions and, by the way, no particular fear of referenda as such.

• (1355)

I happen to think referenda are fully part of democratic constitutionalism. The Quebec referendum of 1980 was healthy. It cleared the air. The Charlottetown referendum was healthy. I never accepted the view of the prophets of gloom and doom that the country might come to an end as a result of that referendum. The decision has been accepted loyally and with goodwill by all concerned and we are now on to the economic business of the country.

Referenda should not of course be used as an instrument to harass governments or to preoccupy the public agenda. I would warn that there are constitutional limits. If referenda proposals are deliberately ambiguous and confusing or they are repetitive, repeated every year, there are ample constitutional means for controlling them through the Supreme Court. Maybe at some future stage some people, including myself, may have to return to that issue.

Let us get on to recall, the institution as such which the hon. member raised with such ardour and such persuasiveness. It is in many respects antithetical to the main liberalizing constitutional element I have already referred to: government by assembly giving more powers to members of Parliament, not merely opposition but government members, getting away from this presidentialized prime ministership we see in so many British influenced societies.

I would have to raise some questions to the hon. member. I have lived in Switzerland as part of my professional life. I have a great admiration for the Swiss system. However I am always reminded of the particularity of constitutional institutions in their own society and the difficulties in translating an institution from one society to another, unless the basic societal and cultural conditions in the one are sufficiently replicated in the other. It is one thing to have recall in a Swiss canton where everybody knows everybody. I knew all my neighbours; I knew everybody in my canton, I think.

Try translating recall to a constituency. Not even speaking of the hon. member for Ontario's seat which has 220,000 voters, but a seat like my own of 100,000, how do you prove 50,000 or 40,000 signatures on a recall petition? It does not even take a good lawyer to tie an issue like that up in the courts for 17 years requiring everybody to prove their signatures.

I can foresee very great difficulties, endless litigation and expense in carrying this proposal out if it were to be adopted. I wonder if the liberalizing thoughts of the hon. member might not be better directed to other institutions of participatory democracy which I think are already receiving some early favour with the standing committee.

There are more effective ways for Parliament itself to control its own procedures and to ensure dignity and mutual respect among its members. It must never be forgotten that Parliament is a high court of Parliament. It is a vestigial judicial institution too. It has enormous disciplinary powers which are sometimes forgotten. It has the power to scrutinize its own MPs.

There are constitutional limits to this and political dangers. As an academic commentator I warned during the U.S. impeachment debate about confusing legal grounds for impeachment with political grounds for impeachment. That is to take us back to the bad days of the 18th century instead of the golden days of the 17th century in which constitutionalism in England was more vibrant. One is also reminded of the last days of the Weimar republic when majorities used their power to exclude minority members.

Nevertheless, this having been said the standing committee would do well to re–examine Parliament's power itself to discipline its members. It could look at these issues for taking care of some of the pathological examples the hon. member cited where recall in the absence of other more effective mechanisms might be the constitutional instrument to look to.

• (1400)

I would ask the hon. member if she could put her proposals in the context of a larger constitutional vision which includes a revived Parliament where members do have something to do, where the executive exercises modesty and self–restraint in relation to opposition members and government members.

There are changes here that we are on the verge of making. We have a sympathetic Prime Minister. I cite again the example of Mr. Pearson. He and his great colleague, Paul Martin, Sr., were great parliamentarians. This can be a House that will literally reform itself.

Contributions such as the hon. member opposite has made are constructive and helpful. They start the debate. They are the raw material for the overburdened standing committee with a strange double barrelled name. Nobody dares use the word constitution but let us face it, it is a constitutional committee that we have in Parliament, the Standing Committee on House Management and Procedures, and it can act.

Her contributions will add to the debate and I do believe she will see results, perhaps not the particular institution she is advocating. It does need more thought on the modalities, how to get it through, how to overcome those battalions of lawyers who will descend and those 17 years delays but it can be done.

[*Translation*]

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, I welcome this opportunity to speak in the debate on Bill C–210 and consider certain aspects of this bill.

Speaking on behalf of the Bloc Quebecois, I would like to start by saying that the essence of the act to provide for the recall of members of the House of Commons may be expressed as follows: "any elector ordinarily resident in an electoral district who wishes to seek the recall of the members for that district may file with the Clerk an application for the recall of the member in a prescribed form". The recall procedure which exists in 15 American States, allows for the dismissal of a member of Parliament or public servant.

I would like to provide some historical background. A similar system exists in four swiss cantons. Significantly, the procedure exists only with a very restricted socio–political framework, and even at that level, its use is extremely limited. In the United States, for instance, the system only operates at the municipal level. At a higher level, we have only the case of a Governor of the State of Oregon who was recalled in 1921.

To define more clearly the position of the Bloc Quebecois on this question and to explain the political background of the recall concept, I think it is important to go back in history, and I intend to go back a little further than the hon. member from Vancouver Quadra, in fact, to the end of the 18th century. It was the Age of Reason in Europe, a philosophical movement that dominated the world of ideas and gave birth to the broad democratic principles that would guide western societies and still do. In continental Europe, the principle of sovereignty was transferred from the absolute monarch to the people. Although this movement started two centuries ago in England, France and Germany, it has gained in depth and acquired a more universal dimension.

For Jean–Jacques Rousseau, for instance, sovereignty is the "general will" which is always fair and equitable and thus a very effective concept. We see the idea of democracy emerging, where the people decide. But is democracy, in the sense of power to the people, the best form of government? And by the same token, is the right to recall based on the concept of power to the people a good way to control the actions of politicians? If this right to recall existed, would politicians be more likely to answer to constituents for their actions?

• (1405)

As for the foundation of government legitimacy, after royal authority was abolished at the end of the 18th century, in Rousseau's opinion, the people became the ultimate holders of the decision–making power. That is why he rejects the idea of representative democracy whereby the people can only wield their influence at regular intervals. About the English people, he said this: "The people think they are free, they are sorely mistaken; they are only free during elections. As soon as the members of Parliament are elected, the people revert to being slaves, to being nothing". That is why Rousseau wanted to give people the right to recall their representatives on a daily basis.

So, as we can see, recalling elected representatives is not a new idea. I think the main flaws of representative democracy, in particular the principle that citizens can only exercise their right to vote once every four or five years, deeply troubles all democrats since the beginning of universal suffrage.

The question raised at the dawn of representative democracy can still be raised today: "How can the sovereign power exercised by a few parliamentary dignitaries result from people's sovereignty?" The notion of democracy expressed through people's sovereignty, through the idea that every citizen of a sovereign state can influence the decision–making process, that everyone wields political power, will quickly take the form of state sovereignty with the application of democracy.

Throughout the 19th century, especially with the advent of universal suffrage, we see that the people's will expressed through the election process does not coincide with the general will. This is important: it does not coincide with the general will. As we move away from the great revolutionary movements that swept Europe in the 18th and 19th centuries, the notion of people's sovereignty gradually gives way to the more absolutist concept of parliamentary sovereignty.

Given what I just said, the Bloc Quebecois considers this bill to be fully justified and symptomatic of people's misgivings about their representatives and of the massive failure of the Canadian political system. Actually, this bill would be impossible to enforce, but it shows a democratic conscience deeply disillusioned by over 100 years of a system that simply does not work. Parliamentary sovereignty has lost all credibility, and making members of Parliament subject to recall will not restore its credibility.

Clause 4(*d*) of Bill C–210 says that a statement of 200 words or less would be sufficient to trigger the recall process. This provision would necessarily lead to anarchy in many ridings. Further on, clause 6(*b*) mentions the requirement to have a petition signed by a majority of the constituents of a riding in order to recall a member. Such a procedure would make the democratic process too costly and completely uncontrollable. I

note what the hon. member for Vancouver Quadra said about this.

This bill is not practical throughout a country whose population numbers in the millions. It results from a nostalgic feeling about the democratic idealism which arose in 18th-century Europe. That is why the Bloc Quebecois is opposed to this bill and prefers, along with some of our fellow members, like the hon. member for Vancouver Quadra, to take the option of developing within the institution of Parliament itself all the mechanisms for recalling members who are unable to do their job and represent their constituents democratically.

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, first I would like to congratulate the hon. member for Beaver River for raising this issue, which is a very important one. This is not a new idea; in fact, it has been around since at least the 19th century. As you know, we have always wondered about the possible benefits and the effectiveness of such a measure.

• (1410)

This idea seems to be very attractive, even popular, but we still do not have any proof that it would work. Personally, I do not believe that a simple act would change a great deal the behaviour of hon. members. I would like to believe otherwise, but I think that the behaviour of hon. members cannot be managed by legislation.

In the United States, for example, since 1908, if my memory serves me correctly, there has been only 11 recalled elected officials. You are certainly aware that hundreds, even thousands, could have been recalled, but since 1908, only 11 were.

[*English*]

There are a number of questions that I think need to be answered before we could possibly support this piece of legislation. I will go back to something that the leader of the Reform Party said and I would like to be corrected if I am wrong. The leader indicated that whenever a new initiative is undertaken one has to ask at least three questions: What will it cost? How many people will be involved? Where will the money come from?

I have read the legislation. I have had some people take a look at it. I have had independent parties do an analysis for me. These questions have not yet been answered and they are important questions.

I want to raise another couple of points. Perhaps there are answers to these points. If you look at the last elections in Canada you will find that some members of Parliament were elected with majorities in excess of 80 per cent. Others had majorities of 30 per cent plus a little bit. Is it appropriate to treat both of those individuals, if they were to be made subject to recall, in the same way even though there is a 50 per cent difference in their win? That is a point that I raise that concerns me.

The other point of course, and I indicated that initially in my remarks in French, is it is appealing. There is no question about that. I think the notion by itself is an appropriate one. However it is much more complicated than it appears. How litigious would it be? I suspect that anyone who would be the object of recall would have many opportunities along the way to question whether or not the process had been followed and whether or not it had been followed properly. I think it could probably be stalled for weeks, perhaps even months.

I will give a simple example. Once you were the object of such a process and someone brought in the required number of names, you as an individual would probably want to make absolutely certain that every single one of those names qualified. First, putting that list together would be a mammoth task and, second, ensuring its absolute accuracy would be extremely important otherwise we could be open to litigation. Of course all of that would be extremely important to do and extremely expensive. Some of you will know that the Lortie commission, after having taken a look at it, indicated that this was not the best way to proceed.

Some of you will know as well that Dr. McCormick, who is a supporter of recall, left a lot of questions unanswered. In fact he could not persuade people that this was the way to proceed.

I want to remind the House that on February 7—I believe that is the accurate date—the government asked the Standing Committee on House Affairs and Procedures to examine a number of measures. Among them were, and I quote: "Measures to achieve more direct participation by citizens, including citizens' initiative, the right of constituents to recall their MP". Therefore, there is a process in place in order, I hope, to address that very question in a very serious kind of way.

Until that report is in, until the questions that I have raised are answered—how much will it cost, how many people will be involved in such a process and where will the money come from—it seems to me that it would be wise to withhold support.

I come back to a point that I made initially. While it seems terribly appealing to think that such a process, such a law, such a bill would reform Parliament or the behaviour of parliamentarians, I am very, very cautious about that. I say it in no way to denigrates the idea, an idea I think which is motivated by a member who believes that if it were to work, as she believes that

it might, it could bring about some additional refinement to Parliament. We all know that on particular days it could stand additional refinement.

• (1415)

[*Translation*]

Mr. Speaker, as I said a moment ago, even if the idea seems attractive and even if there is some good in it, there are a number of questions about its effectiveness, its advantages and its cost, that must be studied before going ahead.

But the main reason is that the government already launched an initiative which will deal with a number of questions. I personally think that the matter must be considered as a whole. If it is not considered that way, I am not convinced that it will change very much the behaviour of hon. members.

[*English*]

Mr. Speaker, I should have said initially, and I hope that you and the members will permit me, to share my time with my colleague from Broadview—Greenwood.

The Acting Speaker (Mr. Kilger): There are five minutes remaining in this block of time and if that is agreeable to the House, the member for Broadview—Greenwood would have the floor until 2.20 p.m.

Is it agreed?

Some hon. members: Agreed.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I begin by congratulating the member for Beaver River for advancing debate on this very important issue.

Part of the reason why I will not support your motion is because I believe you have been an example—

The Acting Speaker (Mr. Kilger): Order. I know the member for Broadview—Greenwood brings a great deal of enthusiasm and other qualities to his interventions, but the Speaker would want to maintain the usual traditions and be somewhat—

Mr. Mills (Broadview—Greenwood): Mr. Speaker, through you to the member, I did not want the member to think that I was all of a sudden becoming impersonal.

I believe that one of the unique qualities of the member for Beaver River is the fact that the member has always had the courage to go against the wind. I want to pick up from the member's speech where she talked about the Charlottetown accord and tried to bring the relevance of the Charlottetown accord experience to this recall debate.

I was elected in 1988 for a very specific reason in downtown Toronto. I ran opposing the Meech Lake accord. I believe in a strong national government. I was ideologically supportive of the Pierre Trudeau vision of this country and I still am. I was given the trust in 1988 by the people of Broadview—Greenwood, which had been an NDP riding for 25 years, because I took a very specific stand on that important constitutional issue. I also thank John Turner for his terrific debating skills. That was the other great reason I believe that I won.

Two years ago, when we had the Charlottetown accord, I was sitting in this House of Commons with a position on the Constitution, a strong national government. If I were to maintain the trust of my electorate, and the member for Beaver River always says listen to your electors, I had to sit in this House in opposition and I did not support the Charlottetown accord. I sat here and I did not support my party's position. It was a very painful experience.

I then went into my riding and I campaigned on the beliefs that I had. My beliefs were personally that I did not believe in dismantling or decentralizing this national government any more than it had already been dismantled. I campaigned, not vigorously, but I campaigned. I was not trying to get into a confrontation with my leader or my party colleagues. It was just something that I had been given a trust on in 1988 and I had to m maintain it.

• (1420)

During discussion of the Charlottetown accord I put my position forward. A majority of my constituents at that time did not share my view of the Constitution. Every night I gave my reasons. Our office was open seven days a week, 24 hours a day, for that period of time. It cannot be said that I hid behind the curtain or anything like that. People knew.

Because of the incredible thrust of advertising and because of the media, we were gobbled up by the big hustle on the Charlottetown accord. During that campaign period many people in the community went along with the pack. Those of us in my own community at the time of the election who did not share the view lost by 2 per cent.

I could have been at that moment in time, because of the Charlottetown accord, a victim of a recall action. My constituents could have initiated a recall action. They would have had the basis for getting a recall motion going.

It is important that we debate the issue, but the real test of our accountability does not come in the short term. It comes with our four–year actions in the House. That is when we get our recall test.

Mr. Keith Martin (Esquimalt—Juan de Fuca): Mr. Speaker, it is truly an honour for me today to support my colleague from Beaver River and Bill C–210. I will start with a quote, if I may: "People, it has been said, want a government that listens, not lectures".

When I was younger one of my goals in life was to represent my country in a responsible fashion through entering the political arena. I was lucky enough to do that through my constituents in Esquimalt—Juan de Fuca.

Prior to the Reform Party coming into existence, I did not feel there was any political party around that truly stood for democratic principles, where the politicians truly represented the wishes of their constituents.

One of the things that attracted me to the Reform Party as opposed to any other political party was its commitment to democratic reforms, reforms that would give the power back to the people. I feel putting the power back where it belongs is fundamental to a truly democratic society.

A primary example of this is the ability of the public to recall elected representatives when they are misusing their position or are not representing their electorate in the manner they were led to believe they would be represented. This is not pie in the sky reform but is a very real part of democratic reforms in a number of countries. We need to look at our neighbours south of the border to see that reform, democratic principles and recall are integral parts of both state and local politics. As mentioned before it also occurs in Switzerland, a model of democracy.

What is the mechanism of recall in Canada? First, as has been proposed by my esteemed colleague, there would have to be a relatively high petition threshold of 50 per cent plus one. This would be an attempt to avoid any spurious attempts at recalling MPs by the opposition. I hope this allays some of the fears of my colleagues across the way in government.

Second, members of Parliament must be given adequate time to get a track record, that is recall cannot be instituted before 18 months in the tenure of a member of Parliament.

Third, recall can only be applied once during the tenure of an MP in any four or five year period of time.

Recall is a remedy of the partisan block voting that has plagued Canadian politics for decades. Members vote now in many cases according to what their party wishes them to vote. This is the antithesis of democracy. Hand in hand though with recall there is another excellent opportunity for the government to democratize the system. That is, we must see that every vote in this House on a bill is not a vote of confidence in the government. Rather, if a bill were defeated, we would have a vote of confidence. This is a liberating thing and would enable the members of this House to truly represent the wishes of their constituents and they would not be hamstrung by party lines.

• (1425)

It would only take the Prime Minister a couple of minutes to make a statement in the House to liberate the members in this House and enable us to do that. I implore him to do that.

A concern about recall that has been mentioned by my colleagues in the government that I will put to rest right now is that it would enable special interest groups to manipulate the electorate and exert undue influence in the political process through continually exercising a petition to have a member recalled.

The reality is very different and will not occur because the electorate is not gullible, It is not mindless or ill–informed but then it does not bend to the whims of special interest groups. We should have more confidence in the ability of the electorate to not fall for spurious attempts at defeating a member of Parliament. That is why this bill will be excellent for democracy in this country.

This has been borne out many times in studies and is one of the reasons why it has been so successful with our colleagues to the south of our border.

My esteemed colleague from Beaver River has brought about and is raising this matter partly because the people desperately want recall. A few examples are evident right now and appropriate.

In my home province of British Columbia in the 1991 provincial election the people were asked do they or do they not want recall. Eighty–one per cent of the people in British Columbia said that they want recall now.

We in the Reform Party asked 1,500 Canadians across this country if they wanted recall or did not want recall. Seventy–five per cent of them wanted recall. This is something the public desperately wants. I think we should exert our influence, our duty and our role to adopt this great bill.

There are a number of other initiatives that I think we ought to address in tying in with our ability and our wishes in the Reform Party to democratize the system. One of those is binding national referenda and the other is citizens' initiatives, both democratic forums that I think would strongly improve the way in which business is done in the House.

Some would argue that these reforms somehow enable elected officials to shirk their responsibilities and get them off the hook in making difficult decisions. I submit that there is no higher power in this land, in a democratic society, than the will of the Canadian people.

We elected officials are merely agents of that will. It is true that we are elected to make decisions on their behalf but I still hold very dear to my heart the idea that the power of the people is of primary importance.

I quote Thomas Jefferson who said in 1820: "I know of no safer depository of the ultimate powers of society but the people themselves and if we think them not enlightened enough to exercise control with a wholesome discretion, the remedy is not to take it from them but to inform their discretion".

It is our Reform Party belief of direct democracy which distinguishes it from the other three mainline political parties. These democratic reforms are what I believe in and are what we as a party believe in. It is what we will fight for.

I hope other like–minded democratic parliamentarians will think likewise, know that this Bill C–210 is integral and important for democratic reforms and is equally important to making our Parliament more effective.

I implore them to adopt this worthy bill.

The Acting Speaker (Mr. Kilger): With the bit of time we have left, the hon. member for Fredericton—York—Sunbury.

Mr. Andy Scott (Fredericton—York—Sunbury): Mr. Speaker, I will try to be as brief as possible.

I commend the member for bringing this debate forward. I believe in her sincerity and I believe also in the underlying principles around which the recall concept is being promoted. Unfortunately I cannot support it. I see the exercise of recall as an adversarial exercise.

The public is tired of that kind of adversarial system. I genuinely believe we can come up with positive measures to involve people. In my constituency we have held a number of very successful public meetings that were well attended, well received and non–partisan. It involves the constituents in Fredericton—York—Sunbury in public policy discussions. There are those kinds of positive approaches to involvement.

I agree with the member that the public feels powerless and alienated from the system. I spent nine months going door to door in the constituency and I have to say with honesty that the concept did not come up as a mechanism, although the concerns the member expressed certainly came up very often.

As a member of Parliament I felt an obligation to respond to that and I have. On February 27 we had a large forum in the constituency on health matters. In March we had a forum on national defence matters. These were well attended, well reported, televised public policy discussions. Just last Sunday the Parliamentary Secretary to the Minister of Human Resources Development visited the constituency and we had a non–partisan public meeting on HRD issues.

The need to change the system is real. I believe the public expects us to do that. I also suggest that there has been evidence so far in this Parliament, as brought to the attention of the House by the members on the side of the member proposing this bill, that changes have been made, for instance the debate in terms of Bosnia as one positive change.

With that, Mr. Speaker, I thank you for your indulgence.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(3), the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

It being 2.30 p.m., this House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 2.30 p.m.)

HOUSE OF COMMONS

Monday, May 2, 1994

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

YOUNG OFFENDERS ACT

Mr. John Nunziata (York South—Weston) moved that Bill C–217, an act to amend the Young Offenders Act, the Contraventions Act and the Criminal Code in consequence thereof, be read the second time and referred to a committee.

He said: Mr. Speaker, it is with profound regret that I lead off the debate on changes to the Young Offenders Act today. Press reports indicate that a 16–year old man, Marwan Harb, was murdered yesterday in Hull, just blocks away from the Parliament Buildings.

The person allegedly responsible for that death apparently is a young offender and according to press reports the victim, Marwan Harb, is the second cousin of one of our colleagues, the member for Ottawa Centre.

We do not need this latest incident to remind us of the necessity for changes to the Young Offenders Act, which is in desperate need for reform. Just a few weeks ago there was another senseless killing, again committed by a young offender. Nicholas Battersby met his death as a result of a drive–by shooting in Ottawa. These murders, these incidents, are happening right across the country.

• (1105)

My colleague from Kent who has been instrumental in calling for changes to the Young Offenders Act will be speaking about a particularly vicious murder in his community.

In the province of Alberta a woman trying to protect her children was stabbed to death, again by a young offender.

A six–year–old in British Columbia was raped and murdered by a young offender who had a number of convictions for molesting young children. The public did not know because the Young Offenders Act has a total ban on the publication of details.

The beat goes on and on. While these incidents are taking place, while these murders, rapes, robberies and assaults are taking place, we in Parliament are sitting on our hands. We did not need these incidents to tell us that the Young Offenders Act is in desperate need of reform.

We have been back for six months and there still is not any concrete action. This is the first bill before Parliament to address the Young Offenders Act, which is just one small component of the criminal justice system, one small component of a system that simply does not work, a system that is unbalanced, a system that cares more about suspects and criminals, a system that is more concerned about those who perpetrate crimes than those who are victims of crime in the country.

One thing was made perfectly clear by my constituents in the riding of York South—Weston, and I am sure by all Canadians, and that is that the criminal justice system is in desperate need of reform.

Canadians want leadership. They want changes not only to the Young Offenders Act but to other pieces of federal legislation, including the Criminal Code, the parole laws, the bail laws, the prostitution laws. We cannot simply sit back and say what a wonderful country we live in, look at how safe our country is. Let us look to the United States as an example of what it is really like to be bad as far as criminal activity is concerned.

This debate is timely. At the conclusion of the debate this morning I will be seeking the unanimous consent of the House to have this matter referred to the justice committee so that the justice committee can begin work. I will be listening very carefully to the person or persons in the House who will deny unanimous consent to send this matter to committee, and that person or those MPs who deny unanimous consent will have to explain their reasons why they want to continue to sit on their hands.

I have to say as well that I am not at all happy with the government's agenda with regard to changes to the Young Offenders Act. The government's agenda is on a slow boat to China when we ought to have changes here in the House immediately.

Some hon. members: Hear, hear.

Mr. Nunziata: Mr. Speaker, I have great respect and confidence in the Minister of Justice with regard to his genuine commitment to changes to the criminal justice system in Canada, but unfortunately his agenda calls for simply the introduction of a bill in June and he is not expecting passage of the bill

until later this year or sometime next year. That is just not good enough.

I would submit that it would be totally and completely and absolutely irresponsible for members of all sides of this House to rise for the summer holidays, to go back to our homes, families and cottages without passing changes to the Young Offenders Act. That would be an abdication of our responsibility as legislators. It would be an abdication of the mandate and the trust given to us by the people of Canada six short months ago.

I would urge the minister, I would urge the government, I would urge all members in the House to expedite changes. We do not need another year or two of study. I was a member of the justice committee for eight years. When I was first elected to the House in September 1984 the Young Offenders Act was only a few months old and it was clear then that the Young Offenders Act would not work. I have been calling for changes for the last 10 years.

• (1110)

Here we are 10 years later and just a few weeks ago the 10th anniversary of the Young Offenders Act was celebrated. The Young Offenders Act replaced the old juvenile delinquents act. Back then the bleeding hearts claimed that the juvenile delinquents act was not working and they needed a more balanced system.

We have now a piece of federal legislation that is totally unbalanced. It is a piece of legislation that shoves aside the public interest and shoves aside security for the public. Instead it protects and invites young people to break the law, to embark upon a lifetime of criminality.

The bill which I have before Parliament today addresses three of the fundamental changes necessary to the Young Offenders Act. I will speak about those changes in a few moments.

First, I want to talk about the existing law, the Young Offenders Act, section 3, which contains eight statements of policy indicating the philosophy behind the Young Offenders Act. I want to summarize the philosophy and explain why in my view that while the intention was there, the 10 years of practice that we have had have clearly established that the principles have gone haywire.

The first principle is that young persons are said not to be as accountable for their acts as are adults but even so they must bear responsibility for their contraventions—motherhood and apple pie.

Second, society must be afforded protection from illegal behaviour although it does have a responsibility to take measures to prevent criminal conduct by youth. That was the second principle, but experience has shown that the protection of society does not even appear to register in the consideration of those involved in the system, particularly judges who have to bear some of the responsibility for some of the outrageous sentences that are handed down today.

The third statement recognizes the need for supervision, discipline and control of young offenders, but also that they have special needs and require guidance and assistance. We will not find any dispute about the need for special guidance and assistance for young people. We all recognize that there is a need for a system that will deal with young offenders. We do not want to treat 12 and 13 year olds, genuine children, like adults. We do not want to throw them in the slammer, send them down to Kingston to serve a life sentence or to serve lengthy prison terms. There has to be a balanced system. We all recognize that.

However, when we look at the experience today we recognize that the system is doing a disservice to the public and to young people because it is telling young people today that they have to carry knives. One cannot help but wonder that if there were a different psychology out there with our young people today the young person who was murdered in Hull yesterday would be alive today. Why was it necessary for the person who committed the murder to be carrying a knife? It is not uncommon for young people today to carry knives and loaded guns to school every morning. That is the atmosphere that our young people are faced with today. They carry guns and knives and other deadly weapons not simply to do harm to other people but for protection.

Mr. Speaker, when you and I were in high school, public school and university if there was a score to settle you used your fists. You would go out back and have a fist fight, a little wrestle and you would settle your scores. Today scores are settled with deadly force. Scores are settled with knives and bullets and guns. People are killed and maimed right across the country as a result of this unfortunate and tragic situation that our young people are faced with today.

The philosophy also says, the fourth consideration, that the taking of measures other than judicial proceedings should be considered where not inconsistent with the protection of society.

• (1115)

The fifth statement recognizes the legal and constitutional rights of youth. Therein lies one of the major problems with the Young Offenders Act. On the one hand it says we should treat young offenders as children. On the other hand it says we should afford them all the rights and privileges afforded other criminals under the Charter of Rights and Freedoms.

That is fine and dandy, but then young people recognize that they have the right to a lawyer; let's go get legal aid. They have the right to all the protection that adults have, such as the right to remain silent and all the other rights. Young people recognize

that those rights exist and they are using them as protection from criminal responsibility.

The sixth principle is that a young person has the right—and this is a real kicker—to the least possible interference with freedom as is consistent with public safety. It is built right into the Young Offenders Act. It says we cannot interfere with their freedom.

Seventh, young offenders have the right to be informed of their rights and freedoms in any situation where those rights and freedoms may be infringed.

Finally, parents are said to have a responsibility for the care and supervision of their children, and children are to be removed from parents only in compelling circumstances.

That is the philosophy behind the Young Offenders Act. Some of it is apple pie and motherhood, but the rest of it unfortunately has led to a system that is a contributing factor to the decay of the moral fibre and the integrity of our youth.

I want to make one thing perfectly clear. I am not calling for sending young children to jail and throwing away the keys, or whipping them and hanging them. What I am calling for is a more balanced approach. The significant majority of young people are law–abiding citizens. They do not need a law to tell them the difference between right and wrong. We are dealing with the exceptions, the small percentage of young hoods, young incorrigibles in our society, who are using the law in order to further their criminality.

We need a balanced system. Somehow the principles outlined in the Young Offenders Act have not been translated into action and the pendulum has swung in favour of the rights and protection of the youth. Public security has become a secondary consideration at best and all too often has been neglected entirely.

My bill addresses three specific areas. First, I would change the age limits provided in the Young Offenders Act. Today a young offender, a child, these people who are in need of protection and caring guidance, is defined as a young person between the ages of 12 and 17. We have the situation of a 17–year–old, one day shy of his or her 18th birthday, old enough to drive, old enough to enter into contracts in some jurisdictions, yet treated as a child and defined as a child.

Statistics show that half of the youth court case load involves 16 and 17 year olds. My bill would treat 16 and 17 year olds as adults. They would be charged and prosecuted in adult court, and in my submission that would act as a very serious deterrent to other 16 and 17 year olds from breaking the law.

As well my bill would lower the age limit to the age of 10. Some people are suggesting that there should not be any lower end to the definition of a young offender. We all know of the case in Great Britain, for example, where two 10–year–olds were convicted of murder. In Canada children under the age of 12 are used by adults to commit criminal offences. Second, some of them are committing in their own right serious offences. By lowering the age limit it allows the police to bring these children into the system so they can be dealt with and treated properly.

• (1120)

My bill would define children as those young people between the ages of 12 and 15. Sixteen and seventeen year olds know the difference between right and wrong, understand the nature and consequences of their acts and therefore, in my view, ought to be prosecuted in adult court. As members know, age is always a mitigating circumstance at sentencing in adult court.

The second aspect of my bill—it is something that the minister has already indicated he supports—is the increase in the maximum penalty for first degree murder from five to ten years. I applaud the minister for confirming his position in that regard not too long ago. Just a few years ago the maximum penalty was three years for first degree murder.

We had the situation in Scarborough, for example, where a young offender committed a triple murder, first degree murder, and served three years. He then was released. Now the sentence has been bumped up to five years but in my respectful submission it ought to be ten years for first degree murder.

The third aspect of my bill would allow for the publication of the details and the identity of a young offender after the second serious conviction. Right now there is a blanket prohibition on the publication of details.

The case in British Columbia—there are dozens of other similar cases—underlined the need for the public, the neighbours, the school system to know of some of the serious offences. The young person had been convicted of molesting young children. If the public knew, if the police knew, if neighbours knew, they could have taken the necessary precautions. He murdered and raped a six–year old child.

My bill would allow the young offender two chances. Once they have committed two serious offences, then the public would be entitled to know the details and the identity of the young offender. I submit that would serve as a deterrent for young offenders.

Let me end where I began. The system is in desperate need of repair. We have to move with dispatch. For those people who suggest this concern is a knee–jerk reaction to the murder in Hull or the murder here in Ottawa or the dozens of other murders and rapes and violent assaults, let me tell members that they are sadly mistaken. Their heads are in the sand and it is time that they woke up and smelled the coffee.

This is not something that happened overnight. It is a concern. The problem has been here for the last 10 years. I would urge my colleagues to expedite changing passages in the Young Offenders Act.

I would ask that at the conclusion of this debate at 12 noon today we have the unanimous consent of the House to refer the bill and its subject matter to the justice committee so that we can begin immediate deliberations with regard to this component of the criminal justice system.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, I welcome this opportunity to speak to the bill introduced by the hon. member for York South—Weston, a trial balloon being launched by the Liberal government on the issue of young offenders.

Since the opening of the 35th Parliament, the Department of Justice has been discussing amendments to the Young Offenders Act. For reasons known to the department, it seems this was one of its priorities.

Furthermore, in the famous red book people have been talking about since October 25, the Liberal party proposed to reform the Young Offenders Act, to offer real rehabilitation while cracking down on young criminals.

Since I assume no one is against real rehabilitation, today the Liberal government is testing the temper and sensibilities of voters on the issue of cracking down on young criminals. Considering the bill the hon. member has introduced, I understand why he sits on the extreme right of the Prime Minister.

• (1125)

Unfortunately, this shift to the right on the young offenders issue is based on a skewed equation of violence and young people. To the average citizen, youth is equated with violence and adolescence is synonymous with delinquency. However, nothing could be further from the truth.

In Quebec, since 1979, all crimes committed by young people have decreased substantially, by nearly 8 per cent across Quebec and by 34 per cent in the Montreal area. Was the government, or should I say, was the hon. member aware of these figures before he introduced the kind of bill we have before us today?

We cannot go on being alarmist to this degree, because it gives a false picture of reality and we end up with bills like this one which I consider to be very alarming indeed.

It is all well and good to ask for zero tolerance, but should this necessarily mean lowering the age limit of offenders covered by the youth courts, should this mean more severe sentencing and releasing the names of repeat young offenders? This interpretation of zero tolerance is tantamount to telling all young offenders: get in there and stay there. That is the easy way out.

That is a fifties petit bourgeois attitude. The emphasis should not be on the sentencing aspect as much as on assistance, guidance and reintegration of the young offender.

Obviously, I am against the simplistic bill before the House today. If this proposal would help the government save money, a government that is flat broke, perhaps we could discuss it and consider the benefits from that angle. However, by increasing sentences and lowering the age at which one is considered to be young offender, we are merely filling up our prisons faster and adding to the number of unproductive young people who will be a burden on society for the rest of their lives.

Current public pressure for a stricter Young Offenders Act is understandable, especially in western Canada. Sensational cases reported in the media add to the skewed perception of the problem. However, reaching directly with amendments like these reflects some confusion about, and represents a major departure from, the objectives pursued by the Young Offenders Act passed in 1984, in other words, deterrence, rehabilitation and the protection of society.

In Quebec, we understand the main principles behind the protection of youth and society. When dealing with young offenders, we rely on rehabilitation and reintegration. As much as possible, we avoid criminalizing cases involving young offenders.

The Quebec Department of Health and Social Services and the Youth Protection Branch take care of young offenders and assist them. The results have been astonishing. In Quebec, we invest in rehabilitation because we believe in it. Statistics are extremely revealing in that respect. According to a very sound study conducted in Quebec between 1968 and 1983, it takes society less than five years to recoup the money it invests to rehabilitate young murderers and turn them into productive young adults who work, pay taxes and spend money, all of which keep the economy going.

In western Canada, they are understandably intolerant because they do not invest in their youth as we do. It is not one of their concerns. They do not seem to have the resources; they do not take care of young offenders who are left to fend for themselves. They just lock them up in a different part of the prison than the adults.

Our assessment of this bill illustrates how distinct a society Quebec is. You know, it is not only our language and culture which make us different from the rest of Canada, but also our beliefs, concerns and philosophy. We just do not see things the same way and the bill before us this morning is a case in point.

I would be remiss if I did not mention that the goal aimed at by the amendments proposed in this bill could be achieved through a stricter enforcement of the present Young Offenders Act. It appears that, in his bill, the Liberal member is seeking to make

young offenders accountable and responsible for their illegal actions so that they can be tried in a regular court.

In our justice system, teenagers charged with indictable offences are seldom tried in adult court, even though the April 1992 amendments make it easier.

Being doubly concerned with the rehabilitation of the young offender and the protection of society, lawyers and judges are not surprisingly very reluctant, one to ask for a trial in adult court, and the other to order it.

• (1130)

In Quebec, according to the information I have, transfer to an adult court is requested in no more than 5 per cent of all cases.

This reluctance is easily explained: If a young offender is found guilty in adult court he will receive a very stiff sentence, offering very little opportunity for rehabilitation. Moreover, he will be eligible for parole only after five or ten years, depending on whether the crime was first or second degree murder.

Why force the hand of the courts if, for legal and social reasons, they do not do it? Even though they can try some young offenders as adults, accountable and responsible for their actions, they rarely choose to do it. If the hon. member wishes to help society, he should instead introduce a bill to make the public more aware that a program offering help in a responsible manner affords better protection than a punitive measure, which is effective only as long as it is in force.

More than that, he should support a complete transfer of jurisdiction to the provinces, with the necessary budget. This way each province could deal with its young offenders as it chooses.

The deterrent effect sought by imposing longer sentences is not supported by the information available. In fact, the reverse in true according to *Crime and Delinquency* which, in its January issue, published the results of a study carried out in several American States proving that.

Like his government, the hon. member misses the target completely with this bill. If the Criminal Code needed amendments, it would be to force rehabilitation and reentry into the community for young offenders, but this is outside the jurisdiction of this House.

Society should be more tolerant and its objective should not be to make all young persons conform with what their environment, their family, their school and society itself expect of them, but to make them able to become independent, with the minimum of limitations, and to make their reentry a success.

[*English*]

Mr. Rex Crawford (Kent): Mr. Speaker, I am very pleased to rise today to speak in complete, full and total support of Bill C–217, an act to amend the Young Offenders Act, the Contraventions Act and the Criminal Code in consequence thereof. It was placed before the House by my colleague, the hon. member for York South—Weston. I congratulate him for the bill and for his distinguished efforts at drawing much needed attention to the issue of young offenders.

When I was first elected to the House of Commons one of my goals was to strengthen the Young Offenders Act. Recent events in my riding only give me greater resolve and strength to push for tougher sentences.

As many in the House may be aware the city of Chatham, Ontario, population 43,000, is still reeling from the brutal murder last week of seven–year old Daniel Miller. He was in the wrong place at the wrong time. A local teenage gang member has been charged with first degree murder in the beating death.

My heart goes out to the Miller family. They lost a son before the prime of his life, before he had a future. The slaying has sparked angry demonstrations and a series of petitions calling for action to prevent more violence.

A railroad bridge near where the boy's body was found was covered with graffiti by a group called Criminally Minded Corporations or CMC. A young concerned citizen painted the bridge on the weekend to erase the gutter language. The CMC is the best organized of six youth gangs in Chatham and boasts over 100 members. Many gang members wear army boots with symbolically coloured shoelaces.

In addition, this totally random act of murder is seemingly just one more example of the crumbling decline of our society, morals and family values. The day after, a 17–year–old was charged with assault causing bodily harm to a security guard who was watching over the abandoned yard where the murder took place.

Where does it end? Local parents and other citizens are calling for vigilante justice. They do not trust our current system of justice, that it lets off criminals with a slap on the wrist while the victims are left in limbo for the rest of their lives.

• (1135)

One resident, Jason Gale, who moved to Chatham recently with his two young daughters, mother and grandmother said this: "They are terrorizing people. I think if the people of Chatham started fighting back, if a few of these gang members got beaten up pretty bad or had something happen to them, I think a lot of it would stop". Is that where our society is today?

I appeal for calm and level heads to prevail in my riding. We must improve the justice system so that criminals are punished for their crimes. Bill C–217 is an important step in the right direction.

Several years ago the former Conservative government introduced some tougher sentences. For instance the maximum sentence for murder was increased to five years from three. I said at that time when the bill was introduced, and I will repeat it

today, that the current Young Offenders Act is too soft. It is a joke.

I have presented over 25,000 names on petitions collected by Roy Asselstine Jr. and his parents calling for a reinforcement of the act. I am told by lawyers and police that if some young people are involved with the Young Offenders Act it is a badge of honour. It is a measure of distinction. That is what they are saying on the streets. No ivory tower mentality of Parliament Hill is going to change that reality. It is a reality not just in Toronto, Montreal or Vancouver but also in many smaller cities such as Chatham.

Bill C–217 will augment the debate. As my friend from York South—Weston pointed out, his bill is endorsed by the Canadian Police Association and Victims of Violence and is co–sponsored by 17 members of Parliament.

The purpose of the bill is threefold. First, the young offender would now be between the ages of 10 and 15. As a result 16 and 17 year olds would be held responsible for their criminal acts and prosecuted in adult court. Second, the maximum penalty for first and second degree murder would be increased to 10 years from the current 5 years. Third, after a second conviction the young offender's name could be published.

These are reasonable improvements to the current Young Offenders Act which is not an effective deterrent and does not allow correctional officials a sufficient opportunity to rehabilitate young people. Bill C–217 goes a long way toward balancing the needs of the public as well as our youth.

Yes, we must work to prevent crime, to give hope to young people that their futures can be meaningful, that their lives can make a difference in this world of ours. Rehabilitation must be a vital component of any new law.

I am pleased to offer my backing to the bill. I urge hon. members to send it to the justice committee where it can receive more in–depth study.

In closing I have an article from the Chatham paper. The headline reads: "Family of teen beaten up by gang moves out of Maple City". These are the Asselstines whose son was beaten up by the gang CMC and hospitalized. On his release from hospital he and his parents went around the Chatham area getting signatures on a petition. They have been harassed ever since and have moved with no forwarding address. This is not what we want in our society today.

It is on their behalf and that of young Daniel Miller that I stand in the House in support of Bill C–217.

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, I rise today to basically support the bill as amendments to the Young Offenders Act are so very long overdue.

The issue certainly was up front during the election. There was always someone who was sure to bring it up at a local town hall meeting during the campaign.

• (1140)

Consequently, in view of such wide concern about problems with the act from right across Canada, it was with dismay we found listening from this side of the House that the government did not even give a mention of the Young Offenders Act in the throne speech. After subsequently pressing the government on that sorely misplaced priority, we have now had a number of promises from the justice minister that the government is moving on a series of amendments.

However, the timing of the long awaited government bill at last count is that it is to be introduced sometime in June. Based on the shifting sands of time of this government, one wonders if there will ever be a government bill amending the Young Offenders Act tabled before the House adjourns for the summer.

I am sure therefore it is with a backdrop of frustration that the member has introduced his own private member's bill. I have heard that the substantive part of it does not have the support of the government. From our observation, this is most disconcerting.

The Young Offenders Act has a title. This bill seeks to make the act live up to its name. The YOA should deal with young offenders, not youthful adults. I would certainly like to see more comprehensive adjustments to the act, however as far as this bill goes, we on this side are prepared to support it.

Specifically the bill is threefold. It lowers the age limits that define who is a young person for the operation of the act. It also allows the publication of the name of a young offender who has been convicted of an indictable offence on two previous occasions. This is a weak effort of improvement but certainly is a move in the right direction.

The bill also increases the maximum penalty for first and second degree murder to 10 years. This last point has been hinted at by the justice minister. However the bill at least leaves the other measures alone whereas the justice minister plans to give on one hand yet take away with the other by limiting the transfer provisions of the act.

My sympathies go out to the member that he is part of a group which is so out of touch with Canadians that he has to bring forward his own bill. Although the bill has timid half measures it still does not get the support of the cabinet.

I have been around at the operational level with young offenders since the days of working with the juvenile delin-

quents act. I recall all too well the federal–provincial conferences and negotiations for 10 years leading up to the passage of the YOA in the dying days of a previous Liberal government.

Canadians were assured in bold terms how the YOA struck the right balance. I also recall strong voices at the time, even in the House, of how the YOA sent the wrong message to the community and especially to young offenders.

We have now lived with the Young Offenders Act for about 10 years. It has been amended three times in response to community concern. It is the single piece of criminal legislation that is most vilified by the public. We have had 10 years of implementation. One would think over that period some semblance of accommodation would have resulted. However the opposite is true.

The verdict is in from the empirical evidence of operation in the field. The Young Offenders Act is fundamentally flawed because it arises from false assumptions of human nature and as we know best, top down attitude that the community really does not know what is good for it.

Reformers on this side have been calling for some time for a fundamental review because the community demands it. The murder rate has doubled since the death penalty was last used in 1962. Violent crime in general has increased even more. The basic point is that crime rates in general are too high.

We know who the offenders are. We need to protect the community and give more recognition to victims. We have considerable resources available for offenders. We should do more to provide opportunities for making self–reformation available for offenders. However the Young Offenders Act is way off track in respect of victims of youth crime.

In my riding the biggest outcry for the Young Offenders Act reform comes from high school students. They are all too well aware of what the street sentiment is about what happens to one of their own when they seriously offend against another student. Many students, especially females in high schools, are afraid. There is an atmosphere out there that nothing happens to young offenders. There are no real consequences. Law–abiding students have no confidence in the justice system.

Youth are in a period of learning where they resist limits. They kick against authority and watch how the community responds. The Young Offenders Act does the young no favours by sending the wrong message about violating the rights of others. The Young Offenders Act sends the wrong message to the community.

We check the newspaper today. Again we see that 16–year old Marwan Harb of Dompierre Street was pronounced dead at the hospital after being stabbed in the back. A 15–year old boy who was arrested two hours after the stabbing will be charged with murder.

• (1145)

A group of teens was walking through a park. Following an argument one of the boys punched Harb's girlfriend in the face. When Harb tried to defend her a fight broke out and he was stabbed in the back. It was a fight between a bunch of kids. It was not like a gang war. It was not racial. The victim and the accused knew each other through school. Upon being noticed the kids ran away, leaving Harb lying on the ground. Incidents like this that are repeated across Canada demonstrate that we need to address youth violence.

We have an atmosphere where youths carry weapons. There is little community consensus that we are accountable to an atmosphere of law and order and, if violated, offenders will be held to account. In some aspects we see youths behaving as if all law and order has broken down and they are living with the attitude of anarchy, every person for themselves; protect yourself because for no one else will.

The inter–relationship between law, its application and social order is complex. Yet in its simplest form,Canadians from across the country have indicated that the Young Offenders Act does not strike the right balance of deterrence to the individual, deterrence to others, victims' rights and opportunities to reform.

I recently drafted my own private member's bill that was rejected by the system as Bill C–217 was already in the hopper, working its way through. My bill was seen as being too similar. Unfortunately the bill is not votable but I commend the member for sending a message to his colleagues. I hope they wake up and get going with fundamental changes.

Reform Party members will have a lot to say in the future about a constructive alternative to the Young Offenders Act. We have been listening to the community. Our platform comes from the bottom up. The Reform Party national task force on law and order specified substantive changes to the Young Offenders Act and we will be bringing those forward.

Now is the time to support the voice of reason and practical reality. The Young Offenders Act needs changing. The bill although too modest in substance certainly goes in the right direction. Voices of this tone must be supported. The bill must not only be supported by like–minded individuals but must be supported in the name of young people right across the country. The misguided premise of the Young Offenders Act will eventually be fixed. Perhaps it will take a Reform Party government to do it.

In the meantime Her Majesty's loyal constructive alternative from this side of the House will support any voice of reason and balance to deal with the measures the community wants. Let us change the Young Offenders Act now and send a more realistic message to offenders and potential offenders that someone's

rights end where someone else's nose begins. Offending needs to be denounced.

We need a young offender law that is realistic in our culture, that balances the needs and the rights of the offender and the offended. The community must have confidence again in the justice system. That is why I support the inherent message of the bill.

Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I want to say a few words on the bill this morning. I congratulate the hon. member for York South—Weston on bringing the issue forward. It is one that has been very much on the minds of all members of Parliament and certainly on the minds of the general public. There are some very succinct parts of the young offenders legislation that should be given a very serious look and review.

This issue is like any other major issue that arises and becomes a public concern. There are serious events that occur that bring the issue forward in the media. People feel that nothing is working. Something is working. Something is not. The something that is not working should be reviewed and repaired.

All legislation has to be changed from time to time to meet the trends and the changes that take place in society. However there is one thing I disagree with. As a former educator I hear some people saying that young offenders do not understand the implications of what they are doing. I can say, having taught many teenagers in my earlier days before coming to this institution, they understand what they are doing. No one needs to throw that argument out. It will not work.

• (1150)

The other sad part of this argument is the fact that some people automatically think that these people come from poor homes, no training and so on in the home. There are areas where this occurs. There are other cases where people are looked after in the home and they still go astray because peer pressure is very strong on them to join gangs and go in the wrong direction.

I spoke many times in the last Parliament on young offenders because we had a serious case in my constituency in the village of Barry's Bay. I think one of the major problems is that the plea bargaining that goes on in the courts is simply not justifiable and cannot be supported. I am glad to know that the justice committee at the direction of the government is making a serious review of this legislation and will probably be into it before June or, if not, during the month of June. I congratulate it on that.

The plea bargaining that goes on in our courts today has to be changed if we are going to change the Young Offenders Act and other legislation dealing with the criminal element. There is no way that we can allow lawyers to go on bargaining away the laws of the country. The laws of the country are put in the records of Parliament, put in legislation to be carried out. That is the intent of the legislators who pass them.

I am absolutely opposed to handing it over to a group of lawyers and the court and the crown and saying: "You drop this, I will take that". In the end you have a situation similar to one that was brought to my attention recently by the hon. member for Victoria—Haliburton. A person goes into a store with a sawed–off shotgun, holds up the store, gets away, is finally caught and brought into court. When he is sentenced he gets four months and he will probably be out in two and a half months. They used to get 10, 12 and 15 years for armed robbery.

That is not justice in the eyes of the public and the punishment certainly does not fit the crime. These are things that have to be changed.

We cannot have people committing crimes in this country and walking away laughing at the law. That is indeed what is going on. We cannot have people going down the streets and shooting a top–notch graduate student on a sidewalk in Ottawa, Toronto or anywhere else, destroying good lives.

The system has to be seriously reviewed, not just reviewed and looked at and talked about and so on. I wish the justice committee well as it does this later. I thank the hon. member for York South—Weston for bringing the issue before the House and giving us a chance to discuss it. I know he is very serious about having the bill adopted for further study and brought before the justice committee.

The bottom line here, and I do not like using that term because it is usually used in an unsophisticated manner, or the real essence of law is that legislators pass laws hopefully to be obeyed, hopefully to be administered, hopefully not to allow a loophole where the law can be bargained away for those who want to get the case over with and win cases for people who should not be on the streets. When someone does get out on the street early and commits another crime, up goes another big sympathy wave saying: "Oh, this person shouldn't be out on the street".

He should not have been out on the street. The law has to be administered. Some of it is already on the books so that when a person is in prison he or she should not be out of incarceration until they have had medical treatment and are deemed by medical authorities to be capable of running their own lives, leading a decent life out on the streets and byways.

• (1155)

If there is anything that we are going to have to improve along with this legislation, it is to make sure that the treatment, medical care and the advising are in place to bring these young people back into a productive way of life.

There are some who have come under the Young Offenders Act who are now very productive in society. We have to recognize that side, too. It is not a one-sided picture. We can only try to perfect it if we try to correct the things that are not working in it today.

I want to review briefly the things that I have touched on. There is the medical treatment of these people, ensuring that the plea bargaining system is changed so that it is going to back up the law that we put on the books, the publishing of names of young offenders as indicated in the hon. member's private members' bill this morning and the fact that these young people do know what they are doing.

Let us go at this in a very constructive way and correct what is working to complement that which is working today.

Mr. Jim Abbott (Kootenay East): Mr. Speaker, I stand today to support Bill C-217. I support it in principle as has been explained by another member of my party. There are some aspects on which we would like to see some fine tuning.

Any move in this direction is a move that will work in favour of our most valuable asset in Canada, our young people. Our young people are the ones who are the most disadvantaged by the current Young Offenders Act.

I agree with the member for York South—Weston totally that the bill should have been votable. It really shows something wrong with the system when we can have a votable bill on whether hockey should be Canada's national sport but for something like this that works directly against the young people, the greatest asset of Canada, we are not going to vote on it. I find that really outstanding.

Young people come to me quite frequently. They say: "As a high school student my biggest problem is that I recognize that I am under a cloud". I suspect that for many members and their constituents, when they see young people on a bus or gathered somewhere they assume the worst because there are some bad apples.

We must make changes to the Young Offenders Act not only for property values or violence but primarily to support Canada's greatest asset, our young people. Many of those young people are involved in things like science fairs. They are very exciting events to attend. I commend them to all members and to the public.

Many of them belong to school clubs and organizations. They belong to sports teams. Many are involved in cadets, scouts or guides. Many belong to churches, young people's groups or counsel at summer camp as counsellors. They are involved in marching bands, 4-H clubs, forestry camps, computer clubs, sports clubs and camps. Those who are actively involved are the people who are the most disadvantaged by this law.

We as adults have to get our priorities straight. Let us protect our greatest asset. Many of our young people are involved in summer work. Often we think of summer work as kind of a make work kind of a thing. As members know, without the inclusion in the work force of our young people, many of the things that get cleaned up in the summertime would not get cleaned up. They help with tourist and recreation facilities. They act as information for business.

I say that parents have to be involved in education of the young people. They have to be involved in guidance of the young people. They have to be involved—

Mr. Nunziata: Mr. Speaker, I rise on a point of order. I apologize to the hon. member for interrupting his speech but the rules require that the debate end in about a minute's time.

I understand that a good number of members would like to take part in this debate. The Parliamentary Secretary to the Minister of Justice has stood. He would like to speak. I am sure the hon. member would like to conclude his remarks so I would seek the unanimous consent of the House to extend the debate on this most important subject matter for an additional hour until one o'clock.

• (1200)

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: There does not appear to be unanimous consent. I believe the hon. member had a second point of order.

Mr. Nunziata: Mr. Speaker, can you indicate who denied unanimous consent? I did not hear anything from this end.

The Deputy Speaker: The member, if he had been sitting here, certainly would have heard something.

Mr. Nunziata: It is unfortunate, Mr. Speaker, considering the comparative importance of the next bill we are supposed to debate to the people of Canada. However those who denied unanimous consent will have to account to their constituents and to the people of Canada why they think that an hour's debate on the Young Offenders Act is too much.

In view of the importance of the legislation, I would seek the unanimous consent of the House to adopt the bill at second reading, in principle, and to refer the bill to the justice committee for further consideration.

[*Translation*]

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: Once again I must advise members that there is no unanimous consent on this side.

[*English*]

Mr. Nunziata: I rise on a further point of order, Mr. Speaker. The separatists will have to explain to the rest of Canada why they do not want to debate or even discuss the bill.

I will try once again. Rather than adopting the bill at second reading I would ask that the subject matter of the Young Offenders Act, not the bill before Parliament, be referred to the committee so that all members will have an opportunity to discuss the subject matter at committee.

The Deputy Speaker: Is there unanimous consent to refer the subject matter of the bill to committee?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: Again there is no unanimous consent.

The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

GOVERNMENT ORDERS

[*Translation*]

PEARSON INTERNATIONAL AIRPORT AGREEMENTS ACT

The House resumed from April 29 consideration of the motion that Bill C–22, an act respecting certain agreements concerning the redevelopment and operation of terminals 1 and 2 at Lester B. Pearson International Airport, be read the second time and referred to a committee; of the amendment; and of the amendment to the amendment.

Mrs. Christiane Gagnon (Quebec): Mr. Speaker, this government is blatantly guilty of applying a double standard. This very same government, which not so long ago attacked the least fortunate in our society, is now getting ready to protect and compensate persons with no redeeming value whatsoever, other than the fact that they helped fill the coffers of the two major federal political parties.

This is the same government that, less than one month ago, announced restrictions to unemployment insurance entitlement, thereby propelling more workers into the ranks of social assistance recipients.

Unlike the unemployed, lobbyists and heads of corporations with close ties to political parties need not be concerned about incurring losses. There is certainly no question of them losing their benefits, remuneration or compensation. Their interests are well protected since they are directly tied to party finances.

The dealings surrounding the privatization of terminals 1 and 2 at Pearson airport are a striking example of how Canadian governments unfortunately resort all too often to playing politics. Many of those who have already spoken in this debate have recounted in detail the saga of this deal. Therefore I will not go over the same ground again.

My purpose in speaking today is to emphasize the odious nature of this affair and the offensive attitude of the two governments who have been successively involved in it.

• (1205)

Take for instance the way the privatization bids were solicited. A 90–day bidding period is highly unusual for such a major contract. Did anyone in the federal administration protest? Certainly not! It was better kept in the family.

With the result that we know: Paxport and Claridge Corporation were the only bidders. The Nixon report had a great deal to say on the subject. While the quote may be a tad long, it is well worth reading and rereading:

> The RFP [request for proposals] having as it did only a single stage and requiring proponents to engage in project definition as well as proposal submission and, all within a 90 day time frame, created, in my view, an enormous advantage to a proponent that had previously submitted a proposal for privatizing and developing T1 and T2. Other management and construction firms not having been involved in the manoeuvering preceding the RFP had no chance to come up to speed and submit a bid in the short time permitted.

The winner, as we know, was Paxport, in spite of the fact it was grappling with financial difficulties. Which leads to the next question that has to be raised again: How could the government let a contract of that magnitude to a company without checking its financial statements? Can anyone imagine even for a moment that an unemployed citizen would be granted a subsidy, a loan or a contract, to start up a small business without having to prove profitability?

The answer is obvious. Never, ever, could such a thing happen. Principles like the need to manage public funds soundly would be argued. Always the same double standard! If you are rich and close to those in power, the usual conditions just do not apply to you, or barely.

Another unknown in this matter is the role played by lobbyists in obtaining these contracts. We know that the Lobbyists Registration Act was passed by the Conservative government in 1988 and came into effect in September 1989. It is interesting to stop and look briefly at the basic principles underlying this legislation. There were three principles.

First, accessibility, meaning that the public has the right to express its opinion and have unrestricted access to government; second, transparency, that is to say that activities involving governments should be clear and open; and third, simplicity, which means the administration of the registration system must be simple. To that end, lobbyists must register with the registrar

in one of the categories established by law. In theory, nothing could be simpler.

Assuming I am a lobbyist, I register with the registrar and thereafter, anybody refering to the register will know that I am working as a lobbyist. Depending on the category I am registered under, information concerning my activities will be more or less elaborate. Many problems with the application of the law have been identified, but the gist of it remains valid.

Let us move on to the role of lobbyists involved in the Pearson Airport case and the treatment provided for in the act. We will focus on three major players, namely Donald Matthews, Hugh Riopelle and Patrick MacAdam. Mr. Matthews is president of the Matthews group, which has a 40 per cent controlling interest in Paxport. As you know, Mr. Matthews presided over Brian Mulroney's leadership campaign in 1983. In addition, as a former president of the Conservative Party, he ran fund–raising campaigns for that party.

Mr. Riopelle was chief of staff to former Tory Prime Minister Joe Clark and was later to be appointed to lead the transition team of ex–Prime Minister Kim Campbell. Mr. Riopelle was hired as lobbyist by Paxport's president at the time, Ray Hession.

The third lobbyist is Mr. MacAdam, a friend of Mr. Mulroney and of the Conservative Party. These three men have one thing in common: they never registered as lobbyists.

Should the law not apply equally to everybody? It does not seem to apply to Tory lobbyists. What about Liberal lobbyists? It is an open question. We think it would be appropriate to look more closely at the lobbying firms involved in the Pearson Airport deal. Here are some of them. Working on behalf of Paxport is the Government Business Consulting Group Inc., whose CEO is J.A. Fred Doucet. Surprise, surprise! Mr. Doucet was Mr. Mulroney's chief of staff and senior adviser on Kim Campbell's campaign. It is a small world.

• (1210)

John Legate is president of J.S.L. Consulting Services Limited. Coincidentally, he was hired as lobbyist by Paxport's president when he had access to the Tory Cabinet through the minister then responsible for Toronto, Michael Wilson. As you recall, the airport is located in that city.

Last but not least, Atlantic Research Canada Inc. whose president at the beginning of the privatization affair was Ray Hession, who was also president of Paxport. Mr. Hession was Deputy Minister at Supply and Services under the Liberal government of Pierre Elliott Trudeau. Once the contract was awarded to Paxport, he resigned as president to be replaced by Don Matthews' son.

At Claridge Properties, Earnscliffe Strategy Group Inc., one of the lobbyists, is represented by William J. Fox, a former political attaché and personal friend of Brian Mulroney.

At Near Consultants and Associates Limited, we find Harry Near, who is also involved in the Earnscliffe Group. Mr. Near has long been active in the Conservative Party.

There is no need to continue this litany of names and companies, the conclusion is clear and obvious: they were all related to one another and to the two federal parties which have succeeded each other in office.

Other questions arise. Who exactly do these people and these companies represent? Who are the directors of the various companies involved? We must clear that up. These people have had great influence with political decision–makers, so much so that the former government violated an important parliamentary principle according to which a government at the end of its term makes no decision that could endanger the decision–making power of a future government.

They were so influential that on April 13, 1994, the Liberal government tabled Bill C–22 which is being debated today. This legislation would allow the government to pay corporations, especially the T1 T2 Limited Partnership, large amounts for cancelling the contract. Their influence is such that this government is asking us to ratify another transaction from which corporations tied to the two traditional parties will benefit. Their influence is such that this government is asking us to forget all the transactions between the corporations and the Department of Transport were in flagrant violation of the government policies in effect. Their influence is such that the government is asking us to forget these policies intended to encourage marketing the airports and their contribution to economic development and to make them aware of local concerns and interests.

We want to know whose economy was to be developed. We want to know what local concerns and interests were served by these agreements. We want to know who benefited: the taxpayers, local communities or corporations.

These questions indicate how openly the government conducts its affairs and how easily the public can access information on this. Remember that these principles are affected by the law and that lobbyists must respect them.

The picture we have just painted shows us a group of influential people, well connected with ties to the political parties, who can bend government decisions to their financial advantage.

We have many questions and very few answers. We all know that you must first have your questions answered before you can make a decision.

The taxpayers of Canada and Quebec need light to be shed on this issue, an intense, bright light. That is why the Bloc Quebecois demands setting up a royal commission of inquiry on this matter.

Mr. Michel Daviault (Ahuntsic): Mr. Speaker, I am pleased to participate in the debate on Bill C–22.

I wanted to go over the sequence of key events surrounding the drafting of the privatization contract, but since there are so many details, manoeuvres and shady dealings in this transaction, and since some colleagues have already looked at these events, I will instead put the emphasis on a few aspects of this project which involve the alleged transparency of this government in this whole issue.

• (1215)

This government paints a glowing picture of the consulting process to get Canadians' opinion, but in fact all these so–called consultation exercises are nothing but a mirage, because when this pretence of transparency puts the government on the defensive, it quickly states that it was elected to make decisions and that it is doing just that. However, by acting like a bunch of know–it–alls, as Liberal Premier Daniel Johnson said, this government will lead us directly to social chaos. Canadians will not be fooled.

What distinguishes this government from the previous Conservative government? Nothing, except maybe the colour of its program. It is a centralizing government, a government which does not hesitate to maintain duplication and overlappings; a government which continues to violate areas of provincial jurisdictions by unilaterally occupying the whole field. Where is the transparency? Can you not see a pattern between the recent squabbles between Ottawa and Quebec City regarding manpower training, the youth corps program, federal subsidies for education, social programs reform, drug patents, the telephone industry and cable TV? All these issues demonstrate the centralizing actions of Ottawa. Where is the transparency?

As regards Bill C–22, again I will refer to what Greg Weston, a journalist with the *Ottawa Citizen*, wrote in his column on March 9. Mr. Weston wrote:

> The Grits have managed the remarkable feat of turning a highly suspicious and secretive Tory deal into a highly suspicious and secretive Liberal cancellation process—a secret inquiry, followed by the current secret compensation negotiations, which may ultimately lead to a huge government cheque with a secret invoice.

This sums it up quite well. It seems obvious to me that section 10(1) opens the door to arbitrary measures and that the power given to the minister to decide on the payment of a compensation is a discretionary power which this government should not use if it really wants to govern with a degree of transparency and credibility. Indeed, this Liberal government is not immune to patronage, as you can see when you take a quick look at those closely or remotely involved in this scandal. This is why we ask that a commission of public inquiry be set up.

The circumstances around the hasty signing of the contract for the redevelopment of Pearson Airport are very disturbing, but what is even more disturbing is the attitude of this government, which was also in a hurry to designate a former Liberal minister, Mr. Bob Nixon, to conduct a private investigation.

In the awarding of this contract, what was the role of Senator Leo Kolber, former member of the board of directors of Claridge Properties Inc., a group that has close links with the Liberal Party of Canada, and of Herb Metcalfe, a Liberal lobbyist with the Capital Hill group, who represented Claridge Properties and was a former organizer for the present Prime Minister? What was the role of Ramsey Withers, a Liberal lobbyist whose ties with the present Prime Minister are known and who was Deputy Minister of Transport during the bidding process on Terminal 3 at Pearson Airport?

What was the role of Ray Hession, former Deputy Minister of Industry and senior official with Supply and Services, the department awarding the contracts? Mr. Hession was president of Paxport Inc. and hired a battery of lobbyists, including Bill Neville, closely linked to Mr. Mulroney, Mr. Clark and Mrs. Campbell; Mr. Hugh Riopelle, former PR man and representative for Air Canada, who had access to Mr. Don Mazankowski, a leading figure in the Mulroney cabinet; Mr. John Legate, a friend of Michael Wilson, and so forth. What a mess.

Was an agreement reached by the present Prime Minister and Mr. Charles Bronfman, owner of Claridge Properties and principal partner in the Pearson Development Corporation, at that notorious $1,000 a plate dinner among friends during the election campaign? Only investigators without links to current and past governments would be able to force the people involved come clean, not a timid in–house inquiry, held privately, without any judicial powers.

Mr. Nixon himself observed that the role of lobbyists in this deal went beyond permissible norms. A time frame of 90 days for bidding proposals is unusually short. I may recall that this was a very long term contract—57 years—and a very complex one, which was to prevent several groups from submitting a valid proposal. Of course, Claridge and Paxport, already involved in the management of the airport, were able to submit tenders which, by the way, were the only ones accepted. A single corporation was to control all three terminals, despite the fact that the government of the time claimed that one of the criteria

in the privatization of terminals 1 and 2 was competition. We can see now that a monopoly was in the cards.

• (1220)

As you can see, Mr. Speaker, the list of irregularities is very long, and this is why we are requesting a public inquiry, an inquiry that the Liberals stubbornly refuse. The present Liberal government, claiming openness, wants to cancel the deal. But it keeps a discretionary power, in section 10, to compensate, «if the Minister considers it appropriate», certain friends of the party or contributors who may have been implicated in this scandal. As the leader of the opposition was saying, "this particular case is overrun by lobbyists. It is full of people wheeling and dealing in the corridors of power with the two big parties—"

At the present time, Mr. Bob Wright, a good friend of our Prime Minister, is negotiating strenuously and in private too, in order to determine the amount of compensation to be given to strangers.

In fact, we are shown only the tip of the iceberg and we are asked, a bit too lightly, to forget the rest in order to save money.

The Liberal member for York South—Weston was saying in this House, on Tuesday, that compensations to the Pearson Development Corporation could reach almost $200 million.

Mr. Bronfman and the conglomerate he heads, friends of the Liberal Party, have already submitted claims for $30 to $35 million for non–refundable expenses. That's on top of tax deductions they will be able to claim from Revenue Canada, thus hitting the taxpayer once again.

The hon. member for Thunder Bay was saying in this House:

> To be exclusive in looking at compensation for out–of–pocket expenses for Pearson Development Corporation alone is not the right thing to do. We should take in the whole gamut of all those who spent considerable time and expense in developing proposals.

And this, in spite of the fact that these people knew exactly what they were doing since the present Prime Minister had announced that he would cancel the contract.

The facts revealed by a royal commission would allow the government to pass laws to prevent such blatant patronage to happen again. I am asking you: What would be cheaper, holding a public inquiry, not a review and private negotiations, or paying financial compensation to individuals who finance Canadian political parties?

We could talk about political party financing now, but we will do that later. The member for Thunder Bay—Nipigon claims that a royal commission would be too expensive and a waste of time to learn something we already know. Our colleagues opposite may know more about this contract than we do.

As Mr. Nixon himself said in his report:

> Failure to make public the full identity of the participants in this agreement and other salient terms of the contract inevitably raises public suspicion. Where the Government of Canada proposes to privatize a public asset, in my opinion, transparency should be the order of the day.

And Mr. Nixon added:

> My review has left me with but one conclusion. To leave in place an inadequate contract, arrived at with such a flawed process and under the shadow of possible political manipulation, is unacceptable.

After such a statement, it cannot be justified to compensate people or companies who tried to take advantage of such flaws.

Can we put a price on government's transparency and credibility? Is it a waste of time to try to maintain such democratic values?

With this in mind, we call for a public inquiry and for the government to get right to the bottom of these sad events.

We vigorously denounce this attempt and this bill.

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, I would be sorry indeed if I did not take this opportunity to speak on this bill which shows the true face of the members opposite. As you may recall, during the election campaign, the Prime Minister promised to cancel this deal and to make the political process more transparent. Most likely he was swept up in the media frenzy in the dying days of the campaign and got a little carried away.

• (1225)

His friends, those same friends who shell out $1,000 a plate for the opportunity to gain his ear, were quick to remind him: "Careful, we incurred expenses in connection with this deal". Today, we have a more complete picture and these individuals will receive compensation. This bill is to be passed here in Parliament, and rather quickly. Fortunately, some of us are keeping our eyes open and are criticizing the government's actions loud and clear.

The aim of the bill is twofold. First, it would cancel the deal which is full of irregularities. This is a positive development. Second, however, it would provide compensation, again by way of a closed process, to certain parties. This is far less positive.

From the very moment it came to power, this government made transparency one of its major objectives. It has also made a number of decisions, such as cancelling the helicopter contract and the Pearson airport deal and launching the infrastructure program. Three decisions, and then almost nothing, with the exception of a budget, and a bad budget at that. Since then, it has simply gone about its day to day business. The government seemed to have scored well on these three issues, but now, there is some question about its performance on the airport deal. It is

highly doubtful that the government should be given a passing grade in this case.

It bothers me to hear so much talk about transparency. It has become such a major issue that I would not be surprised to see Liberal members walking around with bottles of Mr. Clean. Yet, when time comes to practice what they preach, all is forgotten. All of a sudden, members stop talking. There is no real desire to shed light on this issue, to examine the root of the problem and to avoid a recurrence in the future. No, now that they are in power, they must not let the public in on their plans for the future.

This is terrible. If we look at the whole privatization process and at the companies involved, that is Paxport and Claridge, and if we look at who is behind these companies—and I will not bother to give you a complete rundown since my colleagues have already done that—the whole spectacle is rather sordid indeed. All these people with very close ties to the federal government used their influence, going as far as having people shifted around, to make sure they achieved their ends.

Many of these people are still alive and not too far removed from the system, still today. How can this government be trusted when many of the people involved are their friends and are still around, and when they refuse to institute an inquiry which would publicly condemn these people who can be linked to their political party?

That is not a possible course of action; it would be far too dangerous. Mr. Nixon, in the very short time he was given to investigate the matter, attempted to shed some light on this, enough anyway to tell us that this contract should indeed be cancelled. This was obvious just from reading a few good articles published in the dying days of the election campaign and around the main events. We knew then that something was wrong with the announcement of a contract to privatize the airport.

During the election campaign, it had been held out that only friends of the Convervative government were involved and the previous government was to be condemned, on this score. Now, we find out —but it had been discovered earlier— that plenty of Liberals are also involved. As the financial stakes rise, the political convictions of these people shrink. They will team up with anybody, whatever the cost.

The bill before us today contains a most interesting provision. It will allow those who are to be compensated to be targeted very specifically, ensuring that only friends get compensated. That is even better. What a great political tool.

This is the sort of attitude that deeply disheartens the public. It generated tremendous cynicism for politicians, for the administration of public funds. Here we have the perfect occasion to shed light on a major matter where certain people have used their influence, where lobbying has been too intensive and too influential in particular. Yet, we have to wait. What for? I wonder.

There are a number of quotes from the famous red book that I would like to bring up, because this government had told us it was going to control the activities of lobbyists when it would come to power. Apparently some things take much longer than others, but I will quote this:

> We will develop a Code of Conduct for Public Officials to guide Cabinet ministers, members of Parliament, senators, political staff, and public servants in their dealings with lobbyists.

It goes on to say:

> We will appoint an independent Ethics Counsellor to advise both public officials and lobbyists in the application of the Code of Conduct. The Ethics Counsellor will be appointed after consultation with the leaders of all parties in the House of Commons.

● (1230)

At that time, they were probably far from thinking that the Leader of the Official Opposition would be a member of the Bloc Quebecois. They may find this a bit unsettling. But they had good intentions. Now that they are in office, it is a different matter. They were in opposition for a long time. They had enough time to get ready. A party in opposition since 1984 would have had the time to put a lot of things on the table. People would appreciate it. Instead, they are trying to scare lobbyists into being very nice to the current government. The coffers must be filling up quickly. We should avoid this legislation at all costs or take the time to ensure it will have as little effect as possible.

What is most appalling in the bill before us is clause 9 and especially clause 10. Clause 9 states that there will be no compensation for the parties involved. In short, the main purpose of Clauses 1 through 8 is to ensure that the government will not be sued. Clause 9 bars any compensation—perhaps the government hopes that people will get discouraged after reading it. Clause 10 provides for "the approval of the governor in council" so the minister may allow some compensation but not for lobbyists' fees. It is the least that can be done as these fees are already tax deductible. If they had to be compensated in some other way besides, it need have cost the government nothing. These people see paying lobbyists as an investment, so they have to pay the price somewhere.

We are not at all reassured by knowing that the Cabinet will have the power to do that in secrecy. To pay how much compensation? Who knows? Who will know? Will we know one day? That remains to be seen. For the sake of openness, this should be elucidated. In addition, if compensation is to be paid, people should have access to this information much more easily.

At least some parliamentarians should be able to deal with it. But no, openness will come later.

Before concluding—my colleague wants me to go quickly—I would not want to overlook one of the real sources of the present problem, namely the financing of political parties. I exclude our party because we are subject to much stricter constraints. But when you are financed by people who have very big corporate interests, when you agree to be financed by these corporations and it is even one of your biggest sources of funding, you are subject to that pressure. People who back political parties have some control.

Personally, I much prefer to have a base of party members making small donations and exercising that power instead of business people who make large donations and try to get very close to the government with those gifts. I think that is a constraint from which the government should free itself. If it is serious when it talks about openness, it has a model right at hand. Quebec already has legislation which, although it may not be totally perfect, is much better than what we have here and it could be used as a basis. But no, they refuse to look at it. Why? Because now that they are in power, they want to benefit from it. They have nine lean years to make up for now. They want to make a little hay. Perhaps later they will think of doing something to please the public, but nothing substantial. In conclusion, if there is one thing I would want to give Canadians before leaving the federal system, it is a law on political party financing that would make elected representatives much closer to the people in a much more open system—a real reform, this time.

• (1235)

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, Bill C–22, the subject of today's debate, is a rather particular piece of legislation. This bill deals with agreements arising out of the request for proposals for the terminal redevelopment project at Lester B. Pearson Airport, and the negotiations concerning that project.

The bill states that these agreements have not come into force and have no legal effect. Moreover, it provides that no action or other proceeding may be instituted against Her Majesty in relation to these agreements.

This is an extremely serious piece of legislation. The previous government concluded a contract with some corporations, and this government is trying to renege on that deal by pretending that it never took place.

Why is that? Later on I will show how the process was flawed in a number of ways and that indeed the government should not go ahead with this contract.

The bill also authorizes the minister, with the approval of the governor in council, to enter into agreements to provide for the payment of amounts in connection with the coming into force of that act. This second part seems to be a convenient provision to ensure that parties which may have been prejudiced can be adequately compensated following the cancellation of the contract.

However, while it may seem appropriate to do so, the wording of the provision makes you wonder, and so do some connections which can be made between various events. I will attempt to show that, because of these events which may leave public opinion with a bitter taste, it is important to look more thoroughly at what went on before the agreements were negotiated and concluded, as well as to what is going on now.

To put the legislation in its proper context, clause 3 provides that the agreements which have been concluded:

> — are hereby declared not to have come into force and to have no legal effect.

Moreover, clause 4 says:

> 4.Forgreatercertainty,allundertakings,obligations,liabilities,estates,rights,titles and interests arising out of the agreements are hereby declared not to have come into existence.

As for clause 9, it provides that:

> 9. No one is entitled to any compensation from Her Majesty in connection with the coming into force of this Act.

So far so good. However, everything is spoiled by clause 10 which reads:

> 10.(1) If the Minister considers it appropriate to do so, —if he considers it appropriate--Minister may, with the approval of the Governor in Council, enter into agreements on behalf of Her Majesty to provide for the payment of such amounts as the Minister considers appropriate in connection with the coming into force of this Act, subject to the terms and conditions that the Minister considers appropriate.

I certainly do not question the good judgment of the minister or the governor in council. However, I would like to refer to a few excerpts from Mr. Robert Nixon's report, who was appointed last October 28 by the current Prime Minister to look into this transaction. Mr. Nixon's report was submitted a month later, on November 29. What does this report tell us? To quote Mr. Nixon:

> Prior to the conclusion of the legal agreement the Leader of the Opposition (now the Prime Minister) indicated clearly that parties proceeding to conclude this transaction did so at their own risk and that a new government would not hesitate to pass legislation to block the privatization of Terminals 1 and 2 if the transaction was not in the public interest.

• (1240)

Mr. Nixon's report goes on to say: "On October, 7, 1993, the chief negotiator for the Government of Canada received his written direction indicating that it was the explicit instruction of the Prime Minister that the transaction be concluded on that very same day. On October 7, 1993, therefore, the legal agreement to privatize and redevelop terminals 1 and 2 was made".

It was a very substantial agreement. In fact, when we talk about terminals 1 and 2, we are talking about a major air transportation hub in this country. To quote the Nixon report:

> According to a 1987 Transport Canada study, Pearson has a $4 billion direct economic impact on the economy of the province of Ontario and was directly and indirectly responsible for over 56,000 Ontario jobs. It is by any estimation more than the sum of its parts or the total of its assets and liabilities.

This is a contract which has an enormous impact on a region's economy, by letting private interests manage an air terminal of that size, while for many years, airports near nonheal have been under–used. In Central Canada we have created a powerful magnet for air traffic that can draw traffic away from the country's other major airports, especially those near Montreal.

And how many years would this contract be in effect? I am still quoting Mr. Nixon: "Terminal 3 will be privately leased and operated for"—I was going to say at least 25 years, but no, Mr. Speaker—" a further 57 years". Not only our own generation and the next, but our children's children would have suffered as a result of this agreement. There would be fewer objections if the usual procedures had been followed. Again, I quote from Mr. Nixon's report: "The RFP having as it did only a single stage"— specifications with a single stage are not only unusual, Mr. Speaker, but also extremely disturbing—"and requiring proponents to engage in project definition as well as proposal submission and, all within a 90 day time frame".

I used to be in business, and I received government calls for tenders, and believe me, it is quite a job to read all the specifications. There are pages and pages of the stuff, and you have to read them carefully. And then, preparing a bid is also a complex undertaking. The primary concern is, of course, to make a bid that will not bankrupt the company. The price should be right, but you still have to make a profit, because if you do not make a profit, you cannot deliver. So the first thing is to make a bid at the right price and be able to make a profit.

Second, you have to make sure that your bid will be competitive with those of the other parties who are bidding, so the price has to be fine tuned to give you a good chance to get your bid accepted and win the contract.

• (1245)

You see, Mr. Speaker, when you know that there are only 90 days for something that complex, you can assume that there will not be much competition and, consequently, the price is probably not the best the public could have had. I quote Mr. Nixon again: "In summary, it is my opinion that the process to privatize and redevelop Terminals 1 and 2 at Pearson fell far short of maximizing the public interest".

All that happened under the Conservative government. Having the Liberal government cancel the deal is a good thing. However, the clause I was mentioning a moment ago, which will allow the minister to consider compensation when appropriate, is more troublesome, particularly knowing that major actors in this Pearson deal have connections with the Liberal Party.

We could mention Claridge Properties, a company belonging to Mr. Bronfman; we could mention Mr. Colbert, from Claridge, who gave a dinner for Mr. Bronfman and the Prime Minister at a $1000 a plate. I am not questioning the honesty of members and ministers of the Liberal Party, what I am saying is that there is an appearance of conflict and the only way to shed light on this affair and dispel any doubt in the eyes of the people of Canada and Quebec, is to have the public inquiry that the Bloc Quebecois and I are requesting.

Mrs. Francine Lalonde (Mercier): Mr. Speaker, this whole deal smacks of political manoeuvring and, as the Leader of the Official Opposition said, only a royal commission will get to the bottom of it once and for all.

People in Canada, and especially in Metropolitan Toronto, have the right to know the truth and to be assured that there will be no undue compensation for these contracts which seemed to favour the friends—friends in the broader sense of the word—of the parties which succeeded each other at the helm of the country.

Mr. Speaker, if the Official Opposition, the Bloc Quebecois, is asking for a royal commission, it is not to delay the work which is to take place at both airports because—let me tell you— Metropolitan Montreal knows only too well the devastating effects of uncertainty about airport development.

Allow me to highlight the devastating effects of the development of what became the two Montreal airports. I will stress how important it will be for Transport Canada and then for the Toronto Airport Authority to take over and redevelop Toronto airport because, otherwise, any future expansion at other airports, including Montreal, will be seriously limited.

But, let me remind the House that when it comes to airports, long term forecasting is very dicey. In the mid–sixties, the federal government decided to build a second airport in Montreal, Mirabel airport.

In 1967, it was projected that, by 1985, passenger traffic would be 14 million. In reality, things turned out quite differently.

In 1985, passenger traffic in both Dorval and Mirabel was only 7 million, half of what was originally expected.

• (1250)

We know how important an adequate airport infrastructure is for the development of a region. Why? Because it is the entrance

point for investors and the departure point of human and material resources going abroad. It is a considerable economic lever.

My colleague mentioned the 1987 Transport Canada study on Pearson airport which states that the direct economic impact of the airport on the province is in the order of $4 billion—that was in 1987—and that Pearson accounts directly or indirectly for 56,000 jobs. On the other hand, when adding both direct and indirect jobs and induced ones, the total number in Montreal is 48,500. Economic development involving airports stems from the carriage not only of cargo but also of passengers.

I would like to point out that Toronto had a narrow escape when the federal government decided Toronto also should have two airports at a respectable distance from one another. The second one was to be located in Pickering, but the people of Pickering protested and managed to convince the authorities not to develop this second location, but to develop a second terminal at Pearson instead—a third one was added later on, as we know—on a site easier to integrate.

Toronto had a narrow escape, but Montreal was not so lucky. In spite of all our protestations—and as we know, farming was precluded for many years on some of the best arable land in the region—two separate airports were built in Montreal, airports that together, did not achieve together the results that had been projected for just one previously. The federal government paid no attention to the wishes of the people or the airlines. It must be noted however that had rapid, direct service been provided between the two airports, things might have turned out differently. In 1975, a high–speed link had been announced; it was to cost $400 million, but the project never got off the ground.

For any number of reasons, the airport in Toronto flourished and today, it is on the way to becoming a hub airport, "hub" being, as I understand, shoptalk for a traffic exchange point, a place that both companies and passengers are interested in.

Because Montreal's two airports are poorly connected, from 1969 to 1983, the gap between Montreal and Toronto increased from 27 per cent to 116 per cent in terms of passenger carriage. That is very substantial. The adverse effects of inefficiency in Montreal impacted not only the development of the airport, but also economic development. Worse yet, the federal government delayed handing over to the municipalities, the community, in Montreal the management of their airport. It is imperative that in Toronto, the municipalities, the community, rapidly assume the management of the airports.

• (1255)

Just think that provided sufficient investments were made by the federal government both in Toronto and in Montreal, we could have two hubs: one in Toronto, with its own potential, and one in Montreal, as a point of entry for the Eastern part of the country.

I therefore conclude that we are calling for a royal commission of inquiry not because we want to slow things down—because we are all aware of the effects of uncertainty on economic development—but because we believe it is absolutely imperative that the manoeuvring surrounding the development of both terminals, as well as that of the third one, be dissolved, reversed and the only way this can be done, in our view, is not by striking a deal behind closed doors, but through a royal commission of inquiry.

[*English*]

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on the amendment to the amendment. Is it the pleasure of the House to adopt the amendment to the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the amendment to the amendment will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

And the bells having rung:

The Deputy Speaker: Pursuant to Standing Order 45(5)(a), I have been requested by the chief opposition whip to defer the division until a later time.

[*Translation*]

Accordingly, pursuant to Standing Order 45(5)(a), the division on the question now before the House stands deferred until 3 p.m. tomorrow, at which time the bells to call in the members will be sounded for not more than 15 minutes.

Mr. Gagliano: Mr. Speaker, I think you will find unanimous consent, since tomorrow is an opposition day, that for however long the bells sound at 3 p.m. tomorrow, this time be added to the debate on the opposition motion, so that opposition parties are not penalized.

The Deputy Speaker: Does the House give unanimous consent?

Some hon. members: Agreed.

[*English*]

SAHTU DENE AND METIS LAND CLAIM SETTLEMENT ACT

The House resumed from April 25 consideration of the motion that Bill C–16, an act to approve, give effect to and declare valid an agreement between Her Majesty the Queen in right of Canada and the Dene of Colville Lake, Déline, Fort Good Hope and Fort Norman and the Metis of Fort Good Hope, Fort Norman and Norman Wells, as represented by the Sahtu Tribal Council, and to make related amendments to another act, be read the second time and referred to a committee.

The Deputy Speaker: When the debate last ended, the hon. member for Cariboo—Chilcotin had six minutes remaining for debate. I do not think the hon. member is here. Accordingly the Chair will recognize the hon. member for Skeena on debate.

• (1300)

Mr. Mike Scott (Skeena): Mr. Speaker, I rise today to speak in opposition to Bill C–16, otherwise known as the Sahtu Dene and Metis comprehensive land claim agreement. Before I begin debating the terms of the agreement, I want to make an observation about the big media establishment in the country that I think badly needs to be said.

The debate on Bill C–16 began on Monday last week, April 25, with members on this side of the House speaking openly and honestly about their concerns with the agreement. This marks a precedent, the first time the old style tradition of the old line political parties not debating such issues publicly being broken.

This is because Reformers believe that we must not be afraid to talk honestly about native self–government and land claims. We cannot expect to achieve workable solutions to the challenges we face as a nation unless we engage in such debate.

Following the debate on Monday, I eagerly scanned the newspapers and watched television news broadcasts to see how the media treated this issue. Do you know what I discovered, Mr. Speaker? The press totally ignored the issue. I could not find any coverage on Bill C–16 anywhere.

Admittedly many bills pass through the House that are not very interesting or newsworthy, but this is surely not the case with Bill C–16 which will convey benefits of an enormous piece of land 50 times the size of Prince Edward Island, almost one–third the size of British Columbia, to less than 1,800 aboriginals for all time.

One would think that with all the remaining land claims yet outstanding the press would be somewhat interested in what is going on here. I know the people in my riding are and I am sure the people in British Columbia and all of Canada are. How is that an MP's expense account or the theatrics of question period can remain front page news for days and yet when we see an issue of such profound importance to all Canadians, aboriginal and non–aboriginal alike, being debated the media is asleep at the switch?

I have concluded that it is either indifference born out of laziness or a tacit agreement not to provide serious coverage on issues which challenge the Liberal left agenda that has been wholeheartedly adopted and supported by a bunch of the big media in the country.

Having said that, I would like to discuss the elements of the bill which I cannot support. As has already been pointed by many of my Reform colleagues, the Sahtu Dene and Metis agreement constitutes a massive conveyance of land and benefits to a group of less than 1,800 people, half of them children.

There is not likely to be much protest coming from non–aboriginals in the land claim area because there are so few of them. Yet the land in question is important to all Canadians. It has the potential to generate an enormous amount of wealth, jobs and tax revenue in the future. That potential will be seriously affected by this agreement.

One cannot help but be struck with the magnitude of the land transfer. Over 42 square kilometres for every adult will be conveyed fee simple. The vast majority of Canadians meanwhile own only their own property, the property that their house is on, and spend most of their working lives paying off mortgages so that hopefully they can own their land fee simple in their retirement years.

According to Statistics Canada's 1991 census, 21.5 million adults live in Canada today. If each one of these adult Canadians were to be granted 42 square kilometres of land by the government one would require a land mass of approximately one billion square kilometres to meet that conveyance.

Given that the actual total land mass of Canada is just over nine million square kilometres one would need therefore an area more than 100 times the size of Canada's total land mass to meet that obligation.

In a world which continues to experience significant population growth and where population density in many countries is measured in hundreds of human beings per each square kilometre it is impossible to reconcile this massive land grant.

I ask aboriginal people to consider this very carefully. Canada's population continues to grow. We continue to accept immigrants and refugees from all over the world to come and make their home here. While we may disagree with the current immigration levels, all Canadians and all members of the House embrace this. Immigration provides benefits not only for the newcomers to Canada but to the people already living here, much like the European migration to North America brought benefits to this land and to its original aboriginal inhabitants many years ago.

• (1305)

Admittedly colonization created much hardship and injustice for native Indians of the day as well and we recognize that as an inescapable part of our history. When I consider the land aspect of this agreement, I must conclude that at best it is 18th century thinking at a time when we are approaching the end of the 20th century.

In addition to the outright transfer of over 40,000 square kilometres of land fee simple, the federal government will pay out approximately $130 million over the next 15 years to the Sahtu Tribal Council. This equates to more than $130,000 for each adult covered under the agreement.

Again, to put this into perspective, if every adult Canadian was given the same amount of money, the government would need more than $3 trillion in the bank to write out the cheques. Three trillion dollars is more than four times Canada's total debt of $700 billion which includes federal, provincial and municipal government debt.

Furthermore, even after such a massive transfer of land and cash nothing in the agreement affects the ability of the Sahtu Dene and Metis to receive existing and future benefits under aboriginal programs. In discussions with my constituents on the land claims question, I hear a diverse range of opinions on how to resolve the issue.

The one consistent theme running through all of this is finality. People want assurance that the resolution of the land claims will entail a systematic reduction and phasing out of taxpayer funded aboriginal programs delivered by the government. This agreement does not achieve this.

I would now like to talk about the beneficiaries of the $130 million to be paid out to the Sahtu Tribal Council. Only some $3,500 will be given to individuals as one–time grants. Virtually all the benefits conferred on the Sahtu Dene and Metis under this agreement will be controlled by Indian leaders rather than distributed to individuals.

All governments, including this one, are notoriously bad managers of wealth and resources. I do not believe a majority of Canadians have any doubts about that whatsoever. If I were a rank and file Sahtu Dene or Metis, I would far prefer that I received a direct personal benefit rather than having money and land given over to the control of a tribal council.

I receive entreaties on an ongoing basis from native people living on reserves within my riding telling me of the injustices they receive at the hands of their leaders. They tell me of nepotism where band jobs and other perks go to relatives and friends of native leaders while others are shut out.

This is typically the way government functions. Look at the federal government's behaviour, if members need any convincing. It is for these reasons that I believe in the value and dignity of the individual over the collective regardless of what collective we are talking about. I am a strong advocate for settlements government to individual rather than government to government.

Incidentally I believe the reason a majority of natives voted against the Charlottetown accord is that the rank and file individuals living in aboriginal communities recognize that self–government was not necessarily in their interest but rather the narrow interests of the Indian leaders. They know that power consolidated into the hands of a few people is rarely a good thing. It has not been good for Canada in the case of our federal governments or the provincial governments. At a time when our national institutions are struggling to become more populous, to break down the barriers of arrogant, political elitism, natives in Canada are not interested in going in the other direction.

Therefore before I can support any legislation for self–government or land claim resolutions, I want to see the affected aboriginal people have an opportunity to decide by referendum whether they want self–government, and in the resolution of land claims, whether they want money and land turned over to themselves as individuals or to the band leaders.

My deepest concern over the bill is the precedent being set for future land claim negotiations. The Sahtu Dene and Metis agreement along with the Nunavut and other agreements entered into recently up north are no doubt being carefully studied by aboriginals in the rest of Canada, particularly in British Columbia.

There are now 38 land claims registered in B.C. with more to follow. The first B.C. land claim to be accepted by the federal government for negotiation is the Nisga'a claim which is within my riding of Skeena. Negotiations have been under way for some time behind closed doors and therefore in a forum where my constituents have no information as to what is on the table in terms of land and resources. When my constituents express their deep concern about being shut out of the process, they are patted condescendingly on the head and told by government officials not to worry, that their best interests are being looked out for. These are largely the same government officials who patted us on the head and told us that the Charlottetown accord was good for us and we should vote for it.

• (1310)

We can therefore understand why people in my riding are very doubtful that their interests are being protected. The Sahtu Dene and Metis agreement will only serve to heighten their concerns.

If the people of Canada had not been given an opportunity to vote on the Charlottetown accord in a referendum we would

have had it imposed on us even though a majority of Canadians and almost 70 per cent of British Columbians found it unacceptable.

It is imperative that the people in Skeena receive an opportunity to vote on a proposed land claims settlement within the riding to ensure that the settlement agreement is not imposed from the top down. In saying that, let me reassure Indian people who may be listening that Canadians are very fair minded and I am sure that any just and equitable settlement proposed will be supported.

I would like to read from a letter I have recently sent to the Minister of Indian Affairs and Northern Development which encapsulates the concerns of my constituents with respect to land claims:

Dear Minister:

As we are both aware, negotiations between the Nisga'a people of North West British Columbia, the Federal Government and the Province of B.C. are ongoing and have been for some time in an attempt to resolve the outstanding Nisga'a land claim.

The land claimed by the Nisga'a falls within my constituency of Skeena and consequently is of great concern to all people living in the riding. I have received numerous phone calls, letters, and personal entreaties from constituents who are fearful of what a land claim resolution might mean for them.

Given that the foundation of our economy in Skeena rests squarely on resource industries, fishing, forestry, and mining, and understanding that these resources are inextricably linked to the land base, this same land which is being claimed by natives, it is easy to see why people are concerned.

These ongoing land claim negotiations are taking place behind closed doors, out of the public eye, and this heightens concern, worry, and uncertainty.

I wrote to you earlier this spring on behalf of Andy Burton, Mayor of Stewart, asking that you allow a representative of this community to be appointed to the negotiating team. This request was denied.

My purpose in writing today is to request detailed, specific information which may help to re–assure my constituents.

1. What is the timetable for settlement of the Nisga'a land claim?

2. When do you expect to have an agreement in principle signed?

3. Will every Nisga'a have the right, as an individual to vote to accept or reject the agreement?

4. Will members of the Nisga'a band have the option of receiving benefits conferred under the agreement on a personal basis, that is, directly from the Government rather than to the Band Council on his/her behalf?

5. Will non–Natives in the Land Claim area have the right, as individuals, to vote to accept or reject the agreement?

6. Has your department assessed potential socio–economic impacts of a land claim settlement on surrounding non–Native communities? If so, could you provide these to me and if not will you commit to do so before signing any agreement?

7. Have you considered the potential cumulative effect that over 40 land claims could have on the B.C. economy?

8. Considering that the Nisga'a land claim is the First claim in B.C. to be negotiated and will set the floor and not the ceiling for benefits and land conveyance, will you commit to a detailed study of the above mentioned potential cumulative effect?

9. Have you considered the tax base generated by the resource industries in the claim area which provides direct benefits to all Canadians, and how this base may be affected by land claim settlements?

10. Do you intend to provide fair compensation to non–Nisga'a people who are economically injured or displaced as the result of land claim settlements? If so, can you provide details of your policy on compensation? I am not just referring to fishermen, forestry workers or miners, but also the thousands of retail, commercial, and service jobs that exist because of these industries.

11. Will regulations in place to protect and enhance renewable resources apply to resources conveyed to the Nisga'a people?

Will the Nisga'a people be entitled to ship unprocessed round logs for export? If so, what percentage of their timber is subject to this practice?

Mr. Minister, these are serious questions which my constituents need and deserve answers to and I trust that you will respond in a forthright and detailed manner to each one.

• (1315)

What I am getting at with this letter is the fact that the land claim issue is not just about aboriginal people. It is about all of us and how we will continue to function as a society both economically and politically. At the end of the day we all want and need essentially the same things regardless of our linguistic, cultural or ethnic backgrounds. We want an opportunity to live and work in a free country and within an economy that provides decent food, shelter, clothing and education for our children and allows us to enjoy the benefits of modern technology to enhance our lifestyles.

The Sahtu Dene and Metis land claim agreement is not an agreement which considers the long term interests of all Canadians, including the aboriginal peoples involved. It serves to heighten the deep concern my constituents have with the process of land claim resolutions.

Mr. Werner Schmidt (Okanagan Centre): Mr. Speaker, I appreciate the opportunity to participate in a debate that is historic and I believe precedent setting.

First, it is my belief the Liberals will pass Bill C–16 using their majority regardless of what it might mean to future generations of Canadians.

Second, my colleagues and I want to register our opposition. We believe that Bill C–16 will not create a better Canada for the Sahtu Dene and Metis or for other Canadians. It does not provide for future harmonious relationships among Canadians. My purpose this afternoon is to show why I believe this agreement will not achieve what it was designed to achieve.

The agreement will have difficulty meeting its first objective. The first objective states "to provide for the certainty of rights

to ownership and use of land and resources". It is clear that the intent of this objective is to provide certainty regarding the right of ownership to Sahtu Dene and Metis, called participants in the text of the agreement. Let us examine these rights.

It is for a very small group comprising 153 Metis, 829 Dene and 773 children for a total of 1,755 persons, slightly less than 2,000. More persons can be added to the Sahtu community in the future if the individuals are residents of the settlement area, have aboriginal ancestry and are accepted by a Sahtu community at any time in the future.

Acceptance is not defined in the agreement except that it requires a sponsor who is a participant and following that is approved by a process to be determined by the participants in the Sahtu community concerned.

What are some of the implications here? The agreement, based on the above, relates to a known group of people today. There is no clear definition of who will be affected in the future, except we know it could be any person who is sponsored by a process as yet unknown, determined by the community and solely by the community involved, so that those kinds of people will participate in the future from the benefits of this agreement. Thus it is possible that the beneficiaries of this agreement may be quite different from those with whom the agreement was reached in the first place.

The Department of Indian Affairs and Northern Development suggests that new participants will be few and therefore do not be concerned. Perhaps, but consider growing wealth and growing power as a result of the exploration and development of natural resources, gems, the need for water and the access to it. In such a case is it not reasonable to expect that more and more people would want to become participants? The pressure would be on to become participants in a Sahtu community.

• (1320)

Let us examine some of the details of the land ownership that is being talked about. There are three kinds of ownership.

There is the ownership of the settlement area which covers 280,000 square kilometres which is the equivalent of 108,200 square miles or 108,200 sections of land. That is 54 sections per participant if you use 2,000 as the number for easy figuring. That represents slightly less than one-third of the province of B.C. as my hon. colleague has just mentioned. It contains Great Bear Lake, Horton Lake, Colville Lake and a major section of the Mackenzie River valley.

The second kind of land ownership is the outright fee simple title to 41,437 square kilometres which is equivalent to 16,000 square miles or about eight sections of land per participant. To put that into acres, it is 5,120 acres.

Then there is the third kind of land ownership and that is municipal land. There are two kinds of municipal land: land which is within municipal boundaries and that which is outside municipal boundaries.

What is significant about all of this? The land outside municipal boundaries must be held by one or more Sahtu organizations. I really want to underline the phrase "shall not be conveyed to a person", but the other part is that land inside a municipal boundary may be conveyed to a person. What are the implications of this?

Sahtu land may not be mortgaged or given as security. Sahtu lands when conveyed to a person are no longer Sahtu lands. What is the observation then? Since municipal Sahtu lands may be conveyed to individuals and upon so doing cease to be Sahtu lands, they can now be mortgaged and given as security.

It does not require a great leap of logic to recognize that over time what are described as Sahtu lands within municipal boundaries may indeed be owned by persons who are not Sahtu. Preposterous, you say. All we need to do is look at what is happening and what has happened in other parts of Canada.

At this moment certain financial institutions in Canada have agreed with a certain Indian band to issue mortgages on residential development on reservation lands. If it has happened once, chances are it can happen again. Indeed chances are that it will happen again. That is particularly true if huge profits appear likely.

A further example consists of the problems surrounding certificates of ownership. These are certificates of ownership of Indian reservation land by natives on those reserves having such provisions.

In years past it is my understanding that has not been the Indian way. No individual shall own reservation land, yet it happened. They said: "But it is not selfish in the way the land is transferred". It is my observation that it is clearly known these transfers are fraught with delays, inaccuracies and transfers from one person to another. In some cases they have even been proven to be fraudulent. Will it happen here? I do not know and neither does this government. However the provision to allow it to happen is there. Therefore the stated objective to provide certainty and clarity of rights to ownership and use of land resources is anything but providing certainty of ownership by Sahtu Dene and Metis.

Let us look a little closer at the municipal boundaries. Section 23.2.1 delineates the boundaries of municipal lands. The agreement provides that these boundaries may be changed. The provisions are particularly relevant. They state in part:

> Where there is any change to the extent or location of Sahtu municipal lands pursuant to this agreement, schedules XV and XVI shall be amended to reflect this change and such changes—

I quote and directly underline:

—shall not be considered to be an amendment to the agreement.

Schedules XV and XVI describe the Sahtu municipal lands, schedule XV the surveyed lands and schedule XVI the unsurveyed municipal lands.

This list of municipal lands includes Déline, Fort Norman, Norman Wells, Colville Lake and Fort Good Hope. These names are significant to anyone associated with oil and gas and natural resources exploration.

• (1325)

It is my contention that not nearly adequate attention has been given to the possible future development in this region of Canada, particularly in reference to the implications of the provisions found in this agreement on such future developments in the region.

I believe that while the agreement clarifies some matters, it confuses others.

This agreement also is entrenched in the Constitution. The agreement states very clearly: "This treaty, which when given effect by Parliament in settlement legislation"—and that would be Bill C–16—"will be recognized as a land claims agreement under the Constitution Act, 1982".

That means once this agreement has been given effect it can only be amended by resorting to the appropriate part of the amending formula set out in the Constitution Act, 1982. There are six different ways of amending the Constitution. It brings into question which amending formula would apply. According to one constitutional expert:

> When the amending formula was designed, no thought was given to devising a formula for amending a constitutionalized land claim agreement between an Indian band and the federal Government of Canada. Section 43 of the amending formula comes closest in that it deals with a constitutional change that affects only one province. In those circumstances an amendment is brought about by resolutions of the Parliament of Canada and the legislature of the particular province involved. But this provision does not really fit either because the Sahtu Dene and Metis collectively is simply not a province. Nor do the territories qualify as provinces for the purposes of the amending formula.
>
> The result of all this may well be that resort might have to be made to section 41 which is described as the general amending formula. If a given amendment does not come within the more specific parts of the amending formula—

I suggest that is probably the case here.

> —then section 41 is the only amending formula that would be available in this case. The congruity of that would be that section 41 not only requires a resolution of Parliament but also a resolution of at least seven provincial legislatures. This is inappropriate in the circumstances because the provinces are of course not involved or directly affected by this land claim agreement. Nonetheless, proper constitutional amendment permits no shortcuts or extemporaneous solutions.

Some may observe that the agreement is not the Constitution. It only provides for constitutional protection. If constitutional protection is to mean anything at all then it requires that amendments to this agreement be governed by the appropriate provisions of the Constitution.

Even if we could find ways around the kinds of things we have talked about until now, there remains the question of whether there is judicial support for such claims in the first place.

Chief Justice Allan McEachern in the Gitksan case rejected such claims and went on to say that a summary of Canadian case law was conclusively against the plaintiff's claims for sovereignty of ownership. Is it right for the government to proceed, indeed to accelerate land claim settlements of this kind when the latest word from the courts is that there is no legal basis for such claims?

With an area as large as 50 times the size of Prince Edward Island, which is a province, surely it is almost as if a new province was being created. The Constitution provides that the establishment of new provinces requires the approval of all existing provinces as well as Parliament. This requirement is being bypassed by Bill C–16.

To establish a region that is to be governed under a new set of laws and to convey to a defined group of Canadians known as Sahtu Dene and Metis outright fee simple ownership of 41,000 square kilometres of land is to de facto establish a geographic and political region of Canada that in many respects is like establishing a new province. In my opinion any and all provisions of the Constitution Act, 1982, that apply to the creation of new provinces should apply in this case also.

Some may argue that I am opposed to any settlement or agreement with the Sahtu Dene and Metis regarding land. That would be folly in the extreme and a deliberate misinterpretation of my remarks. It is necessary for all Canadians to be fair minded. That includes recognizing grievances put forward by people such as the Sahtu Dene and Metis and to provide for their redress.

• (1330)

I support that. My contention is that Bill C–16 does not meet its own objectives to clarify and provide for the certainty of land ownership, needlessly complicates administration, costs too much and makes any future amendments a matter of constitutional amendment.

There is a final question. Will this agreement provide for greater Canadian unity and help clarify how Canadians want to government themselves? To answer that question requires answers to three prior questions. First, will giving land and money provide for the harmonious relationships between members of the Sahtu Dene and Metis communities? The answer is no.

Second, will the settlement of land claims bring about recognition, understanding and acceptance of the respective values,

social morals, religious beliefs and decision making processes either among participants or between participants and other Canadians? Again the answer is no.

Third, will creating another bureaucracy of boards, either above or below or within the bureaucracy that currently exists for the administration of the Department of Indian Affairs and Northern Development make governing this land more effective? Again the answer is no.

Since in my opinion the answers to these questions are all negative, how can we justify completing the agreement by passing Bill C–16? I submit what this Parliament should be doing is building a stronger, more united and more globally competitive Canada. I submit to the House and to all Canadians that passage of Bill C–16 will drive wedges between Canadians by creating political power fiefdoms that are economically inefficient, perhaps even unsound and administrative nightmares.

Passage of the bill creates an environment of competing powers that will feed selfish interests to the exclusion of the interests of others. It will create competition where co–operation should exist. Just think of our interprovincial trade barriers that exist in Canada today. Finally, it will make Canada increasingly non–competitive in the global marketplace.

In conclusion, we need to settle and redress grievances of native Canadians. We must agree that the agreement that is the subject of Bill C–16 will not do those things.

I ask all members of the House to defeat Bill C–16 and find an agreement that will redress and solve the grievances that exist between us and the Sahtu Dene and Metis people.

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, I am pleased today to address the House in relation to Bill C–16. This agreement was signed on September 6, 1993 and tabled in the House on March 10, 1994.

I know the Sahtu Dene and Metis overwhelmingly supported the bill in a ratification vote. It appears that they are more than satisfied with this settlement. However I believe we would be negligent, as parties in the past have been, if we did not address some of the problems contained within Bill C–16.

Certainly my colleagues and I in the Reform Party are willing to obtain concepts of aboriginal self–determination, but only in situations in which aboriginals will clearly come to a position of self–sufficiency within the Canadian society. Unfortunately Bill C–16 does not address this situation.

Bill C–16 in fact calls for more bureaucracy, huge settlement moneys, continued DIAND programs and extensive future negotiations on self–government. The bureaucracy which will be spawned by Bill C–16 is in a word overwhelming.

• (1335)

There will be seven new boards, panels and councils established to manage the resources of 2,200 people. These new entities will have representatives from the Sahtu Dene, the Metis and the government itself.

One wonders why aboriginal representatives could not be incorporated into existing DIAND boards which manage the resources in the settlement area. The agreement, Bill C–16, appears to propagate bureaucracy in so far as it overlaps existing regulatory boards and threatens to turn a very small population into a community of regulatory bureaucrats.

The potential for bureaucratic havoc in this new regime appears to be very serious, and this is something we want to address. We must take the resource management arrangements in this settlement as something that will set a benchmark for future and existing management agreements in other areas.

As all members can appreciate the resources governed by these boards will traverse a wide area. Accordingly matters concerning wildlife or water would affect a number of distinct settlement areas all sharing in these resources and all having their own regulatory regime, a formula for bureaucratic havoc.

Moreover, the various regions may have different attitudes as to how to deal with a particular problem. Certainly that they have exclusive rights over the resources in their area, claims of mismanagement arising from governments or neighbouring bands may be difficult to establish and address.

In short, there is a huge potential for an interbureaucratic tangle among the various boards in the various settlement areas. The government's position with respect to the decisions of these boards is very unclear and may contribute to the bureaucratic bog already created under the agreement.

The new boards, the territorial government and the federal government will all have input into the process of resource management. The new bureaucracy in Bill C–16 will be responsible to, and I quote the minister, "as the context requires". This could be a minister of the Government of Canada or a minister of the Government of the Northwest Territories.

Aboriginal boards, ministries of the Northwest Territories and ministries of the Government of Canada will all grapple with and decide on such issues as transport, the environment and natural resources. Moreover, bureaucracies within settlement areas and bureaucracies within various levels of government will all vie for the ability to regulate in their respective fields.

The net effect of this bureaucratic web is increased cost, increased confusion and increased time to enact any necessary measures. Further, we must consider the potential harmful

effects of all this regulation and consultation, the effect it may have on future economic development in the country.

Under Bill C–16 companies that may wish to develop subservice resources would have to consult with this bureaucracy, would have to consult with the Sahtu tribal council on such matters as environmental impact and Sahtu employment opportunities. I would suggest that this new extensive bureaucratic structure that is bound to be set up, is destined to be set up under Bill C–16, and the processes established in this agreement may discourage many firms from investing in that region.

In all we create an enormous bureaucracy with a small economic base to support it. This bureaucracy and the control that goes with it are far from this government's notion of self–government. Despite the large settlement area, despite compensation to the tune of $130 million, despite regulatory authority, and despite royalties derived from gas and oil production the Liberals are committed still to the establishment of self–government for the Sahtu as stated in appendix B of this agreement.

An inability to define the term inherent self–government seems to in no way deter the government from undertaking negotiations to implement it.

• (1340)

This voluminous, complicated, expensive agreement is simply the introduction to a more voluminous, more complex, more expensive round of negotiations on self–government. I believe it is our duty to question what type of structure this new level of government will take, what will be its duties and powers.

Is self–government even appropriate for a population of 2,200, of whom some 982 are adults? Does the federal government recognize the time and cost involved in separate self–government negotiations with every native band in Canada as it is committed to? Will the government continue to deny the reality of the situation as it has in not believing that a definition of self–government is necessary before negotiations start to take place?

The government has no definition of aboriginal self–government and yet is prepared to embark on this journey without a map. The government will not be able to sweep this one under the rug. Provisions in this agreement and future self–government negotiations will hit Canadians where they will feel it the most: in their pocketbooks.

Since 1990 the budget of the Department of Indian Affairs and Northern Development has increased approximately $400 million a year, the largest increase of any of the ministerial budgets. In 1994–95 DIAND will spend some $5 billion, of which 68 per cent or $3.38 billion are grants and contributions to band and tribal councils, a process which the Auditor General himself criticized in 1991 as faulty since the department could not ascertain whether the funds were used for the purposes intended or managed with due regard to the economy, to efficiency and to effectiveness.

Despite this agreement, despite Bill C–16, it is clear that the Sahtu Dene and the Metis will continue to have access to every DIAND program that is currently offered. This is in addition to the settlement terms of this agreement.

This agreement and the parameters for negotiations on self–government do not address the spiralling inefficient expenditures of DIAND. The government does not address the issue of financial self–sufficiency for the Sahtu. As it now appears future self–government negotiations will do very little to assist aboriginals out from under their continuing dependency on DIAND.

By not addressing the issue of self–sufficiency it seems to me that self–government will simply represent a different instrument for the dispersal of government funds to aboriginals. I would suggest the taxpayer can no longer afford DIAND's huge and inefficient expenditures and I would suggest that aboriginals as well no longer wish to live in the dependency of a federal department.

Bill C–16 does not deal clearly with this issue. The bottom line is that this agreement creates more bureaucracy and thereby more expenditures for DIAND. Furthermore, since this settlement does not concern itself with aboriginal self–sufficiency and since the beneficiaries of this agreement are entitled to all benefits continuing derived from DIAND's programs, agreements such as this will simply push this country further into debt.

I believe it is time to settle all land claims as quickly and as fairly as possible. However, with consideration as to the current financial state of Canada I believe that these claims, every claim, must be settled with an eye to removing aboriginal dependency on government funding. I would apply the same criteria to any negotiations surrounding self–government. Otherwise DIAND simply will become a larger sinkhole for government funds.

We do not need agreements such as this one guaranteeing government funding well into the future. We need a strategy that will break the cycle of dependency. That is what the Canadian people want. That is what the aboriginal people want. I look forward to the day when aboriginals stand as economic equals with all other Canadians. Unfortunately agreements which create more bureaucracy and more expenditures will only exacerbate the dependency that these aboriginals have on the federal government.

• (1345)

This settlement is just one such agreement and I therefore must opposite it.

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):

[Editor's Note: Member spoke in Inuktitut.]

[*English*]

It is obvious listening to the hon. member that he really does not support any aboriginal self–determination and does not really understand the nature of what the Sahtu Dene and Metis are trying to do through this agreement.

For the last couple of hundred years the aboriginal people in those land claims have been at the receiving end of the generosity of a different group of people who did not have the understanding that they were dealing with a totally different culture when they were dealing with aboriginal people in the country.

It is obvious from his remarks that this hon. member does not understand nor does he want to understand what the aboriginal people want.

It is all very fine to say: "Well, it would be very nice for the aboriginal people in that area to have economic self–sufficiency". It is years of being under a system like the Department of Indian Affairs and Northern Development that has created that so–called dependency which we would not necessarily have to be dealing with today if so–called well meaning bureaucrats had decided that these people were much better off making their own decisions and the bureaucrats implementing those decisions for those aboriginal people.

I would like to ask the hon. member this question. Has he ever met with the Sahtu Dene and Metis and has he discussed at length the concerns of the Sahtu Dene and Metis? Has he discussed at length the concept of self–government with the Sahtu Dene and Metis? What is his understanding of the inherent right of self–government as we understand it? If he is that much in support of economic self–sufficiency, does he agree that the aboriginal people's inherent right of self government should be recognized? If so, how would he see that recognition through the House of Commons?

Mr. Harris: Mr. Speaker, in reply to the hon. member opposite, unfortunately what I have just heard is the standard answer when someone dares to criticize aboriginal programs. That standard answer is: "You simply don't understand the aboriginal people".

I live in an area of British Columbia where there are many aboriginal people. I have talked extensively with many of them and I have listened to their concerns. The one concern they have is they want to break this dependency on the federal government. They want to be able to provide for their own self–sufficiency.

• (1350)

This is a good direction to go but Bill C–16, as I stated earlier, does not break the dependency. It only provides an obligation for continued dependency on the federal government.

I believe that any agreement the federal government enters into with aboriginal people respecting settlements or land claims must lead to an ending of continued federal government funding. The aboriginal people must be permitted to enter into an economic base for themselves that will create self–sufficiency.

The member opposite asked about my definition of inherent right to self–government. My understanding is inherent right to self–government means that it always existed and is answerable to no other authority. I consider every inhabitant of the country a Canadian. We have a federal government, provincial governments and municipal governments. My vision of self–government for the aboriginal people is that they get to a position where they are Canadians within the existing federal, provincial and municipal laws.

I do not support new governments being established within my country that would operate outside the established laws to which every other Canadian is obligated.

The Deputy Speaker: There are still about two or three minutes left in questions or comments.

Mr. Anawak: Mr. Speaker, the hon. member does not understand. I did not ask a standard question. That may be what he thinks if he gets a question from somebody who is not of that culture. I asked those questions from the intimate knowledge of what I am talking about. That is why I asked the questions, not because I read it in some magazine or some newspaper. I asked them from the point of view that I know what I am talking about. That is precisely why I asked those questions.

As far as self–government is concerned I do not think the hon. member has an understanding of the aboriginal people who want to have the opportunity to exercise that inherent right of self–government.

I would also ask the member how many aboriginal people and from what particular area in British Columbia area are saying to him that they have great concerns and, if so, would he be prepared to say that this particular group opposes those things that we are attempting to do as a government? I find it very hard to believe that a large group of aboriginal people would be saying that whatever we are trying to do is contrary to the wishes of the aboriginal people in Canada.

Mr. Harris: Mr. Speaker, I said in my earlier statement that the response that we do not understand the aboriginal people or their concerns is a standard response when someone dares to criticize any form of agreement or any form of structure that is proposed within the aboriginal and federal government negotiations.

Perhaps the hon. member is right. Perhaps I do not understand or possess the intimate knowledge of the aboriginal people that he may have. That is probably quite natural, seeing that I am not an aboriginal person. What I do understand is this. The government and even the aboriginal people themselves have no clear definition of what the outcome of aboriginal self–government would be.

• (1355)

We have asked that question in British Columbia. It has been asked in almost every province. It has been asked in the House. I asked it of the Minister of Indian Affairs and Northern Development and he had no answer to that question. That is the gist of what this is all about today. This agreement will provide for an immediate settlement of sorts but still opens the door for further extensive, complex negotiations of aboriginal self–government. There is no clear map. There is no clear direction. There is no clear agenda for where these negotiations will go or what they will end up with.

That is like starting a journey in a totally unknown territory and hoping you get to where you are going.

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, I see that two o'clock will arrive before I will have finished so I will continue until you shut me down.

I want to thank you, Mr. Speaker, for the opportunity to participate in the debate on Bill C–16. As do many of my colleagues, I have a particular interest in the proposed legislation. During my career I have had opportunity to work directly with native people as a labour foreman on a hydroelectric project in the territories, as an ombudsman for the Alberta region of the department of Indian affairs under Harold Cardinal and as a business consultant.

I have seen the problems of these people firsthand and therefore I speak from experience if not empathy for the plight of these people.

The Dogrib Indians of the territories I found to be some of the hardest working and capable individuals I have ever worked with. They were more than willing to work under adverse conditions of weather and isolation when the jobs were available. However the opportunity to work is not always there and when this occurs these willing and capable people are unemployed.

I was appointed ombudsman by Harold Cardinal who was regional director general for the department of Indian affairs in Alberta. Mr. Cardinal was a prominent aboriginal leader in Canada and president of the Alberta Indian Association for a number of years.

In this position I dealt with many of the concerns and complaints of the Indian people. As a consultant I have received many complaints from band members across western Canada accusing their band council leaders of corruption and expending funds improperly. Seldom if ever did the department of Indian affairs look into these complaints.

Therefore, like many Canadians I want to see Canada's aboriginal peoples given the opportunity to become economically and politically independent. I want to see their dependency on the taxpayer ended. If an agreement provides these ingredients it should be supported. If not it should not be supported.

This agreement fails to meet these requirements and therefore I cannot give Bill C–16 my support. The Sahtu land settlement area covers 280,000 square kilometres with a population of approximately 1,700 people. I am prepared to support this part of the agreement, although extremely generous, because it is clear that these people must have a land base from which they can draw resources in order to become economically independent and self–reliant.

When we compare this to the land base of P.E.I. and Nova Scotia which have much larger populations, it is evident that the land base requirement for self–reliance is adequately provided for in the Sahtu nation in this agreement. In addition, this agreement provides not only for subsurface resource rights but for royalties on resources presently developed within the Mackenzie River valley.

These aspects of the agreement are essential for future economic self–reliance of the Sahtu nation. I submit that a strong, economically self–reliant Sahtu nation will be a benefit to all Canadians. This agreement also provides for a transfer of funds from the Canadian taxpayer amounting to—

The Speaker: I note that the hon. member still has approximately 15 minutes to speak. The hon. member will be given the floor as soon as we resume debate.

It being 2 p.m. pursuant to Standing Order 35 the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

OZONE LAYER

Hon. Charles Caccia (Davenport): Mr. Speaker, the latest figures from Environment Canada on the ozone layer are disturbing. Measurements of the atmosphere above Toronto shows the ozone layer was 7 per cent to 9 per cent thinner in April than it should be. Approximately the same situation was reported for Montreal and Vancouver. The ozone layer filters ultraviolet rays from the sun, as we know. These rays can cause skin cancer, cataracts and possibly immune system damage.

The layer has been eroded by chlorine from chlorofluorocarbons used in air conditioners, refrigerators and some electronic and plastic industries. With 3 per cent less ozone that normal forecasted for this coming summer, it is important that Canadians, particularly children and young ones, protect their skin and eyes from harmful ultraviolet sun rays.

The message therefore is clear: Protect your health by protecting yourself from the sun.

* * *

[*Translation*]

INTERNATIONAL WORKERS DAY

Mr. Jean–Paul Marchand (Québec–Est): Despite the inclement weather, over 30,000 men and women gathered in Montreal and in Quebec City on International Workers Day, also known as May Day, to express their disappointment over the federal government's lack of genuine job creation policies and to denounce the erosion in social protection and equity.

The distress call was sounded clearly yesterday. The federal government should focus its efforts on restoring hope by implementing a real job creation policy, instead of imposing social program reforms which could very likely mortgage the future of many Quebecers and Canadians.

The members of the Bloc Quebecois join with workers in Quebec and in Canada in expressing the hope that the federal government will finally hear this distress call.

* * *

[*English*]

SOUTH AFRICA

Mr. Keith Martin (Esquimalt—Juan de Fuca): Mr. Speaker, it gives me great pleasure to congratulate the people of South Africa in holding the first free elections in the history of their country, thereby eliminating 350 years of oppression.

Best wishes must also go to Nelson Mandela and the ANC as they are poised to take over the reins of power and guide their country through a minefield of troubles.

I implore our country to help to achieve a prosperous society for all. For South Africa can be the economic giant that drives the whole southern half of the content. To let it fall would commit this region to decades of civil strife and destitution.

I hope the leaders of the new South Africa and perhaps we in our country can learn from the gross mistakes of other countries on that continent.

Special status for one group over another and affirmative action are discriminatory and only create divisions in the society. But equal status for all and preferential status for none is a bond—

The Speaker: The hon. member for Mississauga East.

S. O. 31

CANADIAN BROADCASTING CORPORATION

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, Canadians are proud of the international recognition the CBC has so deservedly received of late.

[*Translation*]

I am delighted to pay tribute today to the English CBC TV network, which has just won the prestigious "Rose d'argent" at the Montreux festival in Switzerland.

[*English*]

The CBC has won the Rose d'argent for its fine production of "Kurt Browning—You Must Remember This".

[*Translation*]

It was also announced at a press conference last week that Radio–Canada had won the most prestigious prize at the Banff Television Festival. This prize, which was awarded for the first time to a Canadian broadcaster, honours the overall achievements and especially the quality of serial dramas on the French television network of our public broadcaster. Congratulations!

* * *

[*English*]

INTERNATIONAL CHILDREN'S GAMES

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, on June 16–19, 1994 Hamilton will play host to the International Children's Games, the first time in its 25 year history that these games have been held outside Europe.

The participation age 11 to 15 is ideal for the children to learn the values of competition and fair play and to appreciate the cultures of other countries. The theme of the games "Tomorrow's Dreams" symbolizes the aspirations of all young athletes to develop into tomorrow's future leaders.

Hamilton is understandably proud and excited to be hosting this special event, and we look forward to making these the best International Children's Games ever. To date we have 38 confirmed cities from around the world with a total of 750 children participating, 150 from Canada alone.

All those who have been working to prepare these games are to be congratulated. Hamilton looks forward to giving the youth of the world an opportunity to participate in a multi–sport event in a spirit of friendship and competition.

* * *

● (1405)

[*Translation*]

CULTURAL MINORITIES

Mr. Alfonso Gagliano (Saint–Léonard): Mr. Speaker, finally the truth is out: a Quebec government led by the Parti

Quebecois will not protect cultural minorities in an independent Quebec. The party's vice–president, Bernard Landry, confirmed on the weekend that his party rejects the idea of multiculturalism and wants minorities to integrate into Quebec's melting pot.

In a speech before the council of citizens of Haitian descent, the PQ's vice–president also stressed that Quebec's public and common culture is that of Quebecers. It is obvious that the Parti Quebecois has no desire to honour its commitment to the various minorities in Quebec society.

Now we just have to find out whether or not the Bloc Quebecois agrees with Mr. Landry's comments. If the BQ agrees with him, it should say so; if not, it should denounce him!

* * *

SOUTH AFRICAN ELECTIONS

Mrs. Christiane Gagnon (Quebec): Mr. Speaker, the first free elections in South Africa were held last week, allowing millions of blacks to vote for the first time in their lives. After so many years of apartheid and repression, this striking victory of democracy shows the courage and determination of those who fought for equality for all South Africans.

By clearly rejecting the political parties calling for violence and vengeance, South African voters turned the page on a dark chapter in their history to embrace a democratic and peaceful future. This rejection of violence brings hope to all Africans.

On behalf of all members of this House, I congratulate the newly elected representatives of South Africa on their victory and their determination.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

Mr. Ted White (North Vancouver): Mr. Speaker, I often receive letters from constituents who are frustrated by certain aspects of the UI system because they do not understand the limits of their coverage.

Most complaints are about restrictions on training or the taking of temporary jobs that beneficiaries felt would have improved their chances of finding more permanent work.

Anyone who insures a home or a car receives a written policy which lists entitlements, deductions and restrictions. A lot of misunderstandings and frustration could be avoided for workers if a similar document was available which listed entitlements and deductions for the UI system.

I urge the minister to produce a printed insurance policy for UI which could be posted in places of work or supplied to workers when they begin paying UI premiums. This could lead in time to a range of UI policies being available at different premium levels which would better meet workers' needs and would introduce some flexibility into the UI system.

* * *

MRS. MARGARET MCCAIN

Mr. Harold Culbert (Carleton—Charlotte): Mr. Speaker, it is with great pride that I rise in the House today to extend congratulations to a distinguished and worthy citizen from Carleton—Charlotte constituency, Mrs. Margaret McCain, who was recently appointed Lieutenant–Governor of my home province, New Brunswick.

After many years of dedicated service to several provincial and Canadian organizations, Mrs. McCain of Florenceville, New Brunswick, the mother of four grown children, will become the first woman Lieutenant–Governor of the beautiful picture province.

I know you will want to join with me on behalf of all members of the House to extend our heartfelt congratulations and best wishes for a successful tenure to Margaret McCain, New Brunswick's new Lieutenant Governor, and to offer our thanks to His Excellency Gilbert Finn for a job well done.

* * *

FISHERIES

Mr. Joe McGuire (Egmont): Mr. Speaker, last week the Minister of Fisheries and Oceans announced measures that will return over 500 frozen licences to groundfish fishermen who have demonstrated a long–term attachment to the industry. Over 200 of these restored licences belonged to fishermen in the province of Prince Edward Island.

This whole sorry mess was the result of an arbitrary decision by the previous "no–Tory–us" government. Sad to say it is only one of such messes in the fishery that we have inherited.

I want to commend the minister, not only for correcting this injustice but also for the establishment of a consultative process which in this case involved 11 different fishing organizations.

Even though it is a very difficult period in the Atlantic fishery, this type of co–operation between the minister and the stakeholders in the industry will go a long way toward alleviating pain and anguish while the industry is being restructured.

This new spirit of co–operation and negotiation bodes well both for redefining the concept of professional fishermen and for establishing the framework of the fishery of the future.

In conjunction with the sentiments expressed by the P.E.I. Fisherman's Association, I once again commend the minister for his work in resolving this situation.

• (1410)

[*Translation*]

NATIONAL FOREST WEEK

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, I wish to point out to the House that we are celebrating National Forest Week this week.

Forests are our greatest natural resource and contribute more than anything else to our balance of trade. From coast to coast, the forest industry provides some 800,000 jobs, directly and indirectly.

[*English*]

Our forest industries provide the economic foundation of some 350 Canadian cities and towns. The people who live in these forest dependent communities know the value of forests, the vital role they play in their lives and the critical need to ensure that our forests remain healthy and flourish into the future so that future generations will enjoy the same benefits in terms of employment, recreation, and a healthy environment.

[*Translation*]

Canada is an exception among forested countries because over 90 per cent of our forests are majority–owned by the people. The forests belong to us. It is up to us to take care of them.

* * *

HIGH SPEED TRAIN

Mr. François Langlois (Bellechasse): Mr. Speaker, last Wednesday, the Prime Minister mocked the Bloc Quebecois's proposal to go ahead with building a high speed train between Quebec City and Windsor. According to the Prime Minister, it would be hard for a high speed train to have to stop at the border of a sovereign Quebec.

Perhaps the Prime Minister has never taken the Amtrak train between New York and Montreal. If he had, he would have realized that the train does not stop at the Canada–U.S. border. For the Prime Minister's information, planes do not stop at the borders of sovereign countries either. In fact, the Bloc Quebecois does not see why it would not be the same for a high–speed train between Quebec and Ontario.

If some people wanted to build walls around a sovereign Quebec, it would certainly not be Quebecers themselves. Quebecers seem to be more aware than the Prime Minister that the future development of nations depends on openness to the world. Let us stop this demagogy and discuss rationally the real issues for Quebec and Canada.

[*English*]

AIDS

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, picture a virus that attacks a baby's brain, destroying any ability to crawl, to walk, to speak. Imagine a virus that can kill a child before its second birthday, the body completely overrun by infection. There is no vaccine, no cure for this virus and babies can get it in the most tragic way: from their mothers.

White heterosexual females are the fastest growing demographic group to fall victim to AIDS. Many do not know that they have the disease. In fact they even believe this could not possibly happen to them.

Reported pediatric cases of AIDS have been rising steadily since the early 1980s. The latest statistics show that 93 children have been diagnosed with AIDS in Canada. Sixty–three of them have already died.

In Quebec one out of 80 pregnant women has AIDS. Experts agree that the only way to curtail the rise in pediatric AIDS is to prevent transmission of the disease to women.

I urge the government to support aggressive public education campaigns, including women focused efforts. AIDS in children is a problem that will not easily disappear.

* * *

[*Translation*]

RWANDA

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, the world's worst tragedy is currently taking place in Rwanda. In a country of about five million people, 100,000 are reported dead so far, while 250,000 have taken refuge in Tanzania or Burundi.

A call for action is necessary and urgent. The UN forces were reduced from 2,000 to less than 300. The bishop of South Africa, Edmund Tutu, made a plea for help, asking for the return of UN forces to Rwanda, to implement a ceasefire and help a population subjected to unprecedented violence.

* * *

[*English*]

YOUNG OFFENDERS ACT

Mr. John Nunziata (York South—Weston): Mr. Speaker, yesterday 16–year old Marwan Harb was brutally murdered in Hull, just across the river. Mr. Harb was the second cousin of our colleague from Ottawa Centre.

Speaker's Ruling

The Harb murder is the latest in a series of violent crimes committed by young offenders. The Young Offenders Act is crying out for change. It is in desperate need of reform.

Earlier today we had the opportunity to discuss the Young Offenders Act in Parliament. Regrettably the Bloc Quebecois denied unanimous consent to have the subject matter of the bill referred to committee.

● (1415)

I would encourage and urge the Bloc Quebecois and all members and the government to immediately address that very serious issue. I would urge the government to immediately introduce a bill amending the Young Offenders Act and to assure Canadians that a bill is passed—

Some hon. members: Hear, hear.

* * *

PRIVILEGE

COMMENTS DURING QUESTION PERIOD—SPEAKER'S RULING

The Speaker: I am ready to deliver my decision on two questions of privilege which were brought up on Thursday. The reason I am giving my decision now before the start of Question Period is that it could impact on Question Period itself.

I will add whatever time it takes for me to read my decision to the end of Question Period today.

As I said, I am now ready to render my decision concerning the question of privilege raised by the hon. Minister of Foreign Affairs on Thursday, April 28 following Question Period. I will also respond to the point of order raised by the hon. member for Roberval at the same time.

[*Translation*]

The minister has indicated that his privileges were breached when, in the preamble to certain questions, statements were made that he was unwilling to answer some questions that had been addressed to him. Such comments could give a poor impression of his work as a minister and a member.

We must always bear in mind the basic principles that govern Question Period. These principles have been eloquently summarized in the past by Speakers Jerome and Bosley, and the highlights of their statements can be found in citations 409 and 410 of the 6th edition of Beauchesne.

One of these principles is that the Opposition is free to ask questions of any minister but only if these questions fall within the administrative responsibility of the government. However, according to citation 410, paragraph 16, in the 6th edition of Beauchesne:

> Ministers may be questioned only in relation to current portfolios.

I would like to remind this House of the remarks of Speaker Lamoureux on this subject on October 16, 1968, which were reported at page 133 of the House of Commons *Journals*:

> —a minister may be asked questions relating to a department for which he has ministerial responsibility or acting ministerial responsibility, but a minister cannot be asked, nor can he answer questions in another capacity, such as being responsible for a province, or part of a province or, again, as spokesman for a racial or religious group.

[*English*]

These remarks, which were referred to by Speaker Bosley in his statement of February 24, 1986, today apply more than ever and should be followed as strictly as possible by the members when addressing questions to a minister. As the members will recall, during Question Period on Thursday I had to redirect certain questions to the ministers who were responsible for them.

[*Translation*]

This is also why I found the question of the hon. member for Portneuf unacceptable. Furthermore, on rereading the *Debates*, I must acknowledge that the questions and comments by the hon. member for Roberval to the Minister of Foreign Affairs and those by the hon. member for Laurier—Sainte–Marie to the Minister of Finance were not only incorrect, but totally unacceptable acording to our rules.

The Speaker accordingly recognizes the merits of the arguments raised by the Minister of Foreign Affairs. I must, however, state that what is involved here is not *prima facie* a question of privilege, but rather a point of order.

Finally, to answer the question raised by the hon. member for Roberval, as to whether ministers may be questioned on a public statement unrelated to their departmental responsibilities, I reiterate the principle that a minister may be questioned during Oral Question Period on matters directly related to areas affecting his department. The member is incorrect in claiming that a minister of the government may be questioned on any comment he may have made. The precedents and the parliamentary practice are very clear on this point: a member may not question a minister concerning a public statement that is not directly related to his department.

[*English*]

In closing, I would like to add that since the beginning of this Parliament the exchanges during question period have been interesting and lively and in the overwhelming majority of cases marked by the respect that we owe to ourselves and to this House. I am certain that we can continue along this path.

I thank the hon. Minister of Foreign Affairs and the hon. member for Roberval for the clarity and conciseness of their interventions and I hope that these comments will be of use to them and may also serve as a guide to all members as well.

It is now 20 minutes past the hour. This Question Period will last until 3.05 p.m.

ORAL QUESTION PERIOD

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

Mr. Michel Gauthier (Roberval): Mr. Speaker, the Prime Minister appointed the Minister of Finance as the minister responsible for Quebec's regional economic development. However, because of his personal economic interests, which we do not criticize him for but which exist, the finance minister's room to manoeuvre is significantly reduced on several issues of importance to Quebec's economic future.

Does the Prime Minister admit that his finance minister's room to manoeuvre is extremely reduced on several economic issues of major importance to Quebec since he cannot, as he himself acknowledged, deal with the high speed train, the Magdalen Islands ferry, the multifunctional smart ship or, in large part, the conversion of defence industry to civilian uses? Does the Prime Minister admit that Quebec is thus poorly served?

Right Hon. Jean Chrétien (Prime Minister): Absolutely not, Mr. Speaker. We have ministers responsible for every portfolio and if there are cases where the Minister of Finance cannot get involved for the reasons we all know, well, the Prime Minister comes from Quebec and he can intervene. However, the Minister of Transport or other ministers consider the issues and report back when it is time to do so. Everyone knows how competent the Minister of Finance is and, considering the responsibilities we have given him, he could not do any better.

Mr. Michel Gauthier (Roberval): Mr. Speaker, if the Prime Minister has seen fit to appoint ministers responsible for Western Economic Diversification, the Atlantic provinces' development and Quebec's development, I imagine he had good reasons to do so.

Are we to understand from what the Prime Minister just said that every time the minister he entrusted with Quebec's economic issues cannot get involved, the Prime Minister will take over his portfolio and intervene as the minister responsible for Quebec should?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, this may occur in one or two areas, especially in transportation matters, for the reasons we all know, but these issues are well known by all the ministers and by the Prime Minister.

In this as in most cases, the Minister of Transport is kept abreast of developments so Quebec's interests are never minimized at any time because the Minister of Finance, who must also deal with the rest of the regional development portfolio, happens to be the minister responsible. On the contrary, I think the hon. member should rise and say, "We are very lucky that the Minister of Finance comes from Quebec".

Mr. Michel Gauthier (Roberval): Mr. Speaker, will the Prime Minister admit that the Minister of Finance is in a very bad position, under these circumstances, to intervene on behalf of the MIL Davie shipyard in Lauzon for the Magdalen Islands ferry, while his colleague in Transport, who is directly involved in the decision, and the minister responsible for development in the Atlantic provinces have all the freedom required to intervene on behalf of a shipyard in their region, in their province?

• (1425)

Is Quebec not at a disadvantage since, unfortunately in this issue, the official spokesman has his hands tied, unlike his colleagues?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, it is necessary to really understand the objectives and purpose of the Federal Office of Regional Development for Quebec.

As I announced three weeks ago and as the Minister of Human Resources Development announced regarding the Western Diversification Fund in the west, we in the Federal Office really intend to emphasize small and medium–sized business.

In Quebec, we who are really the heirs of the Quiet Revolution and the entrepreneurial revolution know very well that Quebec's economic future is in our hands, in our small and medium–sized businesses, and as the federal government, we intend to encourage this dynamism; Mr. Speaker, I can assure you that there is no conflict of interest between the Minister of Finance, the minister responsible for the Federal Office and Quebec entrepreneurs.

Mr. Gilles Duceppe (Laurier—Sainte–Marie): Mr. Speaker, my question is directed to the Minister of Finance who is also responsible for regional development.

The future of the largest private employer in the Quebec City region is in serious jeopardy. It is riding, basically, on two decisions to be made by the federal government: one concerning the project to build a ferry for the Magdalen Islands and the other concerning the project to develop a multipurpose ship called a smart ship.

Does the minister responsible for regional development in Quebec recognize that the future of the MIL Davie shipyards basically depends on the decision the federal government will make in these two matters and does he recognize at the same time that he cannot intervene directly to protect the interests of MIL Davie in these two very important matters?

Hon. John Manley (Minister of Industry): Mr. Speaker, as the hon. member knows very well I believe, we have just received a draft of a comprehensive business plan for MIL Davie. Our officials are presently reviewing this plan and, when a decision is made with the stockholder who has the greatest share of responsibility for MIL Davie, we may have an opportunity to give it some advice on the company. We are perfectly aware of the major role of this company in the Quebec City region.

Mr. Gilles Duceppe (Laurier—Sainte–Marie): My question is for the Prime Minister. Mr. Speaker, does the Prime Minister not agree that the very fact the Minister of Finance is incapable of answering this question in the House clearly shows the difficulty he has carrying out his functions as minister responsible for regional development in Quebec, given he is incapable of intervening in favour of MIL Davie in cabinet, while his colleagues from Transport and Public works will be able to defend without any restrictions the interests of shipyards in the Maritimes?

[*English*]

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, it is very clear to me that in the case of the prairies the file is the responsibility of the Minister of Transport. We are following and I am following personally this file.

I believe the interests of everyone concerned are very well protected. The mandate that has been given to the Minister of Finance does not mean he is responsible for the Minister of Transport. We have a very good Minister of Transport who is looking into this need and what is required for transportation. He has to look at all the alternatives and the costs and the decision will be made in due course.

In the case of the chantiers maritimes, we have ministers responsible. The office that is under the responsibility of the Minister of Finance has nothing to do with MIL–Davie or transportation or defence. It has to do with small and medium sized businesses. The minister is doing an excellent job helping them.

* * *

INCOME TAX

Mr. Jim Silye (Calgary Centre): Mr. Speaker, my question is for the Prime Minister.

Last night many Canadians stayed awake to do their income tax returns.

An hon. member: The hockey game.

Mr. Silye: No, it was not to watch the hockey game. Canadians were sorting through their T1s, T1CTBs, their T778s, their T4s and T5s. Frankly, today there are lot of teed–off Canadians out there.

• (1430)

Every year Canadians spend countless millions of dollars on accountants and lawyers to have their income tax returns prepared. The 2,091 page Income Tax Act is an unmitigated mess of rules and regulations and is screaming for reform, as are many Canadians.

When will the Prime Minister instruct his ministers and mandarins to simplify the income tax system to reflect equity, efficiency and effectiveness and thereby reduce the tax burden on Canadians?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, it is very evident that the hon. member of Parliament read the red book.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, tomorrow's supply motion will be on this very subject. I hope the Prime Minister takes the time to listen to some of the comments by members of this House.

Currently tax freedom day is July 7. That is how long Canadians have to work to pay their share of the costs of this government's red book plan.

I ask the Prime Minister, when can Canadians expect to pay less in taxes in a current year than they did the year before?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, Canadians will be in that position the minute all Canadians who want to work find jobs. That is the best way to reduce the tax burden. However when 11.6 per cent of the people are unemployed such as the situation we faced when we were elected, we asked how we could rectify that.

The easy answer is to have programs that will create jobs. However, I note every time we want to have a program to create jobs the Reform Party is opposed to it.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, the income tax system is so complicated that the revenue department is the largest employer in the public service with over 35,000 employees at a cost of $1.8 billion. That is a workforce larger than the town of Shawinigan.

I ask the Prime Minister, has the government calculated how many billions of dollars it could save in government administration costs and how much individual taxpayers could save in tax preparation charges by introducing a fair and integrated system of taxation?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, that is why we have committees of the House of Commons looking into that. The Minister of Finance is looking into it all the time also.

I noted in the debate on the budget and when there was a rumour something might be changed that very often the Reform members were opposed to it. Sometimes people are afraid of too many changes.

We are trying to change the GST and replace it with a fair system of taxation. I am very confident the committee will come out with a report next month so that the Minister of Finance will be in a position to study the recommendations of the House of Commons. This is a very complex system that people want to get rid of. I know the Reform Party wants to keep the very complex system of GST. One of the statements made by the leader of that party was that they love the GST. We hate it and we will kill it.

* * *

[*Translation*]

RWANDA

Mr. Philippe Paré (Louis–Hébert): Mr. Speaker, my question is directed to the Minister for Foreign Affairs. The civil war continues in Rwanda, where an estimated 200,000 people have been killed. Negotiations for a ceasefire have reached a deadlock.

Friday, the UN Secretary–General urged the security council to consider the use of force to put an end to the massacre of thousands of innocent people, even if this would mean bringing in more–UN peacekeepers.

According to a news bulletin this morning, the Minister of National Defence is hesitant to support this proposal by the UN Secretary–General. Could the Minister for Foreign Affairs indicate whether Canada intends to support this proposal?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, it is clear that the slaughter which continues in Rwanda cannot be tolerated by countries that have had development aid programs in Rwanda.

Canada is among those countries who are trying, within the United Nations or the Organization for African Unity, to find ways to make these factions who are killing each other today see reason.

• (1435)

I can inform the hon. member that preliminary talks which took place at the United Nations have not been successful, and that is why we feel that perhaps another forum, the OAU for instance, might be in a better position to start a conciliation process and persuade the parties to stop killing each other. Any proposals to that effect will certainly be supported by Canada.

Mr. Philippe Paré (Louis–Hébert): Mr. Speaker, considering the increasing number of Rwandan refugees who are fleeing the civil war and 30 years of close ties between Quebec and Rwanda, does the minister intend to increase the humanitarian aid he announced previously?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, as the hon. member is aware, the Canadian International Development Agency has donated $1 million for emergency aid, and we have also donated $2 million to the International Red Cross to help save lives and help the wounded in that country. It is not much, considering the extent of the slaughter. Canada, in co–operation with other countries, is trying to determine what kind of humanitarian aid should be sent immediately.

Obviously, as long as the fighting and the carnage continues, it is extremely difficult to bring in humanitarian aid and ensure it reaches those who need it. Nevertheless, Canada and other countries will continue to look for ways to go and help these people who have been left to fend for themselves.

* * *

[*English*]

JUSTICE

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, my question is for the Minister of Justice.

The minister is on record as stating that he fundamentally disagrees with the proposition that there is a crisis in confidence in the Canadian system of justice. He has also stated he thinks the justice system works well and that it is fundamentally sound. Today it is reported that the minister has been selective in the use of his statistics to back up these claims.

Does the minister truly believe that a 61 per cent increase in violent crimes over the past 10 years does not constitute a crisis in Canada's criminal justice system?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, let me say first that I do not think any useful purpose is served by a protracted debate about the numbers. The fact is any amount of crime in Canada is too much. The justice system could always be improved and we are working hard to achieve that.

On the subject of the numbers and the statistics, let me point out to the hon. member that the statistics reported today in one of the newspapers on this very subject involve numbers going back to 1962. While that is interesting what is perhaps of more relevance to today's purpose are the more recent statistics.

Since 1977, in the last 16 years during which numbers have been kept, homicides are up only 4 per cent. Those are the statistical facts from the same source referred to in the newspaper this morning.

Reference is made to violent crime. However in many of those statistics if you look behind the initial number, violence often includes such things as schoolyard shoving and slapping by

young offenders, behaviours which were not charged in the days before the statute but now are and form part of the statistics.

I say to the hon. member that any amount of crime is too much. I insist that we keep this issue in perspective and I repeat that the justice system on the whole is in very good shape.

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, it is also reported that since the death penalty was last used in 1962, and granted it is a figure used in 1962, the murder rate in Canada has more than doubled.

Is the minister going to attempt to convince Canadians there is no crisis in the justice system by using selective statistics? Or is the government prepared to introduce the necessary legislation to ensure the protection of society?

• (1440)

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have dealt with the point about the statistics. The more recent numbers over the last 16 years are far more reliable and meaningful. Let us put aside the question of numbers and get to the root of this issue.

I know the hon. member and I are of the same mind on one issue. That is that we have to improve the justice system in order to diminish crimes of serious violence. We have to do that by making the laws more effective and by attacking the underlying causes of crime.

I know as we introduce measures in the weeks ahead on those subjects in this House that we can count upon the hon. member and her party to support us in that cause.

* * *

[*Translation*]

ATLANTIC FISHERIES

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Minister of Human Resources Development. Opposition is mounting to the adjustment strategy for Atlantic fishermen. According to a report in today's newspaper, a spokesperson for Newfoundland fishery workers has rejected the minister's proposal which would have each fishery worker sign an individual contract committing him or her to undergoing training or doing community work in exchange for benefits.

Will the minister concede that his proposal for individual contracts is being roundly criticized and has raised some legitimate concerns and consequently, is he prepared to negotiate collective agreements with the unions, as is being recommended to him by the spokesperson for the fishery workers?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, first let me point out that the comments or quotes used by the hon. member are not exactly what the head of the fishermen's union has said. He said they had some questions about the nature of it.

I would like to point out to the hon. member there are already a number of programs that we offer in which there is an agreement about participation by the person who takes a benefit from human resources. For example on the question of training, one is expected to have certain obligations on their side.

We are trying to apply a principle of mutual responsibility in this area. This subject was extensively discussed with members of the fishermen's union beginning last February. They had plenty of opportunity to conduct and to exchange points of view on this matter. In fact, during the course of those discussions there was no objection raised.

[*Translation*]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, this morning's newspaper quotes the spokesperson as saying:

[*English*]

"We don't sign individual agreements; we sign collective agreements".

[*Translation*]

Surely the minister has read these comments.

Will the minister not agree that, after going over the heads of the provinces, it would, at the very least, be in his best interests to secure the co–operation of the unions representing fishery workers and will he undertake, therefore, to meet with the unions before proceeding to sign any individual contracts?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, let me first point out to the hon. member that this agreement we arrived at in the Atlantic fisheries did not go over the heads of the provinces. It was extensively discussed with each province involved and they were in agreement with the program. That is a fact.

Second, we discussed all these matters with the unions. Every union was involved in extensive consultations. When the minister of fisheries and I announced the program we said if there were any problems or concerns with the evolution of the agreement we would be glad to sit down with them and work those problems out.

Once again, the hon. member is trying to misstate exactly what went on. The fact is that this program is based on very

extensive and broad consultations with all the parties involved and the parties are very satisfied with the agreement.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

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

The latest media report suggests that President Clinton has now publicly taken the side of the American farmers in the durum wheat dispute. Given that the United States' own international trade commission has scoffed at the unsupported allegations of unfair Canadian trade practices, will the Prime Minister personally contact President Clinton? Will he ask him to rise above domestic politics and take a leadership role in the interest of free trade?

• (1445)

Right Hon. Jean Chrétien (Prime Minister): I did that a week ago with President Clinton, so the question is a bit late.

Mr. Charlie Penson (Peace River): Mr. Speaker, I have a supplemental.

Can the Prime Minister outline for the House what steps he is going to personally take to assure that this trade war does not spread and threaten to become a full fledged trade war world–wide?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have done what is possible to be done.

The Minister of Agriculture has strongly made the point since January to his U.S. counterpart. The Minister for International Trade did that with his counterpart as well. I mentioned the matter two or three times to President Clinton. We hope that reason will prevail. We are selling wheat there because wheat produced by Canadian farmers in many instances is better.

Senator Bradley for example argued last week that it was not a good move for them to try to stop our durum wheat. He recognized that durum wheat produced in Canada is much better for making pasta. I was pleased to see an American senator use the argument I made a month ago.

* * *

[*Translation*]

FUTUROPOLIS

Mr. Michel Daviault (Ahuntsic): Mr. Speaker, my question is for the Minister of Industry.

The city of Montreal is planning a project named Futuropolis, which would be located in the technopark. The first phase of this project could require investments of up to $225 million within the next three years and attract some 200 companies involved with information highway technologies. The SODIM, the agency responsible for industrial development in Montreal, is committed to investing $200,000 in a feasibility study, provided the federal and Quebec do the same.

Does the Minister of Industry, responsible for the information highway, intend to give a favourable answer to the city of Montreal regarding the financing of a feasibility study on the Futuropolis project?

Hon. John Manley (Minister of Industry): Mr. Speaker, I would be glad to receive and study a proposal from the city of Montreal. Up to now, our commitment to finance the information highway has been limited to supporting the CANARIE project establishing networks across Canada to form the basis of the electronic highway.

Moreover, as the member knows, we are in the process of drafting regulations regarding the electronic highway.

Mr. Michel Daviault (Ahuntsic): Mr. Speaker, the minister seems somewhat caught off guard by this project; he should make inquiries on Futuropolis, a project which could certainly allow Montreal and Quebec companies to take advantage of potential spin–offs and could even become a major element of the information highway development.

* * *

[*English*]

SOUTH AFRICA

Mr. Sarkis Assadourian (Don Valley North): Mr. Speaker, Martin Luther King, one of the most prominent figures of the century, once said: "I have a dream". Today that dream is directed to South Africa and they are free again.

My question is for the Minister of Foreign Affairs. Can the minister indicate to this House what, if any, programs he is prepared to implement to help South Africa on its path to democratic and economic reform in the years to come?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I think that all members of this House will rejoice at the outcome of the very peaceful, well run election in South Africa.

Clearly we are very happy at having been associated with those who organized this election. Canada contributed to the preparations for the campaign. Number two at Elections Canada, Mr. Gould, was sent there and was part of the team which organized the elections. Certainly he has done a magnificent job along with the others who were responsible for this election.

I would like to say that any new Canadian initiatives will first have to be discussed with the new government. Certainly the Secretary of State for Africa upon returning Canada will convene a meeting of representatives of NGOs, associations, groups and individuals who would like to discuss what kind of aid Canada should be giving in the future to South Africa.

• (1450)

Following these consultations, certainly we will be in a position to make statements in this House in this regard.

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MICHAEL LAWRENCE DRAKE

Mr. Werner Schmidt (Okanagan Centre): Mr. Speaker, my question is for the Minister of Justice and concerns the extradition of Michael Lawrence Drake.

In March 1992, Drake was charged with molesting a two and a half–year old girl in Washington. While awaiting trial, Drake jumped bail and fled to Canada. In June 1992, an American court found Drake guilty of sexual assault in absentia. Last week, Drake was released on bail by Canadian officials pending an extradition hearing before the B.C. Supreme Court.

Why did Canadian officials release Drake into the community when he has already been convicted of sexual abuse of a child and when he has already proven his willingness to jump bail in the United States?

The Speaker: These questions that are posed many times are so specific that I do not know that all ministers or any ministers can have a complete grasp of specific cases. Perhaps there would be another venue where the member could get that information. However, I will permit the Minister of Justice to address himself to this case generally, if he has the information.

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the issue is now one of extradition as the hon. member has said.

As such, it will first go to the court with respect to the issue of a warrant of committal and then eventually it will come to me, if that is the process followed. It is open to the person in question to apply to the Minister of Justice eventually no matter what the outcome of the court proceeding. If the person is committed then the minister can intervene under the statute.

I do not propose to comment on the substance or the merits of the extradition procedure. The member's question goes to the issue of detention and the person being in the community during the pending of the proceeding. I will be happy to make inquiries about what happened with respect to that matter and respond factually to the member when I get that information.

Mr. Werner Schmidt (Okanagan Centre): Mr. Speaker, I really appreciate the forthrightness of the answer of the minister. It is indeed the matter of detaining an individual who was convicted this way and puts into jeopardy the young children in our communities.

I really urge the minister to answer this question. When will we stop hiding behind the law and put the protection of children first?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, that is indeed a much more general question.

Let me say that in all cases where people are accused of serious crime, including sexual interference with children, it is a question for the court in accordance with the bail provisions in the code whether such persons are released pending trial, and indeed following trial, pending sentence or an appeal from sentence.

All I can say to the hon. member is that I am confident that crown attorneys across the country exercise their judgment responsibly and that courts in each case consider the safety of the community in determining whether bail should be granted either in the event of trial or afterward.

* * *

[*Translation*]

LOBBYING

Mr. Richard Bélisle (La Prairie): Mr. Speaker, in its red book, the Liberal Party stated nice principles regarding the need to monitor the activities of lobbyists, in the best interest of the federal administration. Yet, six months after the election, the Liberals have become silent on this issue. Somehow, they seem to have distanced themselves from the policies which they were advocating before the election.

How can the Prime Minister explain his hesitation to table a bill on lobbyists, considering that his stated intentions during the election campaign seemed very clear on that issue?

• (1455)

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have made a commitment and we intend to fulfill it. Right now, I am trying to find the right person for the job. I would like to know that person very well, so that he can participate in the drafting of the bill.

As I said, once we find that person, I will consult with the leader of the Opposition and the leader of the Reform Party before making the appointment, because it is only appropriate to inform them of that choice. I hope that we can proceed before the summer recess, which means very soon.

Mr. Richard Bélisle (La Prairie): Mr. Speaker, almost four months after the throne speech, the government has still not appointed an ethics counsellor, as promised by the Prime Minister during the election campaign.

When will the Prime Minister appoint the counsellor who of be responsible for this ethical issue and for the enforcing of the law?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, as far as I know, our mandate is for five years. We have fulfilled many commitments made in the red book. I hope the hon. member will take a look at page 111; he will be surprised. Indeed, we have fulfilled our promises regarding the helicopter contract, the infrastructure program, job creation for young

people, as well as other initiatives. We are not done yet with that particular commitment. Obviously, we cannot do everything within a four month session. However, things are going very well. That problem will be solved to everyone's satisfaction—I hope—before Parliament recesses for the summer, in exactly seven weeks.

* * *

[*English*]

APPLE GROWERS

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, my question is for the Minister of National Revenue.

The minister has been asked several times by Canadian apple growers to immediately stop the dumping of U.S. apples into Canada. As usual the government talks a good game but also as usual nothing concrete comes of it. The best the government has come up with is for the growers to start anti–dumping action through the Canadian International Trade Tribunal which will take at least five months before damage is halted. These growers are being hurt by this dumping today.

Will the minister take action now to stop this destruction of the apple industry in Canada?

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, I thank the hon. member for his question.

I have met with representatives of the apple growers on two occasions, not just the apple growers in British Columbia but elsewhere in the country. The member failed to point out that the reason we face this problem is because the Canadian apple growers lost a case earlier. The result of this is that they must now show actual damage before we can again take up the case and come to what we hope will be a successful conclusion.

It is important for the member and the House to recognize that to rush in before we have adequate facts to prove our case, having lost the first case, would be extremely unwise. Therefore we are working with the apple growers to develop the best possible case so that the next time we go forward we will not in fact lose as we have before.

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, the Minister of National Revenue will recall that at a recent Chamber of Commerce meeting in Penticton he expressed concerns for the apple producers of Canada. He will also recall that he stated that once proof of damage was supplied to his department, immediate action would take place. I remind the minister that that information was supplied early in April by the fruit growers.

Can the minister please tell this House today when Canadians will see his government take action?

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, once again the hon. member is certainly correct in his premise. I and all members of this government are very concerned about the plight of Canadian fruit growers, particularly apple growers, faced with the American competition that is flooding across the border. He is also correct in stating that we will proceed as soon as we believe we have a case that can be won.

I ask the hon. member as I asked him on a previous occasion, in Kelowna, whether he wishes us to take the risk of a second loss or whether he would like to make sure that we have our case in hand and a case that can be won before we go to an international trade tribunal.

* * *

• (1500)

OVERSEAS EMPLOYMENT TAX CREDIT

Mr. Bernie Collins (Souris—Moose Mountain): Mr. Speaker, certain members opposite have stated that the Minister of National Revenue is retroactively disallowing the overseas employment tax credit to certain Canadians.

On page 3564 of *Hansard* the member for Calgary West stated: "This is a shameful way for the Minister of National Revenue to accomplish his goal of closing so–called tax loopholes".

What assurances can the minister offer us that he is not making retroactive tax grabs?

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, I thank the hon. member for Souris—Moose Mountain for his question which allows me to state unequivocally that there have been absolutely no legislative changes, retroactive or otherwise, to the overseas employment tax credit.

The statement he quoted by another member is in fact incorrect. This credit was introduced to make Canadian companies more competitive when bidding on foreign contacts. The object is to ensure that Canadian companies bidding on foreign contracts have every incentive to hire Canadians and provide jobs to this country. It was never intended to give anyone a tax holiday because they happen to work for a foreign parented corporation with a branch in this country.

What is happening is that there is a disallowance of ineligible tax credit claims and a normal reassessment in accordance with the law.

* * *

[*Translation*]

NATIONAL DEFENCE

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, lands used by the armed forces, that is the bases, the training sites and

the ranges, are likely to be contaminated by specific substances relating to military uses, which is affecting the quality of our environment.

My question is for the Minister of Defence. Can the minister tell us whether his department has a specific policy dealing with military land decontamination?

[*English*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I am very glad that the hon. member has raised this question because he states the problem accurately.

As the Department of National Defence extricates itself from certain facilities across the country where there have been target practices there is considerable environmental damage. In the case of Ipperwash we are discussing the cleanup procedure with the natives who have claim in the area and we will be spending a lot of money trying to bring that particular site back to its original form.

We also have a problem in Calgary. We moved the Lord Strathconas to Edmonton. One of the reasons was to get off the native lands there but there will be some cleanup that will have to be done.

We did make an announcement a couple of weeks ago in the expansion of the supply depot in Montreal for a $26 million state of the art cleanup of the soil contaminated in Montreal because this government is totally committed to proper care of our environment.

[*Translation*]

Mr. Jean-Marc Jacob (Charlesbourg): Mr. Speaker, I wish to thank the minister for his answer. I would like the minister to inform us about the number and the type of interventions that are being made necessary by the cleanup of military lands on Canadian territory. And I would also like the minister to table, if possible, the policy on environmental protection for military lands.

[*English*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I will certainly make available to the hon. member all kinds of information on how the department follows this cleanup to ensure that we leave the land environmentally safe.

In effect I think we have demonstrated by the previous answer that we have an ongoing program of trying to ensure that any lands the department has used over the years that have been contaminated are returned to their original state.

JUSTICE

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, my question is for the Prime Minister. The figures released last week by Elections Canada proved once again big spenders cannot buy Canadian voters.

Now that the Charlottetown accord outcome has been reinforced by these results will the government save tax dollars and drop its appeal of the gag law?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I am replying as government House leader.

This issue is an important one and because it is important I think it deserves to be tested in the courts.

I understand the hon. member's concerns. I will review this matter with the Minister of Justice but I continue to believe there is an important issue to be dealt with.

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, this has already been tested in one court but the important question is has the government estimated the cost to taxpayers involved in this appeal and if so will it table these figures?

• (1505)

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I will ask the Minister of Justice to look into that.

I ask the hon. member and other members of this House to consider the cost to the Canadian economy and to the Canadian population generally if it is possible for wealthy groups to influence the election unduly and not be under the same kinds of constraints as political parties. This is an issue that deserves to be considered.

I do not know why the hon. member does not want to have that done if he is concerned about democracy in this country.

* * *

THE ENVIRONMENT

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, during the budget speech the Minister of Finance said the government is committed to sustainable development. The minister went on to say that the government is establishing a task force to identify barriers and disincentives to sound environmental practice.

I would like to ask the Minister of the Environment what the status of this task force is.

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment): Mr. Speaker, our government is committed to sustainable development. Both the Minister of the Environment and the Minister of

Finance have committed themselves to set up this task force on sustainable development as soon as possible.

As a first step they have directed both their ministries to make it a priority. As a second step a meeting will be convened of all the interested stakeholders to discuss terms of reference, following which this task force will be set up.

* * *

[*Translation*]

PRESENCE IN GALLERY

The Speaker: Colleagues, I wish to draw your attention to the presence in our gallery of Juan Manuel Eguiagaray Ucelay, Minister of Industry and Energy of Spain.

Some hon. members: Hear, hear.

* * *

POINT OF ORDER

REQUEST FOR CLARIFICATION OF SPEAKER'S RULING

Mr. Michel Gauthier (Roberval): Mr. Speaker, earlier, you handed down a ruling which I accept and respect and which we will abide by in the future, but I would appreciate some additional explanations.

The Speaker: Order, please. I reread all the exchanges which took place, and my decision was reached after spending an entire weekend considering the issue.

If the hon. member would like further information, first of all, I would ask him to read my ruling, and if he has any questions he would like to ask me in my chambers or perhaps would like to ask the Clerk, he is welcome to do so, but the point has been made and the Chair's decision stands.

Is this the only point the hon. member wishes to make?

Mr. Gauthier (Roberval): Mr. Speaker, it is not my intention to question your ruling. Not at all. I simply said first of all that we respected this ruling, but it will lead to your making another decision, and that is what I wanted to say, if you are prepared to entertain the following question.

You said in your ruling, which we accept, that a minister could answer only on a subject related to his jurisdiction. You added that the minister should not answer questions which do not relate to his jurisdiction.

I would appreciate it if you would analyse the implications of the following. If your ruling is respected from now on by everyone in this House, does that mean that when we question a minister within his field of competence while referring to a statement made by one of his colleagues, does that mean that the colleague who is quoted will not have the right to answer the question?

In other words, for practical purposes, if I cannot ask a minister about a statement he made concerning the Department of Finance and he does not have the right to reply, does this mean that if I put my question to the Minister of Finance on a statement made by his colleague, the minister who is quoted would not have the right to rise in the House and the Minister of Finance would have to answer my question? That is what I would like to know, because there are implications for the ruling you just made, because usually, if we quote a minister's colleague, often the colleague will rise to justify what he said. Now you said in your ruling that he does not have the right to do that.

• (1510)

The Speaker: Order! Hon. members can put questions to the Speaker at any time, but these are hypothetical questions. If there is anything arising from what we discuss here in Parliament, and if a member, any member, has any questions about what happened in the House, I would be glad to provide some answers. However, if they are hypothetical questions, I think the Chair should consider whether an answer is necessary. I would like to leave this for the time being. Any other questions?

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

IMMIGRATION

Mr. Maurice Godin (Châteauguay): Mr. Speaker, I have the honour to table a petition which has been certified correct according to our Standing Orders. It is signed by over 1,130 people in support of the request of the Garda family, of Châteauguay, for political refugee status.

These two people belong to the Hungarian minority in Rumania where, as such, they would be threatened and persecuted.

People in the Châteauguay riding do not want another Maraloï case. They want the minister to really meet the needs, within a reasonable timeframe, of all refugees, especially political refugees, who seek to be integrated into our North American society.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, I ask that all the questions be allowed to stand.

The Deputy Speaker: Shall all the questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SAHTU DENE AND METIS LAND CLAIM SETTLEMENT ACT

The House resumed consideration of the motion that Bill C–16, an act to approve, give effect to and declare valid an agreement between Her Majesty the Queen in right of Canada and the Dene of Coville Lake, Déline, Fort Good Hope and Fort Norman and the Metis of Fort Good Hope, Fort Norman and Norman Wells, as represented by the Sahtu Tribal Council, and to make related ammendments to another Act, be read the second time and referred to a committee.

The Deputy Speaker: The hon. member for Crowfoot had the floor before Question Period. I believe he has 15 minutes left in his speech.

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, continuing with my speech on Bill C–16, I submit that a strong, economically self–reliant Sahtu nation will be a benefit to all Canadians.

This agreement also provides for a transfer of funds from the Canadian taxpayer amounting to $130 million over the next 15 years. This amounts to over $8 million a year. These funds are apparently designated for areas such as education, training and heritage preservation.

I am sure that Canadians would support this transfer of tax dollars for these purposes as well as the allocation of the land involved. However, I do not believe that the Canadian people will support these articles of the agreement unless there is a clear indication that the financial dependency on the taxpayer will end some time in the future.

This agreement provides no such assurance. In fact, it is clear from the agreement that the Sahtu's right to receive benefits from existing or future aboriginal programs will continue, therefore continuing the dependency which this government contends will be extinguished by this agreement. This defeats the purpose of the agreement itself.

• (1515)

In this connection I would like to comment on an article in the *Globe and Mail*. According to a March 29, 1994 report the federal government has spent more than $50 million on self–government negotiations with native groups over the past seven years, yet it has produced only one agreement. About 400 native communities have entered self–government talks but most have abandoned the process because it is long, bureaucratic, limited and legalistic.

According to the *Globe and Mail*, this was the finding of a federal audit. The audit apparently described a host of weaknesses in the federal policy for negotiating self–government deals at the community level and concluded that the process is long, cumbersome and expensive.

Federal payments to native groups for the negotiations jumped by 500 per cent since the process began in the 1986–87 fiscal year. The department of Indian affairs has given $30 million to aboriginal groups for the talks and has spent a further $20 million on internal operating costs.

The department has spent $50 million creating a cottage industry around these negotiations, where lawyers and political leaders are the only ones who benefit while the deplorable living conditions of the individual aboriginal person has not changed as a result of the expenditure of these funds.

I suggest the weaknesses evident in the Sahtu agreement are a reflection of the flawed negotiation process identified by the federal audit. The interests of the Canadian taxpayer are not protected in the agreement.

Within the agreement the means exist by which the Sahtu nation can continue to demand that the federal government tax the wealth of Canadians for their use, in spite of the enormous land mass assigned to these people, the significant resource royalties agreed to and the multimillion dollar cash settlement provided.

This is neither fair to the Sahtu nation nor the Canadian taxpayer. It is unfair to the taxpayer because there is no end to the financial support demanded and unfair to the Sahtu people because it does not end their dependency on the Canadian taxpayer and therefore is not a formula for self–reliance.

A final area of concern to many Canadians is that this agreement creates entitlements and rights based on race and ethnic origin and will be as racist a document as is the Indian Act. The agreement will create special status for the Sahtu nation based on race and destroys the principle of equality of citizenship in that all Canadians ought to stand equal before the law.

This does not bode well for the future unity of our country. I believe the intolerable conditions faced by aboriginal people is due to the fact that for many years they did not have equal rights in Canada. They were discriminated against at all levels of society. Their language, religion and culture were suppressed. Job opportunities were non–existent for the majority of aboriginal people.

In order to correct the situation we must ensure they stand equal before the law. If we grant them special status, harmony and unity will not be the result.

While the rest of the world, including South Africa, is bringing the barriers down between races and ethnic groups, we are in the process of erecting them through agreements such as this. We saw it in the Meech Lake accord, the Charlottetown accord and we are seeing it again in this agreement. People are being granted special rights and privileges based on race and ethnic origin.

These rights and privileges are being paid for by the Canadian taxpayer. The formula cannot succeed in a multicultural society such as Canada. We must ensure that all Canadians stand equal before the law regardless of race, language, culture or religion.

This may be the greatest failing of the Sahtu agreement. It grants special rights based on race and ethnic origin and in doing so destroys the principle of equality of citizenship in Canada.

The Deputy Speaker: Members should know that we have now passed the five hour point in the debate, so we now go to 10 minutes speeches and no questions or comments, starting with the member who is about to be recognized. The hon. member for Peace River.

Mr. Charlie Penson (Peace River): Mr. Speaker, I live in one of those large northern ridings where there are many reserves and Metis settlements.

I am very concerned about the precedent the government is setting with this overly generous settlement. I support the concept of self–sufficiency and self–reliance inherent in the successful land claim settlement process. In no way do I argue with the principle.

• (1520)

However I encourage the government to dismantle the department of Indian affairs and let the people involved conduct their own affairs. This approach develops responsibility and places decision–making in the hands of those most directly involved.

Let us deal with the magnitude of the settlement. Seventeen hundred and fifty–five people will be receiving a financial package of $130 million, including interest. The land being handed over is equivalent to eight square miles per person.

I will put this into perspective. When my forefathers came to Canada in 1869, over 100 years ago, they received 210 acres of farmland in the Muskoka Lakes area for a family of nine people. By comparison each person, not each family, receives a settlement of 5,120 acres. With this kind of generosity I do not think there is any doubt how these 1,755 people will be voting in the future.

My own farm operation in northwestern Alberta, one that my wife and I have built up over 30 years, involves 1,280 acres, two sections of farmland. Compare this to eight sections per person in the settlement. I know a lot of farmers who would not mind finding out that their land was being claimed as a settlement and getting a payout under this generous rate.

Let us not forget that the original treaty agreement called for each person to receive just 120 acres, about 5,000 acres less than is now being proposed.

In addition to the more than generous settlement of land and money, the people involved will still enjoy their aboriginal status and still have access to all present and future aboriginal programs, as well as access to resource development.

My colleagues have spoken about the very great potential for resource development in the area. The agreement allows the Sahtu to have shared resource revenue resulting from development, something which most Canadians do not enjoy.

In conclusion, it is clear that the government is setting a very bad precedent, one it will be pressured into meeting in future claims. We all know a lot of land claim settlements need to be resolved in the future. I think this one is a very bad precedent indeed. It comes at a time when our country is staggering under a burdensome debt. We cannot afford this kind of settlement.

I suggest we send the bill back to the drawing board. The government can do better. It must do better.

Mr. Darrel Stinson (Okanagan—Shuswap): Mr. Speaker, I rise today to oppose the rubber stamping of this massive, open–ended and precedent setting agreement with the people of the Great Bear Lake in the Northwest Territories called the Sahtu Dene and Metis comprehensive land claim agreement.

First let me state that I am strongly in favour of prompt settlement of native land claims, as well as encouragement toward self–government on a tribe by tribe basis.

Why then would I oppose Bill C–16? It is for the following reasons. First, because the agreement is a blank cheque, a giveaway, of non–renewable natural resources plus resource royalties which belong to all the people of Canada.

Second, instead of simply protecting aboriginal rights and providing a municipal type ownership of major settlement areas, this is a massive transfer of land in fee simple ownership to a very tiny percentage of our national population.

Third, it is a complex, open–ended agreement with a number of provisions no sensible person should sign regarding his own personal affairs, let alone the affairs of the nation.

Regarding resources, the sparsely settled basin of the Mackenzie River today largely remains a unexplored and underdeveloped treasure trove. Although an oil glutted Canada turned down the Mackenzie Valley pipeline in 1977 and passed a 10–year moratorium, future developments and future needs of a resource starved nation may yet see us looking toward this region as a major transportation corridor, with the addition to tugs, freight barges and native fishing boats plying a river whose volume of fresh water is surpassed in Canada only by the St. Lawrence.

• (1525)

The Mackenzie basin's largely unknown mineral resources nevertheless have inspired the mining rushes of Yellowknife, the Great Bear Lake and the Canol project for oil and gas.

Government policies today are seriously injuring a once mighty mining industry, but a wiser future government might once again see thousands of jobs in resource development in the Mackenzie basin whose already known riches include Yellowknife's gold and possibly diamonds, Uranium City and Echo Bay's uranium, the tungsten of Flat River and Faro's lead and zinc, in addition to the petroleum of Norman Wells and the Athabasca tar sands.

As a miner and prospector, I challenge the Minister of Indian Affairs and Northern Development and the Minister of Natural Resources to tell the people of Canada how many millions of dollars in non–renewable resource wealth this agreement gives away forever by ceding mineral rights to 1,800 square kilometres of a mineral rich Mackenzie basin to the 982 adults and 773 children of the Sahtu Dene and Metis.

In addition to 15 annual cash payments of between $3.8 million and $9.6 million in 1990 dollars; in addition to a percentage of oil and gas royalties received by the government within the settlement area and including the Norman Wells oil field operated by Esso; these two ministers are prepared to hand the 982 adults and 733 children a blank cheque for mineral resources.

I would be intrigued to learn when in aboriginal history oil and gas and other mineral exploration development became an aboriginal right.

My second objection to Bill C–16 is that the agreement takes away from common ownership by all the people of Canada, an area larger than the combined land mass of Vancouver Island plus the Fraser Valley plus the Okanagan Valley where I live and hand this entire area over in fee simple ownership once again to 982 adults and 733 children.

As I stated, I am strongly in favour of settling native land claims promptly and encouraging our aboriginal people to move toward self–government on a tribe by tribe basis. I would have no objection to an agreement recognizing special rights of the Sahtu Dene and Metis to such renewable resources as hunting and fishing as carried on in native communities prior to colonial contact.

I might even see myself agreeing as part of self–government for these people a municipal type ownership being vested in the appropriate bands regarding their major settlement areas of Fort Good Hope, Colville Lake, Deline, Fort Norman and Norman Wells.

However according to a brief prepared by Melvin Smith, Q.C.: "No court in Canada of which I am aware, has decided that an aboriginal interest in land goes so far as to entitle aboriginal people to fee simple or full ownership".

My colleagues and I in the Reform Party on behalf of all the people of Canada are opposed to settling native land claims by handing over the fee simple ownership of massive chunks of land. We believe it would be far more appropriate for this House, as guardians of the rights of all Canadians, including generations yet unborn, to give native people special rights to hunting and fishing and to guarantee native people special representation on all governmental bodies having jurisdiction over water use and land use in land claim areas. It is more than excessive. We believe it is foolhardy and contravenes the right to equality of treatment for all citizens of this enormous country to hand over so much land in fee simple ownership.

• (1530)

Moving on to my third point, I see this agreement as having many serious flaws. For example there is a map accompanying this agreement which gives the impression that a certain specific piece of land has been decided upon. This is simply not true.

Appendix C to the agreement goes into some detail to describe the process for land selection which allows the Sahtu Tribal Council and the government to pursue the process of land identification and selection. In other words, this bill is asking Parliament to endorse giving away a huge tract of land which has not yet been specifically defined.

Pages 119 and 120 of the agreement are similarly open–ended. Section 26.4 merely appoints a working group to consider and make recommendations regarding a list of heritage places and sites. Also page 120 is blank, except for this note: "Sahtu Dene and Metis sacred sites. To be completed by parties".

Can signing this open–ended agreement be considered proper guardianship? Can signing this agreement be considered careful stewardship of a land which belongs today to our grandchildren? I say no.

Another aspect of this agreement which I find troubling is the multiplication of quasi–governmental boards. For example it will create renewable resource councils for each community. It will also create boards for renewable resources, for land use planning, for surface rights, for reviewing environmental im-

pact as well as land and water boards. Of course, there is an arbitration board.

I an told this government plans to introduce later in 1994 the Mackenzie River resource management act. This will spawn even more boards and panels to co–ordinate all those other boards and councils and panels and to regulate land and water uses that cross the settlement areas.

In view of the fact there are only 982 adults in the Sahtu Dene and Metis, one might be forgiven for wondering who will be left to carry on the traditional native pursuits of hunting, fishing and trapping when they are going to have so many councils and boards and panels to sit on?

The Deputy Speaker: The member's time with the 10–minute limit has expired. I wonder if he wishes to seek unanimous consent to go on a bit longer.

Is there unanimous consent to let the member complete his remarks?

Some hon. members: Agreed.

Mr. Stinson Mr. Speaker, unfortunately the answer is that probably a significant part of the cash payment going to these natives supposedly for their good will be used to hire white lawyers and social workers and negotiators and other greedy hangers–on of the so–called Indian industry to deal with this agreement's miles of red tape.

Finally, in regard to future self–government for these people, this agreement provides a framework of sorts in appendix B. But it also says that in case of disputes this agreement takes precedence over future self–government agreements.

Also, according to the Indian affairs minister, it takes precedence over other federal, territorial and municipal laws as stated in *Hansard* on April 25. I believe it is wrong to set a precedent whereby any native land claim agreement should be allowed to trample all existing federal, territorial or provincial laws and municipal laws in the land claim area.

In conclusion, I wish to extend my personal best wishes to the Sahtu Dene and Metis people in their efforts to obtain a prompt, just settlement of their land claims. I can see that many people have spent many hours and much effort on this agreement, but I strongly object to some of its basic principles.

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, in participating in this debate today as this House examines the wisdom of supporting Bill C–16, the Sahtu land claim agreement, I have been fortunate in having the benefit of hearing the many thoughtful, sincere and well–informed arguments made by members from all parties. I would like to acknowledge their contribution to this debate and thank them for it. Their perspectives have been a great help to Canadians in weighing this initiative, the Sahtu land claim agreement.

• (1535)

It is always difficult to express any reservations about such an initiative. As we have seen already in this debate to do so brings down swift charges of lack of compassion, fairness and generosity.

I doubt if any representative of the people of Canada cares to be depicted in such harsh terms. However, someone surely has the duty and obligation to weigh agreements such as this in a thoughtful and reasoned way, especially since the well–being of the people directly affected, the people represented by the Sahtu Tribal Council, is an issue. In addition the interests of all Canadians, the 27 million people whose welfare is entrusted to the 295 representatives chosen to sit in this Chamber must also be weighed and considered.

It is plain to see that many of Canada's native peoples live in social and economic conditions that are appalling in a country with the third highest standard of living in the entire world. There has been a little verbal sparring about whether these individuals would now be enjoying a pastoral existence of self–sufficiency if they had been left as the sole inhabitants of this vast land that we know and love as Canada.

The present reality is that Canada is home to more than 27 million people from many other lands due to a policy of immigration that has been maintained by Canadian governments from the very first one to this present one. The process of immigration will not be reversed. Our duty therefore is to make decisions on behalf of all Canadians that are good and right and just and in light of current and foreseeable future realities.

For decades Canada's decision makers have attempted to ensure that the needs and aspirations of Canadians of native origin are met and looked after by the creation of a huge bureaucracy costing in excess of $10 billion each year. That is over $10,000 per capita for Canada's 997,000 aboriginals. Unfortunately very little of this money actually reaches the individuals for whom it was intended. Instead, it is used to fuel an ever growing bureaucracy.

It is painfully evident this multiplication of tax funded bureaucrats, advisors, consultants, lawyers, studies, programs, grants and politicians has done little to assist the plight of the vast majority of native peoples. Instead, a deplorable state of dependency, surrender of initiative and erosion of pride and values has resulted.

Does the agreement before us resolutely and energetically redress this ineffective approach of the past? No, not at all. Instead, it leaves in place the approaches that have allowed the present state of affairs and then incredibly adds to them with yet more boards and councils.

Will self–esteem and initiative be restored to the Sahtu people through receiving a windfall of thousands of dollars to each individual? There is no provision, no process put in place that would permit this newly acquired purchasing power to be used to hold the Sahtu's own leaders and advisors accountable to them. I strongly recommend that this element of democratic accountability be considered an essential dynamic in the coming self–government negotiations.

Further, the agreement is silent on any obligation for the Sahtu to be subject to the federal laws of Canada, including the charter. This requirement surely ought to have been made explicit in the section dealing with the provision for negotiation of self–government agreements.

The biggest concern raised by this agreement is the precedent it sets. It is not difficult to show expansive generosity with land that few Canadians will ever need or use when the number of people compensated is minuscule, less than 2,000.

What happens when the same process affects a land base that is directly vital to the personal and economic interests of not only a significant number of Canadians but to municipal and provincial governments as well? How will the Government of Canada then be able to offer the same level of land and cash to significantly larger numbers of native people? If it cannot, will it be able to justify to those claimants a different level of compensation and settlement? Have these fundamental issues of fairness and equity been thought through?

• (1540)

Since everything awarded to one group must be paid for from the resources and work of the rest, this is a question which also will affect the interests of all of us as the claims process proceeds with other native groups across the country. This is especially so because, as others have also pointed out, the settlement awarded here does not extinguish or even diminish the huge cost of existing programs extended to native peoples.

I would like to say that the federal government ought to be praised for many aspects of this proposal. It recognizes the need to move expeditiously to resolve such claims. A resolution of this nature is long overdue in fairness to native Canadians and for certainty to all. The cost of such settlements increases dramatically when there is delay in reaching agreement.

We would also applaud the fact that the people affected were directly consulted and their approval obtained prior to proceeding with this agreement. There is also a healthy element of self–determination in the proposed arrangement when it comes to resources and land use. I believe Canadians would support that especially if it could lead to self–sufficiency and placed the Sahtu on the same level of contribution to the country's well–being as other Canadians.

I also believe that so long as all Canadians are subject to the same federal laws and charter, an accommodation of community customs and values at the local judicial level will benefit the administration of justice in the region.

In short, there is much that is positive in this agreement. However I believe this government needs to accept the many expressions of concern about the specifics of the agreement and consider them in the constructive spirit in which such criticisms are intended.

The deficiencies in the agreement ought to be rectified and addressed before the bill is passed in this House.

(Motion agreed to, bill read the second time and referred to a committee.)

* * *

MIGRATORY BIRDS CONVENTION ACT, 1994

Hon. Lloyd Axworthy (for the Minister of the Environment) moved that Bill C–23, an act to implement a convention for the protection of migratory birds in Canada and the United States, be read the second time and referred to a committee.

• (1545)

[*Translation*]

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment): Mr. Speaker, as part of its plan to modernize Canada's wildlife legislation, the federal government has brought forward this day amendments to the Migratory Birds Convention Act.

In 1916 Canada and the United States signed the migratory birds convention to protect species of migratory birds common to both countries. Bird populations were declining rapidly at the turn of the century and in 1917, Parliament implemented the convention by passing the Migratory Birds Convention Act which regulated the hunting and use of migratory birds and prohibited their trafficking and commercialization.

The legislation also provided for the establishment of migratory bird sanctuaries. Today there are a total of 101 migratory bird sanctuaries in Canada covering roughly 11.3 million hectares of land.

[*English*]

There have been only minor amendments to the act since 1917. It has become suddenly outdated. It no longer provides our migratory birds with the protection they need. Seventy–seven years in the continental management of migratory birds have taught us some important lessons. It is time to put these

lessons to work and to modernize the legislation through early action on the bill.

The government's amendments to the act will update the definitions in the act. It will make them appropriate for migratory bird protection as we enter the 21st century. The act's prohibitions will be clarified.

The provisions of the act are being modernized, particularly with regard to administration and enforcement, because the old act no longer provides effective means or penalties to deter law breakers. This is especially true with regard to poaching and with regard to illegal commercial uses of migratory birds.

As is pointed out in the global convention on biological diversity which Canada signed, a strong and effective legislative program is an important part of any strategy to conserve and protect our natural resources.

[*Translation*]

Poaching is a serious crime. By killing protected migratory birds, poachers destroy a wildlife heritage common to all Canadians and to all inhabitants of countries which share, benefit from and depend on these birds. Amendments to the legislation call for increasing possible fines to a maximum of $25,000 or imprisonment for a term not exceeding six months, or both. Provision is also made for additional fines in an amount equal to the monetary benefits accrued as a result of the commission of the offence. Furthermore, under the proposed amendments, the courts would be able to make sentencing orders directed at the lawbreaker. The courts would be given increased authority to deal with lawbreakers. Provision is also made by issuing tickets.

Moreover, amendments provide for harsher treatment for illegal commercial transactions such as the sale of products, the sale of companion birds and the illegal organized hunting of large numbers of birds. Fines for illegal commercial transactions would correspond to the nature of the offence and could include the seizure of weapons, vehicles, boats, aircraft and even companies used by the guilty parties in the commission of the offence.

[*English*]

Updating the Migratory Birds Convention Act will help ensure that populations of birds are maintained at sustainable levels. Amendments to the act were developed only after extensive consultations with affected interested parties, including the provinces and territories, the aboriginal groups, conservation groups and other non-government organizations, hunters and ordinary citizens. The proposed changes have been requested by all provinces and territories and by many interested groups.

• (1550)

The federal government carries out its responsibilities for migratory birds through a strong partnership with the provinces and territories. Provincial and territorial wildlife agencies assist in migratory bird enforcement. Various types of protected areas form one network for havens for migrating wildlife, whether they sanctuaries be federal, provincial or territorial in jurisdiction.

These amendments will strengthen that partnership even further. For example, with the agreement of the provinces and territories, designation of conservation officers for the purposes of enforcing the Migratory Birds Convention Act will be made easier. Any seizures of illegally obtained wildlife could be sold with the proceeds going to the provinces, the territories or the federal government as appropriate.

The amendments will help us become better and more effective stewards of our migratory bird sanctuaries as part of an overall concept of flexible landscape and ecosystem management. For example, at certain times of the year, such as the breeding season, quite strict protection measures might be called for, perhaps to prevent beach goers from walking on plovers' eggs. At other times of the year uses may be more flexible. Good law, good enforcement and good management can help us sustain our ecosystems.

[*Translation*]

Set in the broader perspective of both the Migratory Birds Convention Act and the convention it implements, this is one of the safeguards concerning one aspect in a series of global or hemisphere-wide partnerships to protect birds and other wildlife as well as their habitats.

These partnerships take the form of land conservation programs like the Canadian Wildlife Service Latin American Program in which Canada and its Latin American neighbours join together to preserve the southern habitats of our common visitors. They also include the Biodiversity Convention, a global instrument as I indicated earlier.

This spinoff from the UNCED recognizes the value of wildlife and its habitat for the world. And this value stems from the fact that fauna and flora are part of a natural heritage without compare, represent a major socioeconomic resource and play a growing role as a general health status indicator for increasingly stressed ecosystems. Gulls and cormorants are valuable for instance to show the level of environmental disruption in the Great Lakes and St. Lawrence region.

We must not forget the important contribution to our economy made by activities related to fish, fauna and flora. As a matter of fact, Statistics Canada indicated that Canadians and American tourists have spent, in 1991 alone, $1.4 billion on recreation activities involving water birds. Not only has spending in that area helped maintain over 30,000 jobs, but it has generated close to $1 billion in personal income and $743 million in federal and provincial tax revenues.

I would like to stress that only very minor changes were made to the Migratory Birds Convention Act. We must therefore proceed as quickly as possible with these amendments.

[*English*]

The provisions of the act are being modernized particularly with regard to administration and enforcement because the old act no longer provides the effective means of penalties to deter law breakers. This is especially true with regard to poaching and illegal commercial uses of migratory birds. As pointed out in the global convention on biological diversity which Canada has signed, a strong and effective legislative program is a key part of any strategy to conserve and protect natural resources.

• (1555)

Therefore the government's amendments to the act will update definitions in the act. It will make them appropriate for migratory bird protection as we enter the 21st century. The act's prohibition will be clarified.

I urge all members of the House, regardless of political party, to support the bill very strongly. It represents a big step forward in our common goal toward sustainable development.

[*Translation*]

I hope that all the hon. members of this House will strongly support this bill.

Mr. Benoît Sauvageau (Terrebonne): Mr. Speaker, as assistant critic for the environment and sustainable development, it is a pleasure for me to speak on Bill C–23.

This bill seeks to modernize and update a law dating back to 1917. To understand it better, I think that we have to go back a little into our history and look at the situation at the turn of the century. In the early 1900s, there was considerable exploitation of migratory birds and trade in them. As a result, their numbers dropped drastically. The need to intervene to end this illicit trade and to protect the species was increasingly urgent.

In 1916, Canada and the United States signed the Migratory Birds Convention. The next year, in 1917, Parliament passed the Migratory Birds Convention Act. The provisions of this Act seek to regulate the hunting of migratory birds and to prevent traffic and trade in them.

Through permits, this law controls the use made of migratory birds. Several aspects of the 1917 law are obsolete today. For example, the penalties provided in the Act are no longer what society is entitled to expect. Fines from $10 to $300 are provided for infractions. Bill C–23 as presented today increases these penalties very significantly.

Amounts of up to $5,000 and even $25,000 provided in clause 13(1) will deter poachers, we hope. The evolution of our society and the example of penalties alone show the importance of updating and modernizing this law, of strengthening the enforcement rules and clarifying the procedures.

For us in the Bloc Quebecois, several aspects of this law are of great interest. As I said in the introduction to my speech, it was very necessary to update the legislation. In particular, we hope to add that not only birds, their eggs and nests are protected but also their embryos and tissue cultures.

We think that this provision is essential; given the evolution of biotechnology and the amazing possibilities that exist or will exist in this regard, this provision is most desirable. Clearly, however, such a scientific achievement was unimaginable in 1917 and the law could not include such a clause.

According to various environmental groups, millions of wild birds are illegally captured, poisoned or driven from their nests throughout the world. Therefore it is appropriate for us to legislate in this way in view of this phenomenon.

We learned in the *Saskatoon Star Phoenix* last January and in *La Presse* that 1,000 of 9,600 bird species were in danger of extinction; that is, more than 10 per cent of our birds could disappear very soon. We agree that the situation is urgent.

• (1600)

An article in the March 24 issue of *La Presse* contained some comments on the seriousness of the situation. The author showed that 70 per cent of existing species in the world are in decline. According to one study he quotes, the illegal trade in wild birds is a growing threat to the species, especially in Southeast Asia.

World Watch, an American magazine, gives some of the reasons why the number of birds is decreasing in Canada and throughout the world, and I quote: "Most bird species are in decline because the natural balance is upset by the global expansion of mankind".

Of course, the problems caused by deforestation due to farmland expansion or urban spread, industrial and domestic pollution are but a few of the factors contributing to the declining number of birds in Canada and throughout the world. In North America alone, deforestation may have caused the alarming reduction in bird population in 250 species breeding on its territory.

As I said earlier, we must speak up on the illegal trade in birds. According to a study by the World Wide Fund for Nature, this lucrative trade is growing by leaps and bounds. In the last 20 years, 2,600 species have been identified among those traded. This commercial activity is flourishing in Southeast Asia. To the

five million birds traded each year must be added an estimated three million in China.

We are in a position to realize that this kind of trade affects much more than our two countries. We are legislating on a bilateral Canada–U.S. solution but we must also see the problem as a whole.

Serious allegations have led us to consider this problem from an international standpoint. Some airlines will not transport wild birds. That is fine. However, the article from the WWF goes on to say: "Singapore proclaimed itself the hub of this trade for the whole region". Because of loopholes in the legislation, wild birds illegally exported from Indonesia, Thailand or Malaysia become legal goods when they go through Singapore.

You might say we are a long way from our bill on migratory birds in Canada and in the United States, but we are not. Environmental problems such as acid rain, the ozone layer, dangerous goods and many others know no boundaries. And the impact here of these various problems require us to take a stand.

Clearly, Bill C–23 is a positive measure in this context. We cannot oppose a good initiative. However, the international scope of the problem probably requires a worldwide approach as well.

It is because problems related to the ozone layer have such an international dimension that the Montreal Protocol was signed with several countries. The issue of importing and exporting dangerous goods could not be solved with a national piece of legislation. Again, several sovereign states had to agree on regulations concerning the exchange and transportation of such goods. Canada could be the leader in this field and set, through an international convention, standards which would provide some protection to this species.

I will conclude by reaffirming my support to Bill C–23, but I also want to remind you of some proposed legal principles for environmental protection and sustainable development, which are approved by Canada.

Article two of these principles provides that: "States shall conserve and use the environment and natural resources for the benefit of present and future generations". Article three says: "States shall maintain ecosystems and ecological processes essential for the functioning of the biosphere, shall preserve biological diversity, and shall observe the principle of optimum sustainable yield in the use of living natural resources and ecosystems".

• (1605)

In article 8, we see that the States shall co–operate in good faith with other States in implementing the preceding rights and obligations.

These are only 3 of the 22 principles for environmental protection, as found in the Brundtland report entitled *Our Common Future*.

I would urge the Canadian government to look forward when it deals with environmental protection and sustainable development, but to keep in mind all the agreements already signed. In this case, we have no other choice but to protect the migratory birds. However, we should be careful in doing so not to impinge on other jurisdictions. Too often, our legislation grants too much discretionary power to the minister, who can choose to enforce only parts of the law. We do not think this is the case with this bill. That is why my party and I want the bill to be referred to a committee who will seek to improve it.

Together, let us protect the endangered species.

[*English*]

Mr. Jim Abbott (Kootenay East): I am very pleased today to stand and say that the Reform Party is in support of Bill C–23 at second reading. It is an act to protect migratory birds. Of course, we think of birds and wildlife together.

I have the good fortune of coming from a very wonderful constituency. Of course all members in the House say that, but my constituency is so wonderful that it happens to contain three of Canada's national parks. My riding has Kootenay National Park, Yoho National Park and Glacier National Park, which gives you an idea of the grandeur of the area I represent.

In addition, we also have an area called the Columbia River wetlands. The Columbia River wetlands are 180 kilometres long. They are comprised of a 26,000 hectare flood plain. I would like to read a short section from a brochure by B.C. Wildlife with respect to the Columbia River's hydrological cycle.

> The habitats within the Columbia River flood plain provide food, shelter and cover for an exceptionally large number of birds and mammals. Waterfowl comprising the most abundant and observable species group utilize the wetlands for breeding and brood rearing, for refuge during the flightless periods of the moult, and for feeding and resting during spring and fall migrations. Single counts have revealed more than 15,000 ducks in the autumn, more than 1,000 whistling swans in the spring.

I should say that I also have the good fortune of living just south of this area. I have seen these whistling swans in the lake in front of my home. They are absolutely beautiful birds.

> The rare trumpeter swan also appears in migration. Breeding Canada geese number some 1,200 pairs. Other birds sharing the wetlands are loons, gulls, terns, rails, bitterns, hawks, bald eagles, ospreys and 100 or so species of songbirds. Colonies of great blue herons comprising some 300 pairs constitute the second largest concentration in western Canada.

Up to 90 per cent of the elk, 70 per cent of the white tail deer and 15 per cent of the moose in the upper Columbia basin depend on these wetlands for their survival.

This gives us an idea of how magnificent and pristine this area is. Therefore I have a personal vested interest in Bill C–23.

At the conclusion of what I just read I mentioned the fact that there are also big game. We actually have about 25 per cent of the hunting in British Columbia for big game within my Kootenay East constituency.

I should mention it is not just an environmental issue although that is important enough, but it is also an economic issue. We have guide outfitters, taxidermists, sports shops, camera stores, saddle and outdoor equipment makers. In addition there are campgrounds, restaurants, motels, gas stations, automobile dealers, tire shops, grocery stores. All benefit from these wildlife resources, particularly during the fall hunting season when business would otherwise be slow.

We happen to be on one of the three western flyways. Depending on what happens with respect to the amount of water on the prairies, we may have up to tens of thousands of birds migrating overhead in the fall and again in the spring. It is indeed an absolutely magnificent area.

• (1610)

The major reason I stand in support of Bill C–23 is because it is the foundation and cornerstone of being able to co–ordinate the regulators and the regulation.

Members should know that the British Columbia conservation data centre which is a section of the wildlife branch of the Ministry of Environment, Lands and Parks in British Columbia has an exhaustive list of birds that are actually protected within our area. There are the western grebe, the bald eagle, peregrine falcon, sharp tailed grouse and long billed curlew. I could go and on with the number of birds that we are very, very proud of in our area.

I can report there is a tremendous level of co–operation between the regulators and the industrial users in my constituency. All of the forest companies are working in co–operation with the B.C. fish and wildlife branch. They are involved in doing cut blocks in co–ordination with that branch. In some cases they are taking as little as 30 per cent of the standing timber to come up with a particular kind of configuration for certain birds or animals. In other instances they are doing other things.

Often when thinking of the word environmentalist, speaking for myself I think of placards, protests, arrests, or civil disobedience. If we really want to see environmentalists anywhere in Canada, we should turn up at the rod and gun organizations in our constituencies. These are people who are going out of their way, putting their own blood, sweat, tears and money into preserving and improving the environment. In preparing for this presentation I took time to speak to four such groups.

One was the Kimberley Wildlife and Wilderness Club. It pointed out that with respect to migratory birds the biggest single item that has worked against them has been the inclusion of hydro power. I must admit I had always been a great fan of hydro power up until the time I started to look at this. The impact hydro power has had on migratory birds has been singularly devastating.

I mentioned blood, sweat and tears. The Golden and District Rod and Gun Club notes it has a gander lander. A gander lander is simply a manmade place where the geese can land, so it is called a gander lander. Over the past 15 years the Golden Rod and Gun Club has been involved in constructing between 100 and 105 gander landers. Five or six times during the winter months members go out and spend the whole day upkeeping and maintaining those.

In addition I spoke to members of the Elkford Rod and Gun Club. One of their concerns was with respect to snags. These are tall dead trees which are required for nesting for certain kinds of birds. I am happy to report that although a lot of them have been destroyed in logging operations for the protection of the people who are actually doing the logging, the B.C. forest service has just implemented a snag program. It is going out to the bush and identifying these snags and is taking steps to leave them standing so that they can be nesting places for birds. This is done in such a way that it is a safe process under workers compensation.

Members of the Sparwood and District Fish and Wildlife Association had two issues of concern. One issue of concern which I am sure all Canadians share is that whatever we are doing with Bill C–23 or any other bill, because this has the potential of overlapping on native issues, we take some time and see how those things relate.

The final thing they pointed out, which may come as a surprise to some people, is that they are actually having a population explosion of grizzly bears. There is an area down in the far southeast corner of my constituency, in the bottom corner of British Columbia, that is a remote area with a certain amount of logging and basically there are very few humans in that particular concentration. As a result the grizzlies have actually reached a point at which they may become a problem.

• (1615)

These rod and gun club members are law–abiding citizens. They are committed to the wildlife, they are committed to the environment. Something that I do not understand, because I am not a hunter, is that they are also committed to hunting. Last time I looked hunters used guns.

These people as law–abiding citizens believe in safe storage. These people as law–abiding citizens follow all of the rules for

responsible use. These people expect me and other people in this House to stand up against the imposition of certain city values that seem to be pushing them into a corner.

Unfortunately the imposition of city values may come from the fact that many birds arrive in the city dead, packaged and in freezers and there is no recognition of what went into that dead bird arriving in the freezer, much less the enjoyment that these people have in a responsible way of enjoying hunting during the fall season.

We support Bill C–23 because it supports the migratory bird protection and finally we support it because it reflects the values of responsible, active, participating environmentalists, law–abiding Canadians.

Hon. Charles Caccia (Davenport): Mr. Speaker, at the outset let me congratulate the parliamentary secretary, the member for Lachine—Lac–Saint–Louis, for his opening remarks and for having set the tone for this debate and also for having ensured that there will be a thorough examination at the committee level so as to provide for consultation with interested Canadians.

Also I would like to congratulate the member for Terrebonne and the member for Kootenay East for having put forward such interesting observations that will certainly add to the quality of the examination and also because they give life to what otherwise would seem a rather stultified and bureaucratic piece of legislation. It is not stultified. It is not a dull and uninteresting piece of legislation.

On the contrary, I would argue that this is a very important piece of legislation being introduced by this new government today in the House mainly for three reasons. One, it is important because the movement of migratory birds has enormous significance for our farmers, for the role that birds play in the ecological balance and in maintaining a control of insects in the open agricultural environment. That role of course is well known but it is never underlined and highlighted enough.

Second, to the urban dwellers the arrival and departure of migratory birds and their staying in Canada during the good season is a source of enormous pleasure. That pleasure is not limited to bird watchers. It is a well known shared interest that Canadians have for the presence of this magnificent species.

Third, the fact that our literature and our heritage are based on the presence of migratory birds is witnessed alone by the fact that we have found it over the decades desirable to produce banknotes and coins reproducing some of the better known migratory birds in Canada.

For all these reasons it is quite safe to assume that deep down in the subconscious of the Canadian psyche there is a tremendous attachment to wildlife and therefore the migration of birds means more than just what that poor term conveys. It is an attitude toward nature. It is an attitude toward wildlife and essential pleasure is derived from it which cannot be easily described with plain words as I am attempting to do today.

• (1620)

For these three reasons I would say we are debating here in this House a piece of legislation that is significant for us and can have very significant repercussions for future generations of Canadians as other speakers have already highlighted, in particular the members for Terrebonne and Kootenay East.

This bill will allow for the creation of sanctuaries. It will ensure the management of areas important for the protection of migratory birds. It is important to note that at the present time we have in Canada some 101 bird sanctuaries protecting roughly 11 million hectares which are covered for that purpose.

If we look at the new act it is intended to broaden the definition of migratory birds. This is important because it will include sperm, embryos and tissue cultures. This is intended as a protective measure against development in biotechnology which may take place in future years. It is a very good clause that is proactive and of particular value.

Under this bill regulatory authorities will be established. One can only say that on the whole this bill is most laudable and very well prepared.

The contentious parts, however, that could be discussed and raised today relate, as is usually the case with these kind of bills, to fines and enforcement. Very briefly, I would like to draw attention to the fines which under the present legislation, before this bill comes into force, are a mere $10 to a maximum of $300. They are only levied upon summary conviction. Evidently there is here a vacuum that must be filled and we must say that this legislation is long overdue.

In the proposed bill the maximum fine will be $5,000 for summary conviction offences and up to $25,000 for indictable offences.

The question is are these fines really sufficient? I am sure there are a variety of views on this in reply to this question. In other words, is $5,000 adequate to deter someone from harming, killing or possessing and illegally trading protected species?

From the comments made by the member for Terrebonne I would be inclined to conclude that this fine is not enough, that the legislators should give the judge sufficiently broad range of fines and let the judge decide how strong the fine should be. However, the penalty should be as strong as it can conceivably be because it will also serve a purpose not just this year and next year but probably 10 or 20 years from now when this legislation is likely to be amended, but we do not know for sure. Therefore

the question of fines is one that raises a number of interesting questions.

The same can be said about enforcement. Enforcement officers will be appointed under this legislation. Their powers will be more consistent with other federal and provincial conservation legislation. Subsection 13 addresses this particular aspect of enforcement.

The question is whether a person who commits or continues to commit an offence for more than one day should be penalized or whether a limitation of one day is one that ought not to be deleted so that there is no reduction in the offence that is contemplated by the judge.

• (1625)

I would be inclined to think the enforcement section needs a good examination by the committee to make it stronger. It is true that the amendments will become strong deterrents to those who would traffic in wildlife. There is no doubt that they read very well. We have to make sure that there is enough strength in the Canadian Wildlife Service and in the provincial affiliated departments to carry out what is in the legislation.

Therefore I must bring to members' attention a statement made recently by the Animal Alliance of Canada in which a recommendation is made to stop the continued erosion of the numbers of wildlife enforcement officers, that the current vacancies of five enforcement people be filled and the remainder of 29 person–years be completed to bring the enforcement officers to a level that was promised in 1991, which is just above 30.

One must wonder whether in a country as large as Canada with such a large federal jurisdiction it is realistic to expect an enforcement of this important legislation with only 30 enforcement officers or thereabouts. Evidently the answer is no and evidently we will have to address this very important question.

Resources must be allocated to enforcement. These 30 or so positions must be increased, otherwise Canada is running the risk of not being able to meet its obligations under this legislation, under the Cites legislation as well as the Wild Animal and Plant Protection and Regulation of International and Interprovincial Trade Act. That is quite a lengthy title for that matter.

There are a number of questions that ought to be put on record on second reading. I would simply reduce them to the following.

Is there sufficient power provided by this bill so that the present minister and future ministers can undertake all the necessary action to ensure the protection of migratory birds?

Is the scope of this convention broad enough now that Canada has entered into NAFTA? Should initiatives not be launched at the political level as well as at the technical level to broaden the scope of the Migratory Convention Act so as to include Mexico and both Central and South America since as well we all know the movement of birds does not respect boundaries?

This convention is binding only on North America. If the scope of the convention is not broadened, a number of species could be in danger in the years ahead.

Many of our Canadian species do straddle two continents. We have to understand that all wildlife is really world wildlife, not just limited to Canada. Our ability to enjoy the presence of migratory birds in Canada depends also on the ability of protecting the species in those regions of the world where they spend their winter.

Therefore, the Canadian songbirds as we know and appreciate them depend on the rainforests of Central and South America. This is a political message that we have to carry to the international fora to ensure that this convention is broadened to its largest possible scope. Otherwise Canada will have a very limited chance to improve the survival of the species in the decades ahead.

• (1630)

We are debating today not just what would be the reality of the nineties but most likely the reality of the first half of the next century since this kind of bill does not reach the floor of the House of Commons that frequently.

In conclusion I would say that the changes proposed to the act are essential. They are very desirable. They are timely. We must work together to ensure there is a co–ordinated effort to achieve the protection of migratory birds.

We must ensure that the fines are a very strong deterrent. We must do our best to find ways to ensure the enforcement of the proposed act is carried out in every area of the federal jurisdiction at least. I suppose there could be excellent co–operation between provincial and federal services. We must ensure that the powers to create new sanctuaries are implemented and that the existing sanctuaries continue to be protected.

Finally, as I just mentioned and before I sit down, I would really make a plea to the Minister of the Environment to consider taking an initiative personally to ensure the scope of the convention is enlarged to include all the Americas and to provide the necessary protection in decades ahead.

[*Translation*]

The Deputy Speaker: Pursuant to Standing Order 38, I wish to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Mercier, social programs; the hon. member for Chicoutimi, electronic highway.

[*English*]

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, I am pleased to speak in support of the bill to amend the Migratory Birds Conventions Act. I commend my colleagues on both sides of the House for their sensitivity and support of the bill. In particular I support my colleague from Davenport who has examined the bill carefully and has put forward some very sincere concerns.

Along with the Canada Wildlife Act, this act urgently needs updating to come into line with current environmental legislation in both Canada and the United States. Many provisions of the act as it now stands are ineffective or are simply not in harmony with related federal, provincial or territorial legislation.

Today I would like to focus on how the bill will affect one particular group that is following the updating process very closely, and that is Canada's First Nations. In fact the bill now before the House is only one of three initiatives in this area having particular importance for First Nations. The other two are the effort to amend the Canada–U.S. migratory birds convention of 1916 and the implementation of an interim policy on enforcement, especially the provisions on water fowl harvesting by aboriginal people.

The 1916 convention is a binational agreement governing the conservation of migratory birds in Canada and the United States. In our country the Migratory Birds Convention Act is the enabling legislation for the implementation of that agreement.

Regulations under the act control the hunting of migratory game birds during certain periods of the year. They also establish closed seasons to protect breeding, nesting, brooding and moulting birds at other times of the year.

These and other provisions complement measures taken by the United States, the provinces and territories, wildlife groups, the private sector and individuals to conserve this valuable wildlife heritage.

In many cases the different authorities and sectors have worked in close co–operation toward that common goal. One outstanding example of such a partnership is the North American water fowl management plan.

• (1635)

In some areas of Canada, especially the north, migratory birds have traditionally been an important food source for aboriginal peoples. First Nations continue to rely heavily on this source at different times of the year. In certain cases activities that are protected by aboriginal rights are not covered by the provisions of the Migratory Birds Conventions Act. For example, the hunting by natives of migratory birds during the closed season from March 10 to August 31 or the collection of eggs. Of course aboriginal people also hunt birds during open seasons. Hunting migratory birds does more than provide food to First Nations. Traditional hunting activities have a great significance in aboriginal culture. Preserving that culture means preserving Canada's wildlife resources.

In its present form the migratory birds convention fails to provide for closed season harvest and egg collection by aboriginal people. That omission can be rectified only by amending the convention itself, a step that requires negotiation between the United States and Canada. As I mentioned we are seeking to initiate the necessary negotiations. They should take place later this year.

First Nations take a significant proportion of the migratory birds hunted in Canada. The latest estimates suggest that aboriginal people harvest between 250,000 and 750,000 ducks and roughly 350,000 geese each year. For ducks that represents 13 per cent of the Canadian harvest and 6 per cent of the total North American harvest. For geese the figure represents 32 per cent of the Canadian harvest and 12 per cent of the total North American harvest. Geese constitute a major food source for some aboriginal communities, notably along the Ontario and Quebec coasts of James Bay.

Given the magnitude of the annual harvest and our desire to safeguard the subsistence harvesting needs of First Nations we must work in co–operation with aboriginal communities. We need new partnerships to achieve the shared goals of conservation and management of ducks and geese.

An amended convention will promote such partnerships, particularly in the form of co–management agreements, self–government agreements and the wildlife management provisions of comprehensive claims agreements.

Already co–management with aboriginal people is being implemented for the conservation of caribou, polar bear and other species. The approach is generating the needed data on harvest which can serve as a basis for agreement on harvest objectives. We wish to build on this success in our future efforts to amend the convention.

Earlier at workshops organized through Canada representatives from government, aboriginal communities, wildlife groups and others discussed options for closed season harvesting. These consultations provided valuable guidance for the coming negotiations with the United States on amending the migratory birds convention to allow for hunting and egg collection by natives.

Of course the amendments to the convention and to Canada's legislation and regulations must respect aboriginal and treaty rights to hunt migratory birds. To ensure that they do, thorough consultation is a must. That is how we will achieve the best possible provisions for addressing aboriginal concerns.

Consultations are now under way on such changes to the convention with the full participation of aboriginal organizations, the provinces and territories, and environmental and conservation groups. It will not happen overnight, but discussions to this date have been encouraging. What is more, Canada and the United States are now working on convergent tracks as we prepare for formal negotiations.

Among the changes now under consideration by hon. members to the Migratory Birds Convention Act, one provision concerns the procedure for amending the convention itself. The bill before the House will allow the schedule to the act setting out the convention to be amended by order. The change will ensure that Canada can promptly fulfil its obligations to the United States, the convention and all those affected by an amended convention, in particular aboriginal peoples.

Until such time as the convention is amended an interim enforcement policy governs our application of the Migratory Birds Convention Act and the Canada Wildlife Act in the areas of closed season hunting and egg collection by aboriginal people. This policy gives top priority to conservation. It will remain in effect until after passage of the bills modernizing the two acts and until the convention itself is amended.

• (1640)

The interim enforcement policy also stresses consultation and co–operation, two very important elements in any effort to build partnership for conservation with the First Nations.

There are pressing reasons for proceeding with the present amendments to the Migratory Birds Convention Act. It requires time to lay the groundwork for amending the migratory birds convention so that it takes into account the needs of aboriginal peoples.

While we continue to do that, however, we must safeguard the resources themselves. We must ensure that they are used sustainably. To do this Canada must act at once to update its wildlife and migratory bird legislation, strengthening enforcement and modernizing administration.

Any delay could jeopardize Canada's ability to ensure sustainable population levels for migratory birds and other wildlife. Let us consider the need to deal with the illegal commercial sales of murres and other migratory birds. That is only one reason we cannot afford to postpone these amendments.

For the benefit of Canadian wildlife Canada must proceed with the updating of the Migratory Birds Convention Act and its companion, the Canada Wildlife Act. At the same time we must continue extensive consultations with aboriginal people to meet their needs and concerns. The proposed amendments to both acts will in no way prejudice the outcome of these broader initiatives.

Canada's wildlife needs protection and it needs it now. That is why the government has introduced the bill now before the House to amend the Migratory Birds Convention Act, and that is why the bill deserves swift passage.

Mr. Bernie Collins (Souris—Moose Mountain): Mr. Speaker, to help hon. members in considering the bill now before the House allow me to offer some background on migratory birds and Canada's efforts to protect and conserve them.

The Migratory Birds Convention Act provides protection for over 400 species of migratory birds in Canada. Among them are water fowl, sea birds, shore birds and song birds. In all it is a remarkably wide variety.

Environment Canada's Canadian Wildlife Service works to ensure that all species of migratory birds will continue to survive and benefit future generations of Canadians. Safeguarding migratory birds requires many different measures because the birds themselves have such varied habitats and ways of life.

In every case, however, there are the same basic components to the strategy pursued by the wildlife service. It monitors bird populations. It informs Canadians about the status of birds and their habitats. It co–ordinates multi–party efforts to preserve habitats. It establishes and enforces regulations to curtail the abuse of birds.

In some cases research is needed to understand how human activity affects the chances for birds to survive. Sometimes special plans have to be made for the recovery of endangered bird species. The wildlife service deals with these needs as required.

In every case a broad ecosystem approach is essential involving many stakeholders. That approach is central to the work performed by the Canadian Wildlife Service.

The issues demanding attention are highly diverse. For example, tree harvesting may affect migratory song birds. Pesticide runoff from farms may harm water fowl. Commercial fishing nets may trap and drown sea birds. Spills of oil and other harmful substances may jeopardize entire sea bird colonies.

One crucial step that must be taken is to identify critical habitat for migratory birds not only in Canada but throughout their flyways. In this instance many of Canada's migratory birds winter in Latin America and the habitats must be protected. With this in mind the Canadian Wildlife Service has established a Latin American program to further Canada's interest in migratory birds wintering south of the U.S.–Mexico border. The program seeks to identify the needs of migratory birds so that they can be included in conservation planning.

To this end it relies heavily on co–operation with other countries and international organizations. That co–operation must be seen in the memorandum of understanding between the Canadian Wildlife Service and the American and Mexican

wildlife agencies to conserve migratory birds and their habitats in Mexico.

• (1645)

The service has also helped established international initiatives. One of these is these is the international waterfowl census of the International Waterfowl and Wetlands Research Bureau. Another such initiative is the Western Hemisphere Shorebird Reserve Network. The network's objective is to identify and protect critical areas for the migration of shorebirds. Under this initiative the Wildlife Service has worked with countries throughout South America to develop an atlas of coastal shore bird habitats.

Here in Canada two hemispheric shorebird reserves have so far been identified, both of them in the upper Bay of Fundy. These have been twinned with three wetland sites in Suriname designated as hemispheric shorebird reserves in 1989. Work is proceeding to identify other important sites in Canada and to secure their designation and protection under the network.

Game bird species present a special challenge. They are an important recreational resource, translating into significant economic activity. At the same time we must see that this resource does not depreciate. In other words, we must ensure that it is used in a sustainable manner.

Canada manages migratory game bird species through an annual regulatory process for monitoring and controlling hunting. Associated with this process are population surveys. A hallmark of the process is consultation, in particular with the provinces and territories and with the American government agencies.

The Canadian Wildlife Services follows a two pronged approach in managing game bird species. One component of that approach is regulation and compliance; the other is habitat enhancement. Both efforts draw heavily on national and international input. Within Canada there is a notable contribution from the provinces and territories and increasingly from co–operative wildlife management boards involving aboriginal groups.

Internationally Canada works with the flyway councils set up to manage the birds according to their natural migratory pathways. We also work with the North American Waterfowl Management Plan Committee.

To support the consultations of developing game bird regulations, status reports are prepared. These publicly available documents give information on game bird populations and explain proposed changes to the regulations. The status reports are distributed to many Canadian and American organizations with an interest in migratory game bird conservation and with reports these organizations are in a position to influence the development of regulations.

The Wildlife Service also publishes an annual newsletter entitled "Bird Trends". This deals with the population status of Canadian birds. A top priority of the Wildlife Service is promoting public awareness about migratory bird issues. This is the first step toward fostering the volunteer networks on which the service relies for data collection.

Together with the Canadian Nature Federation the service sponsors Birdquest, a public information and education project on migratory birds. Birdquest encourages a basic understanding of the ecology of a bird, populations, and it does this by teaching participants about bird identification, bird study and bird conservation.

Those who successfully pass through Birdquest qualify to join one of the service's volunteer based programs. These play a key part in supporting migratory bird conservation initiatives and they help the service identify problems and implement solutions.

More important, the Birdquest program encourages Canadians to become actively involved in initiatives that contribute to migratory bird conservation. One of the most notable initiatives to protect migratory birds is the North American waterfowl management plan. This unique undertaking offers a forum for international agreement on a broad range of waterfowl management issues. It also provides the focus for action to enhance waterfowl habitat.

Under this co–operative agreement a series of joint ventures are targeting species inhabited areas of special concern.

• (1650)

In Canada the aims are to secure important waterfowl habitats throughout the country, to address the serious decline in western waterfowl populations, to initiate the collection of long–term survey data for eastern duck populations and to delineate and monitor the distinct breeding populations of Arctic nesting geese.

The north American waterfowl management plan brings together Canada, the United States and Mexico. It is a formal representation from Canadian provinces and territories as well as American states. Among its key contributors are the federal government, departments in Canada and the United States alike. It also involves many non–government organizations.

We can find broad co–operation in most of the activities of the Canadian Wildlife Service. With the United States the service works to conserve migrant songbirds through a program called Partners in Flight. With the aboriginal people, the service joins in co–operative wildlife management boards. With Canada's leading environmental non–governmental organizations, the service has a long history of joint projects.

Above all, with the provinces and territories, the service works to ensure the enforcement of the Migratory Bird Convention Act and to preserve ecosystems as habitats for wildlife and to tackle the problems of endangered species.

These are efforts that directly benefit all Canadians. Through the amendments to the Migratory Bird Convention Act it will be possible to reinforce these efforts and for that reason I support the passage of this bill. I urge all hon. members to do the same.

Mr. Harold Culbert (Carleton—Charlotte): Mr. Speaker, as a strong advocate of wildlife conservation I am pleased to speak in support of this bill to amend the Canada Wildlife Act.

Wildlife has a special place in our country. It is part of a heritage we all value. In the north many Canadians still earn their living by wildlife harvesting. Throughout the country wildlife related activity is a cherished form of recreation for an overwhelming majority of people.

Our challenge is to see that this heritage is passed on to future generations of Canadians. At the moment I am regrettably unsure that we will succeed.

Wildlife populations in Canada today are under considerable stress. More and more species are being designated as endangered and some populations are experiencing declines. But the outlook is not entirely bleak because while the dangers are greater than ever before, so is the support for wildlife conservation and so is our understanding of what it takes to protect and conserve our living natural resources.

Back in the 1970s when the Canada Wildlife Act was passed we thought mostly in terms of protecting individual species that were at risk and our efforts were limited by a failure to recognize the wider social and economic benefits of wildlife.

That recognition is now becoming more common. We know that wildlife activities make a significant contribution to Canada's economy. In hard dollar and cent terms we need to maintain our wildlife to maintain our prosperity, our communities and our traditional lifestyles. That is why close to 90 per cent of Canadians want better protection for our wildlife.

We also have come to recognize that working with individual species is not necessarily the best way to conserve wildlife. Certainly this is justified in the case where a particular species faces special threats. We have realized that each species is part of a web of life on which it depends and which it helps sustain. Tear apart that web and many species may no longer be able to survive. Patiently mend the web and you may help save not one but dozens of species.

• (1655)

In other words, we have understood that the most effective way of ensuring the health of wildlife is by ensuring the health of the ecosystems in which they live. No creature can long exist outside its accustomed habitat. Our task, first and foremost, is to protect key ecosystems, to conserve essential habitat. This is how we can ensure that future generations of Canadians will enjoy the benefits of a rich wildlife heritage.

In 1973 our predecessors in this Chamber were far–sighted enough to know the value of habitat protection to wildlife conservation and they incorporated that approach into the Canada Wildlife Act. The act allows the Minister of the Environment to acquire lands for the purpose of research, conservation and interpretation. Under the act, 45 national wildlife areas have been established in the intervening years, covering 287,000 hectares of territory.

The areas are managed by the federal government in co–operation with provincial and territorial authorities as well as non–government organizations. They complement an extensive system of national and provincial parks and other protected areas which encompass much prime wildlife habitat.

Internationally as well we have seen a growing appreciation of the need for an ecosystem approach to wildlife conservation. That is what underlines the North American waterfowl management plan, the Ramsar convention on the conservation of wetlands of international importance and, most important, the historic global convention on biological diversity adopted at the Earth Summit in 1992.

Among other things, the 1992 global convention calls for each signatory nation to establish a system of protected areas as a way of conserving biodiversity. To meet our commitments under the convention Canada must now redouble its efforts on this front.

We made a promising start in November of 1992 at the first joint meeting of Canada's federal, provincial and territorial ministers responsible for wildlife, parks and environment. The tri–council meeting called for development of Canadian biodiversity strategy. It also gave fresh impetus to the effort to complete Canada's network of protected areas, including areas representative of Canada's marine natural areas.

That effort has been defined in different ways. At times the call was to set aside 12 per cent of our country's territory as protected areas. But more important than achieving a particular figure is protecting representative samples of the Canadian ecosystems. Inevitably that means protecting key habitat on which our wildlife depends.

The bill now before the House will improve our ability to do that. It broadens the definition of land in the existing Canada Wildlife Act to include both land and marine areas alike, out to the 200 nautical mile limit. This wider definition will put the administration of the act in line with the ecosystem approach. Under the amended act it will be possible to establish new

national wildlife areas protecting habitats where wildlife reproduce, as well as associated offshore areas in which they feed.

The more extensive our network of national wildlife areas the better will be our protection for wildlife. Already this network covers a diverse array of landscapes and ecosystems throughout Canada and they support such varied activities as hiking, photography, bird watching, grazing or haying, and hunting, all in a manner compatible with the wildlife conservation objectives of a given area.

Allow me to describe a few of the national wildlife areas in existence or shortly to be established. In New Brunswick this year we will see the designation of Portobello as the province's fifth national wildlife area. This designation will protect over 2,000 acres of wetlands where waterfowl breed and stop on their annual migration as well as the Old Growth Forest where moose, whitetailed deer and black bear still roam.

• (1700)

In Quebec, Cap–Tourmente is an area that combines archaeological and wildlife significance. This site of the north side of the St. Lawrence River was established primarily to protect the habitat of the world's only greater snow goose population but it also contains remains of prehistoric as well as more recent times. Here Samuel de Champlain built a dwelling and a stable in the early years of European colonization.

In Ontario the Long Point national wildlife area forms a core of an international biosphere reserve. This fragile sand based ecosystem on the shore of Lake Erie contains unique habitats, including a significant portion of the remaining Carolinian forest and critical wetlands.

In Saskatchewan Last Mountain Lake is North America's oldest waterfowl refuge. Parliament first set aside land here in 1887 and this year it will be formally designated as a national wildlife area.

Yukon will get its first national wildlife area in 1994 with the designation of Nisutlin River Delta under the Teslin Tlingit land claims agreement. The area will protect approximately 5,200 hectares of inland river delta used by waterfowl as breeding grounds and a stopping point for their migrations.

In particular, it will shelter the tundra swan, a species listed as vulnerable with only 15,000 individuals in existence throughout the world.

Nisutlin is especially significant for the part being played by the first nations in its creation. In the Northwest Territories Polar Bear Pass has been the national wildlife area since 1986. It has also been recognized as a wetlands of international importance under the Ramsar convention and a significant biological site under the international biosphere program. This Arctic oasis supports some of the largest concentration of birds and mammals in the far north.

In the eastern Arctic huge numbers of sea birds nest at Coburg Island or at Nirjutiqavvik and it provides feeding habitat for the beluga, the narwhal, the walrus, the polar bear and three species of seals. A national wildlife area will be created there in 1994 under the terms of the Nunavut final agreement. The area will protect 3,450 hectares of land area and 14,350 hectares of water area for a total of 17,800 hectares.

The Inuit of the community of Grise Fiord will have a direct say in the management of the land use decisions affecting this area.

Far to the south of the island at the mouth of British Columbia's Fraser River, Alasken national wildlife area has been in existence since 1976. This is an important staging area for migratory birds, including the lesser snow geese from Wrangel Island in the Russian Arctic.

This is only a small selection from the list of Canada's national wildlife areas but it shows the variety and richness of these sites. It also shows the flexibility of a concept of wildlife area under Canada's Wildlife Act.

In Ontario's Long Point, for example, virtually all human activity must be closely monitored to avoid ecological damage. In constant, buildings standing at Alasken from before the site was designated now are used as offices of the Canadian Wildlife Service's Pacific and Yukon regions.

Other wildlife areas are open for many types of recreational activities, including closely regulated hunting, fishing and trapping.

• (1705)

In other areas local native people continue to exercise their traditional wildlife harvesting rights. That flexibility is one of the keys to the success of the national wildlife areas.

In many cases the sites that we seek to designate are of great importance to particular communities and groups. Our challenge is to gain their support and co–operation, to find ways of working together for common goals, including the goal of wildlife conservation.

This is truly sustainable development at work. Perhaps the greatest value of our national wildlife areas is that they give us a model for sustainable development, one that we should apply more widely. This House has an opportunity of doing exactly that by amending the Canada Wildlife Act. I am confident that hon. members will appreciate the importance of this bill and will give it swift passage.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I listened with considerable interest to the presentation of the members opposite.

I am wondering if the member opposite is aware that the penalties under the migratory birds act are in many respects much more severe than any penalties envisioned under the Young Offenders Act. For those watching this debate on television who may still be awake, I wonder if the member would comment on that.

Mr. Culbert: Mr. Speaker, first of all I will comment on the portion of the migratory birds act that you spoke of. Quite obviously those penalties you may consider overly severe. I consider them reasonable and severe in order to protect our migratory game birds.

As you know from the—

The Deputy Speaker: I appreciate that the hon. member is new, but would he please address his remarks to the floor. We do not refer to other members as "you". We say "the member", rather than "you".

Mr. Culbert: I apologize, Mr. Speaker. Certain the comments that have come forth in the question are appreciated. We are well aware in this House in recent weeks of the concerns that have been expressed on the Young Offenders Act.

Members on both sides of the House have heard the replies with regard to those questions from the Minister of Justice. I am not going to try to second guess him. I will wait for the hon. minister to bring forth his proposals on the Young Offenders Act and how he intends to make those amendments.

As far as the migratory birds act, I am in support of it. We may have to strengthen those penalties in future years in the protection of our wildlife.

Mr. John Finlay (Oxford): Mr. Speaker, I am very pleased to rise in support of Bill C–23, an amendment to the Migratory Birds Convention Act.

I note that this act was written in 1917. I do not think millions of passenger pigeons were flying between the United States and Canada across Lake Ontario in 1917 but there had been millions of them before the turn of the century.

After 75 years it is high time that we revised this act and amended it where necessary. Rachel Carson in her book *Silent Spring* alerted all of us to the dangers of pesticides and herbicides among bird populations. We have to keep that in mind. The situation has certainly not improved since that time and more needs to be done.

I know we are working hard on whistling swans. I would still like to see some bluebirds in the spring. There is even a dearth of warblers. Canada has a particular responsibility in this regard. Hundreds of species fly north to nest in our northern wilderness each year and fly south again in the fall to take colour and song to our southern neighbours so that we particularly must be cognizant of our role in maintaining biodiversity with respect to birds.

• (1710)

I would like to bring forward the results of an important survey made by the Canadian Wildlife Service in 1991. It surveyed 103,398 Canadians and it provides information on the socioeconomic benefits of biological resources in Canada. This was the third such survey since 1981 done by the Canadian Wildlife Service and some of the important findings are as follows.

In 1991, 18.9 million Canadians, 90.2 per cent of the population, took part in one or more wildlife related activities, devoting a total of 1.3 billion hours and $5.6 billion to these activities.

The majority of Canadians, 86.2 per cent, stated that it is important to maintain abundant wildlife and 83.3 per cent stated that it is important to protect endangered or declining wildlife populations.

On the economic side an estimated 1.8 million Americans visited Canada for fish and wildlife in 1991 and spent $842 million on these trips which provides us with a significant balance of payments in this area since that is five times the amount Canadians spend in the U.S. on such trips.

A second report is being prepared which will examine in more detail the impacts resulting from wildlife related activities on the Canadian economy in the form of income and jobs.

I quote from the Minister of the Environment: "The conclusions I draw from this survey are that Canadians remain strongly committed to the protection and conservation of abundant and diverse wildlife and that spending on wildlife related activities makes an important contribution to the Canadian economy. Those are among the reasons why the federal government is dedicated to working with the provinces, territories, environmental groups and the private sector on initiatives such as wetlands conservation and the protection of Canada's biological diversity".

Birds such as the golden plover and the Arctic tern travel thousands of kilometres twice each year from Canada's northern reaches to South America. Birds do not know anything about municipal, provincial or national boundaries. It therefore behooves us to do the best job we can in amending the Migratory Birds Convention Act to assure the world that biodiversity will continue and that our feathered friends will be here for many years to come.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I wish to take about five or ten minutes to speak on this bill.

I am in support of the bill and congratulate the minister and the parliamentary secretary for their work in this regard as well as all officials of the environment department.

I want to take this occasion to raise an issue of local concern, one that affects very much the citizens of Glengarry—Prescott—Russell with regard to wildlife, particularly migratory birds. Perhaps when I introduce this subject some members might think that it is trivial issue. I want to assure members that it is not. It is indeed a very important issue for the agricultural community of Glengarry—Prescott—Russell.

[*Translation*]

As you know, Canada geese spend the winter in the United States and come back in the spring to nest in Ungava, in northern Quebec.

• (1715)

[*English*]

Until some years ago the migration route of these birds was somewhere around Kingston, Ontario, and the birds would land, approximately 120,000 of them, on Wolfe Island and from there move north flying approximately in a north–northeast direction. For reasons that officials of the Wildlife Service of Environment Canada do not understand fully to this day, the birds have changed their migration route and are gradually flying farther and farther east. They now fly between Ottawa and Montreal. That is approximately the route.

[*Translation*]

They first stop in my riding and then in the Papineauville area. In fact, there is a Canada geese festival celebrating these beautiful birds on their way north.

They are a magnificent sight and like all my constituents I like to see them fly above. However, there is a community in my area which, for obvious reasons, finds that less enjoyable, and that is the farm community.

As I said, the birds stop in our area and their number can reach 75,000 to 80,000 at once. If the area was forested, they would do little damage. Even in a corn field they would not do much harm. But in a field of alfalfa or tender grass, very rich in protein because they grow on rich soil, they can play havoc. The losses suffered by farmers in my area are enormous.

I have here a report prepared by the Ministry of Agriculture which puts the losses at $240 per acre, and we are talking about hundreds and hundreds of acres destroyed every year. On several occasions, I asked the federal government to help these farmers. Unfortunately, I never obtained anything with the previous government.

I believe there are three solutions or three elements of solution to the problem we have in my riding. First, I think the agriculture departments of the Ontario provincial government and the federal government should implement a policy for compensating specific site owners, a program similar to the crop insurance they have in Quebec. In other words, if one specific producer loses part of his crop, he should be eligible. The Ontario plan does not allow for the analysis of such local losses. To be eligible, losses have to be regional and of course birds do not land on a complete region; they visit one site, destroy 300 or 400 acres at a time, but not the fields around that area. Therefore, that plan should be modified.

Second, there is a problem with the approach used to control birds when they decide to land on one specific field.

[*English*]

Until about three years ago farmers in Glengarry—Prescott—Russell were given permits by Environment Canada to shoot down one bird. The farmer would receive a permit to kill one bird. After killing the bird he would turn it upside down, pursuant to instructions given by Environment Canada, and spread out the wings. They are very huge birds. With the bird turned upside down it can be viewed from the sky by other birds and of course they would never go near that farm for the rest of the season. That was working reasonably effectively.

Three years ago Environment Canada took the position that the birds were gradually dwindling in numbers and we could no longer afford to do that.

[*Translation*]

That might be true, but I have a problem with that. If it is true the bird belongs to an endangered species, how come hunting those birds is permitted in the fall? If all that is true, why not prohibit fall hunting? In the past, I never succeeded in getting my point across to officials in charge of those issues.

• (1720)

It seems to me that if there must be control, it should be in the fall, when after all, it is a luxury to hunt them, not a necessity as it is in the spring when farmers should be allowed to shoot them. After all, perhaps only 25 farmers would be allowed to kill one bird each to avoid such serious losses.

Anyway, this was turned down. Instead, farmers were given, at great cost to taxpayers, guns and blank cartridges to scare them off. But, needless to say, these animals are extremely intelligent, over and above everything else, and once you shoot at them three or four times without hurting them, they are no longer afraid of your gun. So much so, Mr. Speaker, that farmers bought automatic propane guns that shoot once every half hour, or something like that.

[*English*]

Farmers in the area were explaining to me that for the first day the birds would leave when the shots were heard. On the second day they would leave about five minutes before the shots were heard. On the third day they would just tip their head up, listen to the shot and tip it back down again and continue eating. That is how effective that particular Environment Canada fiasco was for

my electors. All of this was a tremendous expense for the taxpayers.

Finally last year I thought we had the solution where Environment Canada offered to the electors of my area to establish a series of wildlife refuge areas.

[*Translation*]

Three areas had been designated as bird sanctuaries, one along the South Nation River, the other one near the Ottawa River, and the third one not far from Cob Lake, in my riding. Everything was planned, but unfortunately, the government withdrew its offer to supply funds. My constituents did not appreciate that at all. It happened under the former government, of course, not ours.

Still, material losses are nonetheless great, and that is what I want to bring to the attention of the House. As I said, to hon. members who deal with issues concerning the whole country, this may seem to be just a local and rather unimportant issue, but I assure you, Mr. Speaker, that when you lose—and I have the estimate here—when you lose $240 per acre and when you lose suddenly 200 crop acres, it is not very funny.

Several constituents of mine, several farmers in Glengarry—Prescott—Russell suffered losses because of that. There are two things I hope for. First, I hope that the federal government will convince the Ontario government to amend the crop insurance program so that these farmers can be compensated.

On the other hand, I hope that a solution will be found, either proposing sanctuary measures or restoring the program allowing each farmer to eliminate one bird every season, all the more so since, as I was saying, only about twenty farmers are involved.

I am not raising this point to tell you that I am not one of those who want to keep protecting that species, quite the contrary. However, I must stress that when people realize that no one wants to hear them, it sometimes happen that they take the law in their own hands. But there is no winner under such circumstances, because people will cause damage and will no longer respect these birds. What I want to do is make sure that that species will be protected. After all, they are a Canadian symbol and, what is more, they are very unique birds. I have been briefed about Canada geese.

[*English*]

For those of us who are English speaking, they are known as the Canada goose, a symbol of our nation until we put the loon on the dollar. Before that I guess the Canada goose would have probably been the most famous bird we had. It still is a beautiful creature.

• (1725)

I want to raise these concerns because they affect greatly the electors of Glengarry—Prescott—Russell. At this time of year I am deluged with phone calls from farmers who see their crops being lost because of the damage being done. It is the role of the government that makes these laws, laws that I support, to ensure that they are made in such a way so as to not sacrifice the agricultural community. Both can co–exist quite well if we put our minds to making sure that that co–existence does not mean that one community is sacrificed for the other.

It does not have to be that way. All we need to do is work co–operatively. I am confident that with people like the Minister of the Environment, the parliamentary secretary who is a very able person in the area, that we will succeed where we have failed before in preserving the crops of the farmers of Glengarry—Prescott—Russell.

[*Translation*]

And who knows, by establishing sanctuaries such as these, as we could, and as the department had suggested a year ago, perhaps we could increase the number of people who would go and see these beautiful creatures in their habitat. And the appreciation for these great birds would increase if we all worked together. That is, in any case, what I wish for, and I hope the department will examine that issue, which is very important for those I have the honour to represent in this House.

[*English*]

That being said I want to go on record supporting the initiative that is before us today and to again ask the government to think of the electors of Glengarry—Prescott—Russell and the problem they have in this area of wildlife management.

[*Translation*]

Mr. Yves Rocheleau (Trois–Rivières): Mr. Speaker, I would like to congratulate and thank our colleague from Glengarry—Prescott—Russell for his speech. One can see how sensitive and knowledgeable he is about the subject.

I have a technical question to ask him. He mentioned a measure suggested which would allow farmers who suffer damages to kill one animal per season. I fail to see how this could possibly change or improve the situation, and I fail to see what impact this could have.

Mr. Boudria: Mr. Speaker, that is an easy question to answer. When the program was in place, it had a very positive impact since birds which flew over the area and saw one of their own, dead and turned on its back to afford them a better view, would get scared. It is as simple as that.

That approach was so efficient that, according to departmental experts, birds would not go within about one kilometre of the site where they saw a dead bird.

When you study these birds, and I had the opportunity to do so since these birds are a problem in my riding, you understand how intelligent they are. In fact, they are so bright that, at the risk of repeating myself, they would only need a couple of days

to tell the difference between a real rifle and one that is used only to make noise without hurting them.

However, it is interesting to observe such a phenomenon and to see that these birds will do everything possible to avoid an area where they feel threatened.

I would like to say that this problem is different every year. Apparently, it has something to do with the heat of the earth. For example, birds base the speed at which they head for the north on the degree of thawing. If the earth does not thaw fast enough, they will stay in my riding for maybe three weeks. Can you imagine the damage they can make during that time. Sometimes, like last year, they only stay for about five or six days, because the earth warms up more rapidly. Maybe the frost was not so bad, or things were warming up more rapidly, or something like that.

After a short stay in our area, they resumed their journey to the north. Needless to say that, with the very cold weather we had this winter, I suspect these birds will stay a little longer in my riding this year, unfortunately for our farmers, but fortunately for bird watchers.

• (1730)

That is probably why they will stay with us for a few more days, even though they have been in this area now for two or three weeks.

[*English*]

(Motion agreed to, bill read the second time and referred to a committee.)

Mr. Boudria: Mr. Speaker, I think you would find consent to suspend the sitting until such time as the House is ready to deal with the adjournment debate.

The Deputy Speaker: The deputy whip may not be aware but I believe the House is ready to deal with the matters on the late show.

Mr. Boudria: I was not aware the members were already present in the House. That being said, I amend that to move that we proceed immediately to the adjournment debate and that Mr. Speaker see it as the time of adjournment.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

ADJOURNMENT PROCEEDINGS

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

INFORMATION HIGHWAY

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, on April 25 last, I put a question to the Minister of Industry asking him to explain the absence of representatives of the cultural community on the committee in charge of defining the government's strategy for the information highway.

I also conveyed to him my concern over the fact that the provinces were not involved in the process. Today I would like further clarification to be provided with respect to these two questions.

I represent the riding of Chicoutimi. The Saguenay region was the first in Quebec to welcome a multimedia centre, an investment of $80 million which will result in 250 jobs. I feel concerned by the electronic highway.

In the Throne Speech and again in the budget speech, the government announced it had the intention of putting forward a Canadian strategy for developing the information highway.

As we all know, the government has appointed an electronic highway advisory board. This board has 29 members, including one from my riding in the person of Mr. Charles Sirois, and I am very pleased with that.

Among these 29 members are representatives from the cable broadcasting, broadcasting and telecommunications industries, but none from the cultural industry. But there are living strengths, creative forces and expertise only waiting for an invitation to share their vision.

The cultural community is structured. It has its own structures and experienced representatives. Why are they excluded from this process? In the name of what? The artisans of the cultural industry cannot be ignored when dealing with this issue.

Besides the establishment of an infrastructure per se, there is the content of the information travelling on this electronic highway. One of the objectives of the board is to strengthen the French and English cultural identities; yet the board has no representatives from the cultural community. There is a glaring contradiction in there. How can this operation be credible when the committee does not include any representatives of the cultural community, despite the extra dimension and the extremely important expertise they could bring? This is not a whim but a matter of representation. Culture will not be affected only indirectly; it is at the heart of the electronic highway.

Although the committee includes 29 members, the Minister of Industry did not appoint any representative of the cultural community. Industry, however, is well represented. They apparently preferred to leave out players who could have made a necessary, useful contribution.

Under its mandate, the council is being asked to deal with copyright and intellectual property issues and to come up with results. Is this not an admission that workers in cultural industries make a considerable contribution? Why are these players absent from the process defined by the government, then?

The Ostry report recommended creating a ministerial committee and provincial participation as well. The government ignored that. Instead, the electronic highway will be developed behind closed doors, with only one player and in the federal arena. Excluding the provinces and the cultural community is a bad start in designing the electronic highway.

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Veterans Affairs): Mr. Speaker, I am pleased to have this opportunity to discuss the concerns raised by the hon. member for Chicoutimi regarding the government's strategy on the electronic highway.

The government has already stated clearly that it has three main objectives in that regard: to promote job creation; to give every Canadian access to that highway; and to reinforce Canadian sovereignty and cultural identity.

[*English*]

I wish to assure the hon. member that the government was and continues to be very aware of the information highway's cultural dimension.

The advisory council will contribute to the dialogue on this subject. I believe we should all be appreciative that so many prominent men and women have accepted to donate their time and effort in this vital cause. By its very mandate the council will reach out to Canadians. In so doing it will help to identify key policy issues as well as to involve a wide range of stakeholders.

[*Translation*]

The hon. member for Chicoutimi said that the cultural community was not represented on the advisory council.

In selecting the advisory council members, the government tried to appoint the most qualified people, those who can best put their knowledge and experience to the service of all Canadians.

In that perspective, I believe that the government should be congratulated for appointing such remarkable Canadians to the advisory council on the electronic highway.

[*English*]

The Deputy Speaker: Pursuant to Standing Order 38(5) the motion to adjourn the House is now deemed to have been adopted.

The House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 5.38 p.m.)

HOUSE OF COMMONS

Tuesday, May 3, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

ORDER IN COUNCIL APPOINTMENTS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, I have the honour to table, in both official languages, a number of order in council appointments made by the government.

Pursuant to Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

FINANCIAL ADMINISTRATION ACT

Mr. Randy White (Fraser Valley West) moved for leave to introduce Bill C-245, an act to amend the Financial Administration Act and the Auditor General Act (review of budget speech).

He said: Madam Speaker, I am most pleased to rise and table this document with the House. It amends the Financial Administration Act and the Auditor General Act. Its intent is to review the revenue estimates provided to the people of this country and my colleagues through the budget process. In years gone by revenues have been largely inflated and we feel a more accurate assessment of whether they should be is necessary. This bill will take care of that.

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

* * *

PETITIONS

NATIONAL ENERGY BOARD ACT

Mr. Pat O'Brien (London—Middlesex): Madam Speaker, it is my pleasure to present a petition today signed by some 250 residents of southwestern Ontario, including my riding of London—Middlesex.

These petitioners call on the government to amend the National Energy Board Act in order to provide intervener funding in the matter of interprovincial pipelines. With these petitions I would note that the total number of petitioners in southwestern Ontario is now at 1,000 calling on the government to take this action.

CRIMINAL CODE

Mr. Jim Abbott (Kootenay East): Madam Speaker, it is my privilege to present a petition signed by 50 of my constituents with respect to section 241 of the Criminal Code of Canada, which has to do with euthanasia.

In part the petition reads: "The Supreme Court of Canada recently upheld section 241 of the Criminal Code of Canada in the Rodriguez decision recognizing that section 241 was enacted to protect all individuals, including the disabled, the terminally ill, the depressed, the chronically ill, the elderly. If section 241 were to be struck down or amended such protection would no longer exist and our most vulnerable members of society would feel an implied pressure to end their lives".

GOVERNMENT ORDERS

• (1010)

[*English*]

SUPPLY

ALLOTTED DAY—TAX REFORM

Mr. Jim Silye (Calgary Centre) moved:

That this House implore the government to initiate immediate consultations with Canadian taxpayers and provincial governments on the creation of a fair and integrated reform of the entire tax system which incorporates the principles of equity, efficiency and effectiveness, thereby reducing the tax burden on Canadians.

He said: Madam Speaker, on behalf of the whip of the Reform Party I would like to advise the House that pursuant to Standing Order 43(2) our speakers on this motion will be dividing their time today.

Someone once said that you cannot get there from here. Nowhere is this saying more applicable than to the Canadian government's reliance on a confusing, complicated and convoluted system of tax and revenue collection. I rise on this opposition day as the first of many Reform speakers to call on the government for a complete overhaul of Canada's taxation system.

The Chair read the motion so I will not do the same.

Every year Canadians spend countless millions of dollars on accountants and lawyers to have their income tax prepared. The 2,091 page Income Tax Act is an unmitigated mess of rules and regulations and is screaming for reform, as are millions of Canadians.

This red book, which is not to be confused with the Liberal red ink book, has in the rules and regulations and various forms that make it so confusing that all the people who tried to do their own tax returns this year had a hard time coming up with the right answers, myself included.

The Liberal government with its red ink book promised to find ways to achieve tax fairness, simplicity and harmonization, implying some sort of reform to our tax system itself. Are Canadians truly getting the changes that they demanded and were promised? The answer is no.

After six months all we hear in answer to our questions is "jobs, jobs, jobs". All the Liberal government has done is pass old Tory bills, introduce no new bills of their own and we have not been able to question the government whatsoever on the direction that it wants to take this country.

What has happened is that the Liberals have dangled reform in front of the noses of Canadian taxpayers but they have not delivered.

In question period yesterday—I hear an hon. member talking who was not here, so he might listen to this—the Prime Minister stated that the only way to reduce taxes is to get Canadians back to work. This is a noble gesture, but has the Prime Minister not considered that it is the high tax burden that Canadians face which is stifling our economy and economic growth?

The fact is that revenue collected from personal income tax has more than doubled since the 1984-85 fiscal year. Tax collected from corporations has remained stagnant at approximately $10 billion because profits have been sluggish due to our recession.

Canada's overall tax burden has become the second highest of the G-7 countries in recent years and the taxpayers, as we all know, have moved to the underground economy that is valued anywhere from a low of $20 billion to a high of $120 billion.

The government has failed to address the problem. In its last budget it increased spending by $3.3 billion instead of holding the line or reducing the spending. This makes the private sector less productive which leads to greater unemployment. Will governments acknowledge that they are in fact part of the problem and not the solution?

The current high taxation rates serve as a temptation for government to keep spending at its current levels which will not solve our problems of high debt and high unemployment expeditiously. We must learn to live within our means like all Canadians and cannot look to the Canadian taxpayer before accomplishing this goal.

It is our belief that to stimulate the economy and to increase revenues for government, lenders, investors and consumers must possess a larger pool of disposable income. In this light, the Liberals should start by throwing this Income Tax Act out the window and replacing it with a completely new, entire tax system.

Why not reform the tax system? I would submit to the finance minister that less is more. Lower taxes will mean more revenue to the government. In this vein I would recommend the implementation of a flat tax on individual and corporate income. This model may work. We would suggest to start with a premise that would require input and consultation with Canadians, the provinces and individuals in the House, that the first $12,000 be tax free. One per cent of charitable donations would be deductible, but RRSPs would be limited to $5,000 to $6,000 for deductions so that the wealthy would not get the higher amount of deductions. There would be a spousal deduction and a child care deduction, and that would be it. We would draw a line, multiply it by 15 per cent or 20 per cent and send in our tax return.

• (1015)

Corporations would pay the same rate. The difference with corporations would be that their dividends would be deductible. We would not be taxing that and giving it out as after tax dollars. Dividends to individuals who invest would be deductible and taxable in the hands of the recipients. All investments in the future, all loopholes, exemptions and deductions defined here with rules, exceptions and counterexceptions would be gone. We would be investing as individuals with after tax dollars, and the corporations would be paying us based on their profits.

The objective of this tax would be threefold. It would simplify the current complicated tax forms so that all Canadians could understand them. It would restore equity in the tax system, eliminating the perception that one group of taxpayers is favoured over another and people with the same level of income would pay relatively the same amount of tax. The inequity right now is that there are people making $100,000 a year and one person pays $40,000 in taxes and the other person pays $20,000 because they might have better advice or they might have better borrowing power. That is not fair. Third, this tax would eliminate the triple hits that Canadians are taking in their pocketbooks with PSTs, GSTs and income taxes.

Under this system there would be no loopholes for anyone and we would be rid of the expensive bureaucracies now required to co-ordinate tax collection.

In National Revenue and Taxation, Customs and Excise, there are 44,000 employees at a cost of $2.2 billion. Savings to the Department of National Revenue in tax collection and the monitoring of all personal and corporate tax exemptions would be in the billions, not just the $36 million the government has proposed to save by the wonderful amalgamation of two deputy ministers, one of taxation revenue and the other of customs and

excise. We need more savings than just $36 million out of a $2.2 billion budget. That is ludicrous and the government should be embarrassed.

Introducing a simple, fair and integrated system of taxation would lower these costs substantially while checking the powers of the bureaucracy. If the bureaucracy in Canada is left unchecked it will continue to increase costs and taxes, continuing the country on its present downward spiral. Canadians will never have an opportunity to pay less taxes in a current year than they did the year before.

An example of the high cost of the bureaucratic action was brought to my attention by a CA firm in Calgary, Bogle, Duska, Robinson and Perry. Mr. George Duska did an analysis in a six-month period. The number of forms and taxation slips whether or not they were required that changed for him to do his job on a file, to make copies and do the necessary changes, was about an inch and a half thick over a period of a month and a half.

Witnessing the cost in changes in tax forms that had taken place over the past 10 years, Mr. Duska did an analysis of the revised tax forms over the six months to see if these changes were truly necessary. In his opinion 16 per cent of the revisions were required by the tax system, while 84 per cent "were useless and a waste of taxpayers' money". This indicates that as usual bureaucracy is out of control.

I challenge the government and cabinet to give existing standing committees more authority to look at the expenditures and the budget estimates. They should let them come back to cabinet and recommend cuts, prioritize them and cut off the bottom two, to start the government toward a balanced budget. It is a small area relative to government expenditures, but it illustrates the fact that our present system is becoming a bureaucratic nightmare.

I would like to conclude by educating the Liberal government, which might be nearly impossible, on the reality of the private sector, not the perceived reality of the Liberal government. Government overspending results in the raising of tax dollars. Higher taxation means less capital available in the marketplace which leads to a drop in demand. When demand drops, consumption drops, businesses close their doors and the cycle continues.

This vicious circle is the main reason why over one million Canadians are unemployed. It takes money to create wealth. The government takes too much of it and then wonders why unemployment goes up. Business people in the House know this but politicians in the House do not understand this. They do not understand the difference between the spending of debt capital, borrowed money and equity capital, especially when the government has not paid back $1 of the money it has borrowed since 1968, the first years of Trudeau.

• (1020)

Is that not embarrassing? Who in the House borrows money from the bank and has never had to repay $1 of it over 23 years? I would venture to guess nobody. Why is the government being treated differently or why is it treating itself differently? The private sector understands the difference. It is time that politicians did as well.

It should not be beyond our means to create a more equitable system of taxation, one that inspires prosperity for Canadians and economic growth for the country. Let us work toward the restoration of public trust in taxation and create a tax system that reflects the principles of equity, efficiency and effectiveness, thereby reducing the tax burden on Canadians.

We must listen to the comments of all members in the House today and see if we come up with some solutions. The real problem is a balanced budget. It is important. No tax system in the world is good if it does not address the real problem. If we continue to spend $160 billion and do not raise $160 billion, we are contributing to the problem, not solving it.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Madam Speaker, I begin by congratulating the Reform Party for initiating the debate on comprehensive tax reform. I also humbly correct the member because he made a statement that the government had failed to address this problem.

I would like to clear the record because we have started the process of addressing this problem. We started it in the finance committee. Just yesterday the Prime Minister reiterated our election commitment that the GST was going to be killed. I think that is what he said. It is important for Canadians to know this. They cannot think, because we campaigned for three years for tax reform, that we came here and did not begin the process. We have not solved it yet but we have started.

I remind the member that I had the privilege of appearing before the committee last week on the single tax which many of us on this side of the House have been working on for the past few years. It is a very difficult and complex issue. The member announced that.

I have a question for the member. When a single tax is designed, or a proportional tax, one basic principle is flushing out all corporate loopholes, all tax preferences. Some would call them grants. Will the Reform Party be consistent on that and agree, as those of us who support single tax agree, that when we flush out all those preferences we will flush out all preferences that pertain to the energy sector in the province of Alberta?

Mr. Silye: Madam Speaker, I would like to respond to the hon. member for Broadview—Greenwood on the GST replacement and the work in the finance committee.

Although the intentions are honourable, we will really end up at the end of the day with a new tax that replaces an old tax. They will still try to collect $15 billion out of the pockets of taxpayers. They say that is a solution. We can simplify it and make it less expensive to collect but nevertheless it is still a tax. It is a band-aid approach to the problem. The real solution to the problem is an entire review of the tax system so that we do not have to worry about the GST replacement and we only have to tax the one time.

With respect to corporate profits, the whole concept is that currently the Income Tax Act and the income tax system are being used to drive social and economic policy. We have to design an income tax system solely for the collection of revenues to pay for the government programs people want. The responsibility of politicians is to find out what the people want and raise the money to do it.

• (1025)

If they come up with a program to support the oil and gas industry, to support the coal industry or to support manufacturing, fishing, forestry or whatever, then they should treat them all the same and not be selective with specific subsidies at a particular time that distorts the marketplace, that confuses the marketplace and that creates unfair competition within the industry. At that time they might be favouring a certain type of industry. Within that industry those who know how to make a profit will be making a profit and those who do not will be getting the subsidy. In a way that is rewarding failure.

The system of a flat tax, a proportional tax or a single tax—I do not care about the name—is an important concept. The principles are important. If we can get members of the House to accept certain principles and concepts, we will go a long way toward solving the problem. No company or industry, even if it is in the city of Calgary where I have worked for 23 years, would object to the fact of eliminating all complications, pretax and after tax. If we just deal with after tax dollars and we all had more disposable income, it would really purify and clean up the system.

Mr. Ian McClelland (Edmonton Southwest): Madam Speaker, I am particularly pleased to rise today to speak to the motion. It is near and dear to all our hearts, particularly at this time of the year when we have just gone to the well to pay our taxes.

The underlying consideration that must be part of a tax structure is the element of fairness. Members will know that all of us as Canadians do not mind doing our share, but we want to know with absolute certainty that we are doing our fair share and that there are no privileged persons and corporations in our society doing nothing and living off the sweat of others who contribute.

I will spend a few moments speaking to the issue of the corporate tax structure in Canada, particularly with a view to small and medium sized businesses. The question is: Does it do the job? Does our tax structure do what we want it to do or does it not?

Members will know many different types of taxes affect business in Canada. There are income tax, payroll tax, capital tax, sales tax and property taxes. Each of these affects business differently according to the firm's sector of activities and its size. The elemental question is: Is it fair and does it work? Does it do the job?

We know the tax structure is different for small and large firms. Why is it different? It is different because payroll and property taxes account for a larger part of the small business tax burden than they do for large firms. These taxes that small business bears are independent of profit. It does not matter how much profit a company makes. It has to pay payroll taxes, the municipal taxes, the taxes on water and sewer and all those sorts of things. These taxes weigh more heavily on a small business than they do on a large business.

Over the years governments have shifted the tax burden from corporate income tax to payroll and property taxes. All governments favour these forms of taxation because they provide a more stable revenue stream than income taxes which rely on profit.

The negative impact on the development of the economy, the fairness of the tax system and the structure of the tax system should be a cause for concern as we go away from corporate taxes which are a result of profit and payroll and other taxes which are not profit oriented.

For example, taxes related to profits account for a significant portion of the overall tax burden: about $36.5 billion in 1992 representing 73 per cent of the $50 billion of direct corporate taxes paid in 1992. Therefore 73 per cent of the corporate taxes paid in 1992 had nothing to do with income.

At this point I wish to acknowledge the source of much of my comments today. It is "Growing Small Business", a budget document presented by the Minister of Industry. Most of what I will speak to today is in the government's budget documents. I thank the Canadian Federation of Independent Business for also providing me with some information.

• (1030)

There is also indirect taxation of business inputs that are not related to profits. These taxes are levied by federal and provincial governments and are paid by businesses when they purchase goods and services. Examples of this type of tax are the excise tax on fuel and provincial retail sales taxes. About one-third of

provincial retail sales taxes is collected on business input. Input tax credits under the GST reduces this on a federal level.

The current tax scheme in Canada is a burden on existing small and medium sized business. Just as important, it is a disincentive for those who wish to start their own businesses. Therefore if the government is to realize its goal of creating more and more jobs, it makes sense that the government would also reduce the tax burden and subsequently reduce the tax disincentive for people to be entrepreneurs, to get into business and create their own jobs.

Although the government realizes that unfair taxation is a problem for business and this realization is acknowledged in the budget documents, it is reluctant to do anything to rectify the situation.

The government as a matter of fact went so far as to announce in the February budget that it is unable at this time to offer any tax assistance to small and medium sized business. Instead it has put the pressure on banks to allow easier access to loans.

I submit that the problem is not exclusively access to loans. The problem is to be able to retain cash in a small or medium sized business to employ more people, to expand the business, to get involved in other businesses. The government must realize that all the start-up capital in the world will not assist small business unless businesses are profitable and are able to retain cash in the business.

The problems facing businesses go deeper than just taxes. It is the result of a flawed philosophical approach to business. It is proven that small business creates up to 80 per cent of the jobs in Canada. Yet all governments continually put impediments in place that take away from business the ability to grow and prosper.

Government after government has used small and medium sized business as a cash cow to balance the books. The current Liberal government must become the exception to the rule if it is to realize on its promise to create jobs. Claiming to want to create jobs yet not making changes in the tax environment for small and medium sized business just will not wash.

Small and medium sized business must be allowed to retain capital for reinvestment in the business to create the jobs that are so desperately required in our economy. Capital from small businesses should not be taxed until it is taken out of the business.

I would like to spend just a few moments if I may to speak to the equity position of taxation in business, small business versus large business or multinational business.

I have a list of many businesses in Canada that have from $26 million to $111 million in pre-tax profits which in the year 1992 paid no taxes whatsoever. A member of this very House some years ago coined the phrase "corporate welfare bums". Ladies and gentlemen, that phrase was apropos then and it is apropos now.

Canadians would be absolutely horrified to know of the tentacles large business has in this very House in Ottawa which is nothing but a siphon for business to get money from the government to promote whatever business has the tentacles and the ability to get into the House. I submit that individual Canadian taxpayers earning $7, $8, $10 an hour should not be subsidizing any corporations. If a business does not have the ability to compete on its own, it should not be in business.

As this debate unfolds and as we move along we have to understand that the basic element of fairness has to be part of our tax system. As the day progresses we will be speaking to the notion of a single tax or a flat tax. The premise behind this is so that everyone understands that the system is fair, that nobody gets away with anything, that we all contribute equally according to our means.

• (1035)

Mr. Alex Shepherd (Durham): Madam Speaker, I would like to comment on some of the provisions the Reform members are making today.

One is that the system is complex and indeed it is complex. Our society over the years has become more complex and that is a fact of life.

One of my observations on the income tax system has been not so much that it is complex, but I think some of the things that the members have been drawing attention to is the fact that we keep changing it all the time. In fact 1972 was a major time of amendment and reform to the income tax system, as was the early eighties. Now members are proposing another change to the system. Every time we change the system it means we do not understand it any more. It takes us another 10 or 15 years to understand the system.

I would like to suggest to the member that possibly a more beneficial method is just to leave the system partially alone. We need to change some things where some are getting better benefits out of the system than others.

I would like the member to deal with another aspect which is the main part of my question. With the flat tax Reform Party members are proposing today, how can they justify the shift in tax burden from upper income groups to the middle class?

Essentially the mathematics are very simple. If we have to collect *x* number of dollars from the system we are going to have to collect it from various aspects of our tax system. Right now our tax system is progressive. By definition it has to follow that with the flat tax they are proposing today there is a reallocation of tax burden from the upper income group to the middle class. Could the hon. member explain that?

Mr. McClelland: Madam Speaker, I thank the hon. member for the question and the opportunity to expand on a couple of aspects of this single tax.

I think the hon. member's point about changes is that we have not been changing the tax system; we have been tinkering with it. There is a saying in the manufacturing industry that we have lost the handle. That means when you have tinkered with something so often and so much you do not know where you started and you lose the handle.

We have lost the handle with our tax system. All the tinkering in the world is not going to change it. We have to go back to ground zero and reinvent it. We have to keep in mind the kiss principle: keep it simple stupid. It must be kept simple and direct. If a book three inches thick is needed to define the tax law and you have to be a Philadelphia lawyer to figure out how you are going to pay the taxes, then obviously people feel there are loopholes for some and not for others.

As far as equity in a single tax is concerned, who is going to get nailed? Obviously you are only going to nail the middle class. That is where the money is.

To presume the high income earners in our country are paying a fair portion now is to presume there are not such things as a capital gains exemption, that there are not all kinds of tax incentives to help people at the higher end of the income level. These are not available to people at the lower income level.

To presume that things are fair and equitable in the tax system now, I just do not concur with the hon. member's premise. I think it is not fair now and it needs to be fair. The tax system is only able to get resources from people who have them. We have to understand that.

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Madam Speaker, it gives me great pleasure to lead off the debate for the government side today and to thank the member for Calgary Centre for putting such an important issue in front of the House.

There is not a member in the Chamber who does not have to deal from time to time with the question of tax reform. I was interested in the interventions first from the member on our side, the hon. member for Broadview—Greenwood. He has been a great advocate of tax reform. The member for Durham just rose. He sits on the finance committee, as does the member for Niagara Falls. Since joining the House, all of them in their own way have been very active on the question of tax reform. I thank them for their contributions. I am sure all members will join me in wishing to hear more from them on questions of tax reform.

• (1040)

The motion itself at first glance has much to contribute to the debate. The first part reads:

> That this House implore the government to initiate immediate consultations with Canadian taxpayers and provincial governments on the creation of a fair and integrated reform of the entire tax system—

After looking at the first part of the motion I would like to get the House to consider where we have come from on the question of tax reform and where we might be going.

The question of taking on the whole issue at one time at one level is quite attractive. It would be very nice to find a simple solution to the question of tax reform in this country, but the reality is that tax reform has been a very difficult process.

Post-World War II Canada usually uses the Carter commission with its after the fact cliché that a dollar is a dollar as the beginning of tax reform efforts which now stretch over 30 years. Successive governments including our own back in the 1960s and 1970s have done more than their fair share to instil a better sense of fairness in the tax system.

However, the job remains a daunting one. It is one in which we need the advice not only from members of our own caucus but also members from all parties in this House to find the best way to improve Canada's tax system.

I hope each member in the House is most conscious of the tax system since the period for filing income tax returns has just ended. It is not just an abstract issue to members; it is one each of us as individuals contribute to annually, as well as daily through the consumption taxes. To remind Canadians, when members of the House of Commons and the Senate speak about tax reform, they are not just speaking about something in someone else's life, they are also speaking about something in their own lives. Therefore they are very conscious of the need to make things fairer at all times.

As the member pointed out in the lead speech, the legacy of the last 10 years has been an increased shift to individual personal tax. This has caused a great deal of concern among Canadians on the question of fairness. At the same time in the business community the question of payroll taxes and the ever increasing burden of weekly and monthly remittances to provincial, local and federal governments drive small businesses to distraction and are a constant concern of big businesses in their investment decisions in Canada.

We on this side of the House join the opposition in seeking ways to improve the tax system. We probably would differ on the ability of a government to find one solution to the entire question of tax reform. One of the great frustrations in governing is of course that every solution requires biting off a chunk of the problem and dealing with it in a practical sense. Tax reform is an ever evolving process.

I would like to share with the House the ways in which we have begun to deal with the issue of tax reform at this time. There are three benchmarks for this government.

The first one is that in our platform before the election we set out tax reform as a major initiative. Part of the commitments we made to Canadians is to make progress on questions of taxes and tax reform during our first mandate.

Also, one of the first measures taken in this House was the approval of the work being done by the House of Commons finance committee, of which I am a member. There are at least four other members of the committee in the House of Commons today participating in this debate. The committee has sought to reform the GST.

To observe the rules of the House, I will not dwell on the work of the committee. However I will make it part of the public record that in view of the witnesses who have been heard, the experts who have come in to help the committee and the wisdom of the members themselves, we are very much convinced the committee will produce a report which will be used as a tool by the Minister of Finance in his efforts to deal with the provincial governments.

The second part of the motion deals with the negotiations with the provincial government. We would agree in the motion with the reality that we cannot sell the question of tax reform on our own.

Consumption taxes are perhaps the best example. There are 11 regimes in this country of which 10 are active in consumption taxes. Some provinces have differential rates. All 11 regimes tax different commodities and different services at different rates. It is very confusing for the consumer and we have set out as our highest priority in tax reform to bring some order out of the chaos and the GST/consumption taxes in this country.

• (1045)

Again, on behalf of the Minister of Finance I thank my colleagues in the House and in committee for their work. Like them, I look forward to seeing a report some time in the next month, on schedule, which then can be taken to the provincial ministers of finance and contribute to an ongoing national debate on tax reform.

The third initiative that we have taken and that I would like to spend some time on is our February budget. Our February budget considered a number of measures to eliminate tax loopholes and inequities in the system. This is why in the budget we also announced that we would be rolling back unemployment insurance premiums of 1993 to deal with the question of the high cost of payroll taxes.

Although the changes that we made to the UI system were minor, we consider that to be an important first step to indicate to Canadian businesses that we are conscious of the cost of payroll taxes. Often forgotten in this is that the worker bears a very high cost on a weekly basis for these premiums. Any initiatives that we can take to cut back on his or her weekly premiums is appreciated.

During the prebudget consultations, Canadians told us that payroll taxes like these are a major barrier to job creation. We heard that message and we acted. These prebudget consultations are also bottom line proof that our pursuit of a better tax system is firmly rooted in a commitment to consultation with taxpayers and with other levels of government.

As I noted at the beginning of my speech, the question of tax reform will take us several years. Next fall is the second stage in the work of the finance committee. The Minister of Finance is required by orders of the House to report for the first time in our history to the finance committee with an economic statement.

The finance committee will then proceed with several weeks of hearings in a more public prebudget consultation process. I personally take this as a benchmark of changes in the attitude of the Canadian government toward taxpayers in the organization of the budget, the expenditures and on the revenue side.

I ask those Canadians who are watching this debate and those members of the House who are participating in this debate not to consider it to be a sole opportunity to contribute toward tax reform but to proceed to prepare for the finance committee in the fall and to bring forward ideas for tax reform, to bring out ways that we can make the system fairer and to put those into the public realm for debate, discuss it with members of Parliament on the committee. Write a letter. For those members who have their own projects, bring it to the attention of the committee.

One of the most interesting aspects of the GST hearings was a number of members of Parliament who came forward to present their ideas on GST reform. Around 24 or 25 members participated in this debate. I thought it was a very healthy process. Although my memory in the House is not long, I think it has been a while since members felt it efficacious to go in front of a committee in that number and present their own ideas.

The fact is that officials from finance and other departments that deal with tax issues meet with their provincial counterparts year in and year out to discuss proposals for changes and improvements. The broad policy review process that the February budget outlined includes areas where tax concerns are being studied and Canadians are being consulted.

This reality that consultations are taking place on tax improvements is just one reason why today's motion, although it is a good start, may perhaps do discredit to the tax reform process inadvertently if it is not appreciated in the reading of the motion

that the complexity of the issue is respected. No one can bring to the debate a holier than thou attitude that one solution will solve all of that.

This is what I personally find disturbing inasmuch as the verbal game playing and intellectual cynicism in the motions, invocation of a triple-E solution of equity, efficiency and effectiveness goes together without creating other problems. Again, I want to assure Canadians that in developing tax policy these principles have been and will continue to be recognized as critically important by the government and the officials in finance and Revenue Canada.

• (1050)

Unfortunately, Canadians should recognize that these are not principles that always work well together. In fact sometimes just the opposite is the result. It is just this conflict that the opposition has chosen to ignore in its original motion.

A bit of common sense history and philosophy will make it clear why this motion could contribute more to solving the challenges of tax reform. As Canada's income tax law gradually evolved over the past 74 years it has been shaped by several key forces which I would like to review for the House.

The first is the use of the tax system to do more than just generate government revenues. It has also been a tool to carry out economic and social policies from child care assistance to research tax credits that play an important part in our national well-being. But each of these measures has needed specific and often intricate legislation on definitions, rules and procedures.

A second force in shaping our modern tax system is the increasingly sophisticated tax planning evolved by individuals and corporations seeking to reduce their tax liability. This perfectly legal and entirely understandable activity has a clear corollary. We have had to put in place correspondingly sophisticated tax law in order to preserve the government's tax base.

A third force is the evolution of the economy itself into one that has become more sophisticated and complex with every passing year and one more deeply tied to global currents and competition. Here again there is an unfortunate corollary. The fact is that it is becoming often impossible for a tax system to be truly simple, truly fair and truly effective given the extraordinary variety and complexity of commercial and other situations it must accommodate.

Let me give just one high tech example of what I am talking about. We would all agree in the House that the high tech industry is the cutting edge of the new economy and that research in these areas is something that the tax system should encourage. That is something virtually all the participants in our prebudget consultations agreed on. But what about the situation where a company, say Ottawa's Bell Northern Research, used equipment to make experimental microchips and yet uses the same equipment to produce proven commercial chips? Is this research equipment or manufacturing equipment? How do we determine the equipment's tax status? Especially, how do we determine its tax status without developing fairly detailed rules?

If we eliminate any tax benefits for research facilities all we are doing is inviting Canadian researchers and manufacturers to move to jurisdictions where those benefits are available. Those are the sorts of real world situations and issues that tax policy makers must not ignore and they must not be ignored in the consideration of a resolution such as the one we have in front of us.

A key element of a fair and equitable tax system is that it provides both taxpayer and government with all possible certainty. If you do not know what your obligations and entitlements are, you can never be sure you are not at a disadvantage. Only explicit law can be certain. To be explicit a law must be somewhat complex. It must cover all known eventualities and then be updated as new conditions warrant.

I suspect that many critics of the government might try and argue the fact that many tax measures require interpretation. There is evidence that current laws fail this goal of certainty. What they do not realize is that radical simplification which must use sweeping generalities would actually make the act more ambiguous and ultimately increase the amount of interpretation necessary.

I wish that reality was not so demanding on all of us. But wishful thinking and rose coloured spectacles are poor guides for policy and do Canadian citizens no favours. This is exactly the case when it comes to one form of tax simplification that some hon. members in this House have been known to espouse, what I call the seductive flat tax proposal. How much simpler, how much fairer it would be if there was just one rate of tax to be calculated on all income. Simpler perhaps, but perhaps not. Fairer? Well, that depends on your definition of fairness.

• (1055)

I suspect that many Canadians would not find a flat tax system less equitable and fairer than the current progressive system. After all, to be revenue neutral individuals in top income brackets would enjoy lower taxes while tax increases would be necessary for lower and middle income filers.

The fact is that high income Canadians pay a considerably larger share of the total tax bill than their size as a group in the population. The lowest income groups pay a relatively small share of the tax take. Is this equitable? Not in the sense of mathematical equality. Is it fair? I suggest that most Canadians agree that those facing economic hardship who must devote the bulk of their incomes to basic necessities do not deserve to have

their tax burden increased. This government is committed to avoiding tax increases among low income families.

I hold that justice without compassion is more tyranny than equity. By the same token, a tax system that places narrow numerical simplicity ahead of social conscience will be a betrayal of the values of mutual support and sharing that are a cherished part of our national Canadian fabric.

It is also worth pointing out that the complexity in our tax system is not so much the result of having more than one tax rate. Let me again remind the House that complexity stems from a wide variety of complex situations that arise in the real world. The current tax system takes into account the reality of differing individual and family circumstances.

For example, special measures such as the child care expense deduction provide relief to families which incur these expenses. Other measures such as the charitable donations credit encourage contributions to the voluntary sector. Under the 1994 budget we in fact made it easier for Canadians to contribute to voluntary associations.

Under the flat tax system such measures should not exist. If they are maintained then we are right back to the exemptions and credits in calculations that many of us wrestle with each year. The only difference would be in using one tax rate instead of the current three, hardly a dramatic improvement.

That leads me directly to another problem I have with today's motion. That is perhaps the intimation that is implied, that there is some silver bullet or some simple one-step solution to these problems. However, there is no national consensus as to exactly what that one simple solution might be.

At the start of my remarks I mentioned the series of cross country prebudget consultations that the Minister of Finance and myself engaged in. It might interest the member to know that while some participants wanted fewer rates and brackets, others took the opposite stance and urged us to increase the range of brackets and make the rates even more progressive. There was also real wisdom in the comments made by one Toronto participant who observed that one taxpayer's loophole was clearly another's entitlement.

Madam Speaker, I hope I have not, if you will, taxed the patience of the House too much by highlighting the real world conditions and obstacles that make a simple, fair and effective tax system such a challenge. It is a challenge that this government will continue to accept. I know that my colleagues here will have much to say on the action that we have taken and the activities underway to meet this goal.

The challenges that must be overcome cannot be overcome by pretending there are magic cure-alls. Progress is not made by glibly lumping together principles that undercut each other. Success will not be achieved by pretending that panic and haste can achieve more than patience and steady sensible progress.

In my speech I highlighted some of the problems that we have in developing proper tax regimes for corporations working in a very competitive international environment, with very difficult trade and tariff regimes. In the last few days I have had an opportunity to deal with people in the garment manufacturing industry, for example, whose whole world is being turned upside down by changing tax regimes and tariff regimes. We are all aware of just how difficult individual Canadian families are finding the tax system and how it leads members in this House to be impatient for a new system. I quote a famous American jurist, Oliver Wendell Holmes, who said: "Taxes are what we pay for a civilized society".

That I guess is the message that I would like to leave with this House, that as we deal with taxes we also deal with the legitimacy of this country in the way that taxes provide us with the resources to do things together. Trying to change the tax system and to make it fairer also implies that we remember the usefulness of these taxes for everyone. I thank you for this opportunity to contribute.

• (1100)

[*Translation*]

Mr. Benoît Tremblay (Rosemont): Madam Speaker, the motion before the House today asks for more consultations, and today we may hear quite a few statements full of good resolutions in this respect.

I think we heard this in what was said by the hon. member for Winnipeg North Centre who is also a member of the finance committee and who said he wants more equity in the tax treatment of individuals and more equity among the provinces.

I would like to give two examples: one concerning individuals and one which concerns the provinces. Although the hon. member must be familiar with these examples, he did not mention them at all in his speech. However, it is now time to act.

As far as individuals are concerned, during the election campaign it was made clear that family trusts were a tax benefit that was unacceptable to most Canadians. However, there was nothing about this in the last budget. Maybe next fall the finance committee will consider the issue. We are still waiting for information from the Minister of Finance, and they tell us they will have the information but we are still waiting. If the committee starts considering the issue of family trusts next fall, this means there will be nothing in the next budget.

We must not forget that this measure was introduced by a Liberal government and extended by the Conservative govern-

ment at the end of its mandate, and now they are trying to play for time instead of dealing with this obvious injustice.

As far as provinces are concerned, the last example which contradicts what the hon. member for Winnipeg North Centre just told us, refers to how the federal government treats Quebec tax credits for research and development. Quebec has introduced a tax system that benefits research and development, researchers and universities.

The system is simple: companies are allowed a tax credit of 20 per cent on research expenditures if they do the research alone and 40 per cent if they do the research in co-operation with a university. This is a very successful program. However, the federal government decided that the tax credit allowed by Quebec was to be considered as a subsidy, which was contrary to common practice. And it still is.

This means that the federal government imposes a 39 per cent tax on tax credits allowed companies and universities by the Government of Quebec. But not a word about this, although for years, the Quebec Minister of Finance has been asking for a review of this unacceptable tax treatment by the federal government.

Has anybody heard of any changes in this respect? Not at all, Madam Speaker. So if they want to be fair to the people and fair to the provinces, I wish the hon. member, who is a member of the finance committee, would respond to these two specific issues. It is time to act.

Mr. Walker: Madam Speaker, I will talk first about the family trusts issue. The government announced in the budget that this issue would be referrred to the finance committee but, at the present time, the committee is very busy with the GST issue, the budget issue, Bill C-17 and other bills. I think that, in the fall, the committee will start examining the family trusts issue. But at this time, it is too busy with the other bills.

The second issue is very important for all the nation, because research matters and tax matters in the research field are very difficult to settle. Within the government, the Departments of Industry and Finance are currently examining our research policy directions. I hope to see changes before the next budget and also, I say to the hon. member that it is possible that changes will be made to the family trusts issue if the finance committee thinks that might be a major problem for the next budgets.

• (1105)

[*English*]

Mr. Jim Silye (Calgary Centre): Madam Speaker, I would like to make a comment and ask a question of the hon. member for Winnipeg North Centre.

I am disappointed to hear that he is against the exploration of an integrated flat tax system or single tax. I am also challenged to see here that he says it is seductive. It is unfortunate that when suggestions are made that seem to have a lot of encouraging inducements to looking at them they are labelled as too simple.

Why do people in politics feel that the problems are so complex and that tax reform is a difficult process? I believe the parliamentary secretary has already listened to the Department of Finance too long. That is an incorrect and false premise. He should think for himself. He should look at the problems and try to use some common sense and he will see that this is where that will lead him. Not that I am that intelligent but that is where my nose led me and Lord knows it is long enough.

The other comment I have is that we in the Standing Committee on Finance are looking at a replacement for the GST, but that is a band-aid approach to the real problem. Why not cure the entire illness with a surgical overhaul of the entire tax system?

We have a year and a half to do it; a year and a half to just come up with a band-aid and the illness will have grown worse, and then our problem will become even greater.

The hon. member also took credit for the wonderful consultative process that this great Liberal government has now introduced to the principles of democracy. Taking credit for consultations is nothing new. If that is all the credit it wants to take, it can have all of it.

What would be new is after we consult with provinces and individuals the government actually listens and implements their suggestions. I hope this is something that will happen.

He also criticizes flat tax. This is where I am leading to my question. He states that as the current system is progressive, it would eliminate progressivity. It would introduce regressivity because it is a flat tax and we are taxing the poor.

Lower income earners would be tax exempt. Upper income earners would lose their tax loopholes. They would not get these wonderful deductions that they are getting now and they would pay tax on every dollar earned. For instance, higher income people can lower their tax rates from a 50 per cent rate down to a 30 per cent rate and this I know from personal experience. That would be eliminated and they would be paying tax on everything.

Therefore, collectively from individuals and more significantly in terms of corporations this is where we get more tax out of corporations. After my comments here and specifically to his questions, would the parliamentary secretary apply some common sense and would he be willing to request the Department of Finance and the department of revenue and taxation to crunch some numbers to illustrate or highlight the difficulties to this House of a system like this with no exemptions?

Why not put the Departments of Finance and National Revenue to work instead of listening to them saying that it is too complex and it will not work? Put them to work and make them

prove to this House that a system like this does not deserve more consideration.

Mr. Walker: Madam Speaker, the member for Calgary Centre has put me on the horns of a dilemma: do I think for myself or do I listen to the department?

t That is not necessarily two different issues, but I like to think that I can still keep my own counsel when I listen to other professionals giving me advice.

The last point is a very serious point. In this case I am not speaking for the department. I have some doubts about the flat tax. It does not mean that I think there should not be an open discussion. I have listened to my colleague from Broadview—Greenwood bring this up several times. I really do hope the finance committee takes a look at these ideas in the fall as part of the deliberations for the upcoming budget.

If it will help the committee to have a presentation on some of the data and some of the intricacies, either publicly or with the hon. member individually, I would be more than happy to take that request to the department and we can arrange something. I do not think the resources of the government should be, if you will, cornered by the government and I do not have any intention of doing that.

If I appear to be critical of a different way of approaching taxation, it does not mean that I am not willing to open up the doors and make sure that is fully explored in the coming months. The member has given this a lot of thought. We have our disagreements but that does not mean that it should not be looked at properly and thoroughly.

• (1110)

[*Translation*]

Mr. Pierre Brien (Témiscamingue): Madam Speaker, I am extremely happy to participate in today's debate on a subject very close to my heart. When I decided to run for political office, I had two major goals in mind: the first, of course, was to bring about full sovereignty for Quebec, and the second was to create a fairer, more equitable tax system, since it accounts for a large part of the social contract between individuals and the government and is presently the cause of much of the dissatisfaction people feel for their elected representatives.

Today's debate is also, in my view, very timely. Yesterday was the deadline for filing income tax returns. Many people likely spent the weekend working feverishly at the last minute to properly complete their tax returns. Just yesterday, I was completing a tax return for a friend. I enjoy this task, but I know that many people find the process quite difficult and quite complex. There must not be many people who are totally familiar with the ins and outs of the Income Tax Act, given its complexity. Year after year, new amendments are made. The end result is an extremely complex piece of legislation.

The same could be said of the Goods and Services Tax to which some Liberal members made reference a while ago. This tax is also extremely difficult to understand and fraught with complexities and regulations. The GST legislation is almost as voluminous as the Income Tax Act.

In moving his motion, the hon. member for Calgary Centre touched on one alternative that he would like to discuss. While I do not necessarily agree with the aims or technical aspects of his proposal for a single tax rate, I do think that all options deserve to be weighed. This is a serious proposal, one that should be given due consideration.

Having said this, I do have some reservations, although I am not an expert on this single tax. First, I am not convinced that this would really be a more progressive, more equitable tax. Of course, a single tax rate that would apply to all incomes may seem rather simple, but would it really result in a system that was fairer and less regressive than the current one? I somehow doubt it, because there are many ways to avoid declaring income. This option would have to be carefully considered.

On the other hand, it does not leave us any leeway in using taxation as a social and economic development tool. I know this is one of the arguments of those in favour: taxation must not be a social and economic development tool; alternatives must be found.

Personally, I think it can be a very useful tool. Let me give you an example. In 1987, in my region, the economy was going full steam. We came very close to full employment, with 6 per cent employment rate, and we were doing very well. One of the main reasons for this success was mining exploration, an activity strongly encouraged by way of deductions for flow-through shares.

Toward the end of that expansion period, the governments attacked this deduction, and you should have seen the tremendous impact this had on our region. Today, research does not even ensure availability of sufficient reserves any more. Trouble lies ahead ten years down the road, maybe less, because we are not discovering enough mineral reserves. Problems are already starting to show up in our region, and that is a serious situation.

But we used to have a tax incentive, a tool that allowed and encouraged people to make investments. You know how risky it is to invest in a mining exploration company. The taxpayer would put money into shares, but in recognition of the risk factor, the government shared the risk via tax incentives.

Interestingly enough, this is not a direct subsidy by which the government gives money to people and tells them: "Go and do research". Instead, the government is supporting investments made by individuals in the private sector. So, the risk is shared. I think this is the sort of interesting tools afforded by the tax system. Let us not be mistaken in thinking that only high-income taxpayers took advantage of this; many middle-income

people in our region were attracted by all the spin-off benefits their investments could have. The nice thing was that when you picked a company that struck an interesting deposit, then, it was almost like winning the lottery.

• (1115)

How can we encourage these businesses? I would like those who support this kind of tax to explain how they will promote economic development, especially in higher-risk areas. The government has a duty to intervene when investments may be insufficient due to various factors. That is what I wanted to say regarding this tax.

Now, if we look at the current tax system as a whole, I think that, to resolve any problem, we must follow a certain procedure. First, we must analyze the situation carefully; make a diagnosis; identify alternatives and make a choice. But there is also a subsequent step that the government often forgets: following-up on the choices that were made. The Auditor General often talks about it. Many government programs are not assessed properly after their implementation. The same goes for tax measures. That is why we think it would be interesting to look at overall expenditures—not only budget but also tax spending—to examine, assess and follow up on them and to study their impact in the last few years.

Of course, the Liberals were full of good intentions when they were in opposition. It led them to write the red book that I will not quote because I sent it to recycling when I realized it was only wishful thinking. Very little is put forward in this House. I would like the Liberal government to be a little more serious. They cannot always fall back on the argument that their four-year mandate gives them enough time to act. There are always things that need to be done. We cannot wait for four years. They can rest easy, they will not run out of things to do. And we can start right away.

Earlier, the Parliamentary Secretary to the Minister of Finance talked about the committee's heavy workload due to the GST and Bill C-17. However, when the GST report is tabled on June 1, the committee will then be free to deal with family trusts in June. Parliamentarians will be available in June as Parliament will still be sitting. Yes, there will be other minor bills but given how long we worked on the Goods and Services Tax, we could examine family trusts.

However, the government should give out information and put figures on the table. But they prefer to wait until the fall to gain time, to stall for another year; other issues will be raised and they will find other reasons to prevaricate. Playing for time is the best way to avoid dealing with a problem. And that is what they are doing. And they ease their conscience by saying that it is in the latest budget and that they will start to do something. Hold on there—we shall see; I have my doubts.

In the past, some people dealt with taxation. There were important commissions, the Carter commission, the Rowell-Sirois commission; at that time principles were expressed that are still current today. We should deal with them instead of starting all over. The public feels frustrated and their frustration is rather justified. Often, committees and commissions of inquiry are set up to analyze problems. They identify the problems very well and produce very fine three- or four-volume reports; a huge number are printed and copies are available everywhere, but often these recommendations remain on the shelf. Although the problem must be restated for today's conditions, these reports often contain some very worthwhile things.

As I said in my introduction, the tax system is an important part of the social contract; it is how revenue is collected from taxpayers to pay for the government's expenses. Individuals now have a terrible feeling of unfairness which puts a very strong pressure on them to somehow right the balance. What do they do? They encourage the underground economy because they feel that it is the right thing to do for themselves. And you must understand where they are coming from, given some data from the 1980s.

For example, look at the wealthiest 1 per cent of the population. I have some reservations about the figures that I will give, but I heard them from the member for Gatineau—La Lièvre. Even if they are not totally accurate, they certainly are indicative of the trend.

• (1120)

In 1980, the highest percentile, the richest 1 per cent, owned 16 per cent of Canada's total wealth. Ten years later, with the recession in the early 1980s and the economic slowdown in the late 1980s, this top percentile held 26 per cent of the wealth, an increase of 10 per cent in the 1980s.

It is not surprising to hear middle-class people say that they feel they were strangled in the last decade, that they felt a lot of pressure. People live with it every day and resent it and that is what spurs on our underground economy.

Let me give some other figures, Madam Speaker. Let us look at government revenue, starting with 1981, so that we can better see what happened. In 1981, federal and provincial governments together collected $34 billion in personal income taxes. In 1991, that amount had reached $100 billion.

Let us now take a look at corporate income taxes. In 1981, $11.7 billion were collected in such taxes, compared to $18.3 billion in 1991. Obviously, the progression is far from being the same, which explains why a small percentage of Canadians were able to get richer. If you look at the breakdown for each province

and the federal government, you can see that the pattern is the same everywhere.

I want to say a word on personal income tax, because last Friday we learned something which nearly went unnoticed and which is almost outrageous. Revenue Canada employees complain about political interference when auditing corporations. Last Friday, I raised this issue in the House. The Parliamentary Secretary to the Minister of Revenue said that there was no concrete evidence justifying an inquiry. I am sorry, but 300 persons filled out a questionnaire.

As you know, when a survey is conducted by sending out a questionnaire, there is always a space for comments at the end. People usually do not fill out that part. They just quickly answer the multiple-choice questions. However, in that case, 300 people out of 4,000 filled out that part of the questionnaire. Three hundred people bothered to make comments. More than that in fact, but 300 complained about political interference when auditing some company files. This is really serious.

Of course, you may think this was the case only under the previous Conservative government. But how do you know it is not also occurring under the government opposite? After all, once the Liberals and the Conservatives find themselves on the other side of the House, their policies are pretty similar. In fact, they are quite similar, and that is a real concern.

We also referred to the GST. I was not going to discuss this tax, but I have to do it. I am not sure that Canadians and Quebecers fully understand the commitment made by the Liberal Party during the election campaign. The Liberals said they would eliminate the GST, but they also whispered that they would replace it with something else. That was mentioned in the following paragraph. I am not sure how people reacted. However, I can honestly tell you that residents in my riding did not believe the Liberal Party. They felt that the Liberals would somehow take the same amount of money from their pockets. Whether the Liberals were going to change the name or the structure of that tax, people were reluctant to trust them.

I will not get in to what is being done in committee. I am a member of the committee, so I know perfectly well what is happening there, but I must say I am concerned. We get the impression that the expanding underground economy is connected only with the coming into effect of the GST, but it is far more complicated than that, and just reforming the tax is not going to restore confidence, especially since the objective is quite clear. The instructions of the Minister of Finance are to find an alternative that will produce as much revenue: $15 billion. The rates may be different on certain products but on the whole, the objective is still to take another $15 billion out of taxpayers' pockets. How do you expect the consumer to perceive this as a major and effective reform? I agree that in the case of businesses, there are a lot of things that can be done to simplify the system, which would bring costs down, and consumers would benefit to some extent.

• (1125)

However, they are certainly not going to reduce operating costs by $15 billion. That does not make sense. The cost of administering the tax, which is very high, is around $600 million.

A number of Liberal members tend to confuse the issue when they talk about GST administration costs. Now, I do not necessarily want to defend this tax, but I would like to explain what we are talking about here. The total revenue is around $29 billion, but businesses are entitled to claim an input tax credit, which is quite common in the case of a value-added tax. If we take away the cost of input tax credits for businesses, not a tax that must be paid but a refund, and we subtract as well the tax credits for low income individuals, we have $15 billion left.

It is simple mathematics. A number of government members are saying it costs 50 per cent to run the system and to get a dollar you have to spend 50 cents, but that is just not true. It costs $600 million to run the system, and their calculations are all wrong.

It is still too much, of course. However, with this political rhetoric, they are just spreading rumours. This is irresponsible, and they should take the trouble to check their facts.

So what is the answer? I see I have only five minutes left, but I could talk all day about taxation and tax reform.

We must start with a comprehensive evaluation of all tax expenditures. Consider what they were used for and what the objectives were. Were those objectives met? The department publishes information on tax expenditures connected with individual and corporate income tax. When we read this information, we see that a number of data are not available. In the report published this year, the latest year available is 1991, and a number of data are still not available. Is it because they were not calculated or evaluated? I agree in some cases it is very difficult, but in other cases, it is definitely quite feasible.

Is it because they don't want to reveal this information? Is that what the Liberal government and the Minister of Finance mean when they talk about transparency and profess to be very staunch advocates of government transparency? I am not certain, but I hope not. I hope they plan to produce reports that are far more serious. We can give them the benefit of the doubt, since they had only recently been elected. Perhaps this reflects a tendency on the part of this government, but in any case, we will no longer accept publications such as this one.

There are two sides to a balance sheet, the revenue side and the expenditure side. Regardless of the measures taken to improve the fairness of the tax system and the way in which revenues are collected, we cannot forget that there is a serious problem on the expenditure side. Revenues are collected to cover expenditures, but these expenditures are exorbitant. Consumers, who are also voters, view a number of these expenditures as wasteful, and rightly so. The first step toward significantly reducing government spending is to eliminate this waste.

The Prime Minister has told us that it is the responsibility of committees to review spending item by item. The members on this side of the House are not afraid of this task and are ready to take a go at it. I am happy to see that Reform members are also willing to take on this task. However, when we introduced a motion calling on committees to have the responsible ministers testify, only two of the fourteen committees agreed to the motion. Two out of fourteen! Another shining example of the Liberal's brand of transparency!

There is the Minister of Finance, although this is not the biggest operating budget, and there is also the Minister of Human Resources Development who manages a fairly large budget. But does he intend to testify? It is almost scandalous.

Before concluding, I would like to mention a number of areas on which we are prepared to concentrate our efforts. Mention was made of family trusts. I know that one of my colleagues will be speaking about this issue later and that my colleague from Rosemont spoke about it earlier. There is also the matter of a minimum corporate tax. We currently have a capital tax which is a form of minimum tax. However, since it is possible to reduce the tax level to zero, this is not a real minimum tax.

The year 1987 is notorious for a figure now making the rounds in Canada. That year, a number of corporations earned $27 billion in profits without paying a penny in taxes. That is a shocking statistic. The public is hard-pressed to believe that the tax system is fair when it hears statistics like these.

• (1130)

Also scandalous are tax havens, the tax treaties signed with other countries that allow people to evade the tax system to some extent. These were repeatedly denounced by the Auditor General. We will be looking into it shortly at the Finance Committee and I hope the minister will give us clear indications on what he intends to do.

The measures announced in the budget are clearly insufficient and will not solve the problem. We have to review all tax treaties and put into place a truly operative minimum income tax system. One such system was introduced in the United States by Ronald Reagan, who is hardly the greatest socialist in the history of mankind. Why could we not do the same thing here? In terms of corporate tax, the situation is much better in Canada than in other countries.

So, there is food for serious thought here and I would like to draw this parallel with the GST before closing, Madam Speaker. When the tax on business inputs was removed, who gained from the introduction of the GST? The businesses with inputs on which the tax was removed.

Since my time has run out, Madam Speaker, I will simply tell you that we have been in favour of a tax system reform for a long time and are prepared to work at that. The government should act responsibly and, in the year to come, the days to come, it will have to put something on the table so that we can start real discussions and find real solutions to a problem perceived as very serious by consumers and voters.

[*English*]

Mr. Jim Silye (Calgary Centre): Madam Speaker, I would like to compliment the hon. member for Témiscamingue for a very good presentation. I feel he has made some very good points, especially his suggestion—the most important of all and I implore the government to listen to it—which is to look at all the options.

On his point of progressivity, he was worried and concerned, as previous members have expressed, that a flat tax might enter into that territory and make it regressive. As an economist I would think he has read about Albert Laffer, an American economist, and the Laffer curve—not like a joke. The answer to progressivity is that currently within our system we have all these loopholes. We have different segments of taxation at the high end, different incentives, various rates and the graduated taxes. Therefore our tax rates have to be high to get the same amount of money.

Where lower in the curve, by having no tax loopholes and no exemptions, the kind that you need down here—I am not talking about personal deductions—you generate the same amount of money. As the hon. member for Témiscamingue would like to have fairness and equity, that is where the equity would come back in. It eliminates a lot of the rules, addressing his specific point on flow-through shares and how the lack of deductibility or the lack of incentive to invest would impact negatively in his riding.

An individual currently at the high end who makes these investments, who is obviously in the upper middle or upper income, is taxed at the 50 per cent rate. If their taxes were reduced to 15 per cent of income and they had 85 per cent of disposable income they could still make that investment in their ridings. The corporation, after it made its profit, could give a return on investment to that individual through dividends taxable to the individual. With the change you would have to make, the corporation would be able to deduct that dividend. The key to it all is with the corporation. The high marginal tax rate for corporations after they use up the first $200,000 of taxable

income which is tax free or taxed at a lower rate is 50 per cent. You could lower that tax rate for a corporation from 50 per cent down to 15 per cent as well.

The principle of our taxation system is that if you give a deduction that somebody has to pay the tax on it is eliminated. It takes it out of the Laffer curve and brings you back down and now you are treating dollars with more respect. You are treating real dollars and governments can then focus on just generating the revenue they need to pay for the social and economic programs that they have, subsidies, whatever it may be because you do need those. You are dealing with true dollars, after tax dollars, instead of this complicated, confusing abomination.

Basically my intervention here is to make a comment on what the hon. member had questioned about this system of a single or flat tax.

[*Translation*]

Mr. Brien: Madam Speaker, I understand the point made by the hon. member for Calgary Centre on progressivity. Just to reassure him, when one studies economics, one cannot help but hear about such a well-known economist as Mr. Laffer.

• (1135)

We also study his curve, which looks a lot like decreasing performance curves based on the same principle. That being said, it is still possible to make the system progressive with different tax rates.

Certainly, an individual with a 50 per cent tax rate can use a number of deductions to bring his actual rate down to 30 per cent. Except that if the 20 per cent deduction is a productive investment in the economy made jointly by the private sector and the government, in my opinion, it would be even more efficient than if the government did it directly, because it would be a private initiative. I would feel reassured by such a system; it would be much better than leaving everything up to the private sector.

One philosophy is fundamentally different, namely the role of government in society. I am one of those who believe that the government has a duty to intervene. And the tax system enables it to pick its targets. In the system favoured by the hon. member for Calgary Centre, all sectors are treated equally. His rationale is this: Competition will be very healthy because every type of business in every sector will face the same competition, will not have the advantage of tax incentives, but will be served by the government. Which may sound positive.

However, as a society, when we want or would like to help certain sectors because they are going through temporary difficulties, because we want to promote them, or because we think they have potential, the tax system does not give us much room to manoeuvre. We would need direct subsidies.

I am not sure it would really be more efficient than a shared-risk formula. But I must say that the current system has become so complex, so bogged down, that even the objective of coming up with a shared-risk formula between the government and the private sector loses some of its efficiency because of that very complexity.

So I want to reassure the hon. member that I understand his point of view. But we may have different philosophies on the role of government in society. Since he quoted an economist, I can quote him another who may be recognized one day as a major success or failure; there is Mr. Keynes, who was in favour of major government intervention, and the Keynesian state. It may have been too much, but government intervention also had a multiplier effect.

So for every economist who says one thing we can find another who often says the opposite. It is somewhat unfortunate as this often gives economists a bad reputation, but economics is not an exact science, it is a human science and it is up to us to decide which theory we want to favour.

[*English*]

Mr. Alex Shepherd (Durham): Madam Speaker, I would like to thank the hon. member for his comments.

We are discussing tax policy today and some of that gets fairly dry after a while. I would like to focus on the aspect of what tax policy means in a country like Canada. As the member suggested, I was preparing my tax return just yesterday as well, unfortunately having waited to the last minute.

When I was preparing my return, I was focusing on the fact that everybody else in this country was doing the same thing, that people who have problems with child care expenses and so forth were the same people in Newfoundland and in British Columbia.

It is very important for a country to have a focus. It may not be a happy one that we have on filing our tax return but still it is a focus on what unites us as a nation.

I am interested in some of the comments by the member. One thing was on some of his statistics on wealth creation and concentration in Canada. I heard those very same figures just yesterday and I do not believe them either.

I wonder if the member could focus on why he would not believe in the figures and then build a whole argument based on them.

He was concerned about simplification in the system and I agree that this is one thing we have to do. I do not necessarily believe in a flat rate system but I do think we can make it a little simpler.

I note that yesterday people in the province of Quebec had to file two tax returns, not just one. I wonder if he would reflect on the fact that it is making things complicated for the people of Quebec to have to file two tax returns.

I would like to ask him a question on harmonization. I note that with the GST the province of Quebec attempted to harmonize with the GST but not very effectively. I wonder if he could focus on his commitment to harmonize the GST in Quebec.

• (1140)

[*Translation*]

The Acting Speaker (Mrs. Maheu): I give the floor to the hon. member for Témiscamingue, who unfortunately has only one minute to speak.

Mr. Brien: Madam Speaker, I will answer within one minute. First, I did not say that I did not believe the figures on which I based my argument on the distribution of wealth. On the contrary, I believe that they are indicative of the trend. I am not sure that they are accurate, but they are indicative of the trend.

Now, as for simplification, he mentioned that in Quebec we have to complete two income tax returns and pay two taxes. He talked about harmonization. On that, I will simply answer him that it is the reason we members of the Bloc are here. The way we want to simplify is to have only one tax. We do not want to have just a federal tax return; on the contrary, we want to have just a Quebec tax return. That is the reason we are here; we want Quebec to take over and become sovereign. We want Quebec to control all these revenues and all these taxes. It is political independence and that is the essential role of the Bloc Quebecois. So in that sense I think we are very consistent.

[*English*]

Mr. Walker: On a point of order, Madam Speaker. I do not interrupt the House too frequently but the member suggests that the department is not doing work when in fact it is. I would like to bring to the attention of the House that the studies referred to have been done, and there are several studies on tax expenditures.

Mr. Ray Speaker (Lethbridge): Madam Speaker, thank you very much for the opportunity to second the motion of my hon. colleague from Calgary Centre. The motion before us is very straightforward. It asks for a major tax review under the current circumstances that we face as Canadians.

As has been mentioned by the hon. member for Durham, all of us have just faced the rigorous task of doing and redoing our income tax for 1993 so we know the problems that are there. They are very fresh in our minds as well as in the minds of all Canadians. It is very appropriate that we have this motion before us today in which we are looking at better ways of utilizing the income tax system, better ways to apply excise tax, a better way to apply consumption taxes. The review today is very appropriate.

There is no way that all of us in the House are going to agree on the fact that there may be only one way to do it. There are a variety of ways of approaching tax review and tax revisions.

What I want to do today in my few moments is look at it under the criteria of whether taxation is fair, whether there is simplicity, efficiency and effectiveness. In his earlier remarks the Parliamentary Secretary to the Minister of Finance mentioned that the government accepts those principles in evaluating the tax system. I would have to accept him and the government at their word that they have a criteria and that if there are to be revisions, the revisions or the changes in the tax policy would be based on those very basic principles.

When we look at the taxation system we have to recognize that there is no real consensus as to what the problem is. I do not believe we have a consensus in Canada nor will we have in this assembly here today as to what the solution is. I think we must look first of all at what the problem may be.

I believe that the problem stems from the overspending of governments. That is the first major problem that we must deal with. No matter how we collect the taxes, it is very frustrating when Canadians say that we as legislators and leaders waste the money that they give to us. We have to deal first with the problem of overspending. The major question before this assembly is how it should be done.

Canadians are certainly overtaxed. They believe they are no longer receiving value for their tax dollars, and Canadians are certainly correct on that premise. It is very obvious when we look at the current circumstances and the finances of this country. For every dollar that Canadians send to Ottawa, and this is on the downscale rather than the upscale, 65 cents is applied to government program spending, programs for Canadians.

Why is that happening? We have a $500 billion plus debt facing us.

• (1145)

Second, in the current budget $41 billion is being applied to interest payments which do nothing in terms of productivity or helping people in Canada with regard to health programs, social programs, transportation programs or whatever they may be. The interest payment takes away access to the positive use of a tax dollar.

In terms of the government's plan we also face another $100 billion of debt in the next two to three fiscal years being added to the current $500 billion debt. This means that of the tax dollar, the $1 that comes to Ottawa, the amount available for programs

will certainly be less than 65 cents. It will most likely approach a 60-cent dollar to run our country. That is not good enough.

The point I want to make is that there cannot be effective tax reform without effective expenditure reform and dealing with the debt and the deficit of the country. This is not to say that GST and tax reform are not necessary. I only wish to point out the futility in trying to fix the tax system without reigning in the spending of governments.

Let me deal with defining a fair tax system. That will be the thrust of my remarks today. How do we put together a fair tax system? I will list six points which I feel are relevant.

The first is equity. A fair tax system implies equity. Equity implies that Canadians feel that all taxpayers are sharing equally in the tax burden. Any redesign of a tax system must distribute the burden of tax equality among Canadians.

The second is punishing success. A fair tax system does not punish success. Equity demands that Canadians be allowed to keep the rewards for working harder, for working smarter and for being successful. This component of tax reform is often overlooked. It is often an area wherein those putting together tax policy say that a person is earning a lot and let us take it away from him or her. It is not fair. By overtaxing the monetary rewards of success the incentive for Canadians to invest in a future for Canada is removed. We rob ourselves by punishing success through the taxation system in this land of ours.

The third is dealing with the less fortunate. What should a tax policy do there? A fair tax system does not punish the unfortunate in our society. A tax system that overtaxes those who cannot defend themselves is a double hit on the less fortunate in our society.

The fourth is a point that is often made. I know it has been made many times in this assembly. There is only one taxpayer. On that basis I make two points. First, we must recognize that taxation of businesses eventually falls on individuals. It does so through lower wages, higher prices, reduced dividends and an internationally uncompetitive industrial base. While I am not advocating the elimination of taxes on all businesses, we should recognize that a corporation of any size does not bear the burden of these taxes as is often assumed. These taxes are borne by one taxpayer or individual Canadians.

The second way our tax system must recognize that there is only one taxpayer is with respect to provincial and federal powers of taxation. The current overlap of consumption taxation means that Canadians face 10 different sales taxes. This increases the cost of doing business and overly complicates the tax system.

Last I want to deal with what I call economic choices. A fair tax system does not bias the economic choices of taxpayers. Through special cases and exceptions the current tax system discriminates against certain activities and promotes others. Canadians more than ever before are recognizing their activities to avoid tax. This is what we mean when we talk about a tax revolt.

The tax system should not be a mechanism for a large range of public policy initiatives. My hon. colleague from Calgary Centre covered this point earlier.

• (1150)

These public policies are often designed with all the best intentions. They often result in the reorganization of economic activity in a way in which they were not intended in the first place. When this is done, the true cost of policy is difficult to determine and the reorganization of economic activity creates negative and unintended consequences.

In the last few moments I have I want to raise the following question. How does our current system stack up? Let us look at equity first of all. Canadians do not feel that everybody is paying their share. Second, in punishing success, our current system punishes success. Third, we now have a tax system with a marginal tax rate that at many points exceeds 50 per cent, the percentage believed to have a disincentive effect to earn more. The economic effect of this damaging policy is nearly impossible to measure as it must measure what Canadians are not doing but could be doing under a better and fairer tax system. The fourth point is punishing the less fortunate. Today many people are paying taxes with incomes of $7,000. Last I would make the point with regard to complication. It is clear that a current tax system is complicated with the many forms of tax that are before Canadians. What is the solution?

The Acting Speaker (Mrs. Maheu): I am sorry but the hon. member's time has expired.

Mr. Alex Shepherd (Durham): Madam Speaker, I thank the member for his comments. I will comment on possibly two aspects.

First he talked about punishing success. I note the income tax system currently has approximately three rates: for those incomes under $25,000, $65,000 and over $65,000. Over $65,000 it hits roughly 45 per cent. Depending on what provinces do it could get up to 51 per cent.

That system has been in existence in Canada for 10 or 15 years. The rates on higher incomes have been higher in the past than they are today. I have not seen a whole outflow of people leaving the country because of this policy. Could the member comment on that aspect?

The second one is the comment about the delivery system. We are using the income tax system to deliver social policy or whatever. Could the member comment on what is a successful system to deliver social benefits? I think of child care expenses, GST rebates and so forth. It seems to me that if we want to simplify government maybe we should be focusing on the

income tax system as a method of delivery. Could the member talk about that aspect?

Mr. Speaker (Lethbridge): Madam Speaker, with regard to the first point in terms of what is fair and what does not act as a deterrent to persons investing, taking risks, being successful and encouraging success, in a sense that is what creates our economy, when a tax system does that and does not act as a detriment to investment.

To stand and say that I could judge what the rates should be and whether the three rates we have in place today are fair or not would be difficult. The point I wanted to make in my presentation was that the cost of government today is too high. People, no matter where they are, whether they are in business, private individuals, in labour or whatever, are paying a rate of taxation up front in many cases of 25 per cent as wage earners. They are paying 25 per cent. They are sending it to Ottawa through their income tax forms. That is too much. We are taking away too much from people that they could use for their own personal reasons. That is a deterrent.

The only way we are going to deal with that is to bring the cost of government down. That is the whole thrust of the objectives of the Reform Party. We must bring the cost of government down so that there is more money in the hands of the people. That is the point I make there.

The next point is with regard to using the Income Tax Act or other tax policy for social purposes. I have found in my travels and in the hearings of the finance committee on the GST that every time we tried to use the tax system for social policy it created inequities. For example, when we were in Quebec City a professional group made a presentation to us and said: "We are not exempt from GST". Another professional group that appeared before the committee prior to that one had said it was exempt. Which professional organization should have had the exemption and which should not have? We could go down the line and find other social organizations. Some are exempt from GST and some are not. The tax is applied unfairly.

• (1155)

Social policy initiatives should go through the budget process. In this assembly we should determine what types of benefits we will pay to which group, make it an expenditure program as such and deal with it directly rather than indirectly through the tax system.

Mr. John Williams (St. Albert): Madam Speaker, I rise today to speak on the need for simplification of the Income Tax Act.

The Income Tax Act was introduced in 1917. As we all remember it was to be a temporary tax to pay for the first world war. At that point Canadians had an obligation to defend democracy and freedom around the world. In order to do so they introduced a tax which they called the income tax. It was to help pay for the war but it was only to be a temporary situation. After the war when things were back to normal the tax would be eliminated. That was 77 years ago. The war has been over for 75 years and we still have the tax.

There are basically two things in the world we can count on: one is death and the other is taxes. The bad news is that death comes but once and taxes every year.

Back in 1986 the government at the time suggested that it would introduce tax reform because taxes were far too complex. Back in those days we had 10 different categories or 10 different brackets to reach the maximum marginal rate of income tax. The government said that it would reduce those 10 brackets to 3 brackets and that the taxes would be much simpler because it eliminated 7 different categories or brackets of increasing levels of taxation.

It did not say that it would leave the top bracket where it was and take a bit off the people at the bottom or that the middle class would get a bit of a break which the government would recoup later. It called that tax simplification or tax reform.

I have here the 22nd edition of the Income Tax Act published in August 1993, all 2,091 pages. I am an accountant. This may make sense to a layman, but as an accountant I have a hard time dealing with the complexity of the Income Tax Act. There are statements and sentences that go on for hundreds of words without a period to indicate the end of a sentence. The complexity and the meaning of the Income Tax Act test the abilities of the wisest, the most intelligent and the most expert in the country.

I sit on the public accounts committee. We were examining people from the Department of National Revenue and the Department of Finance regarding a loss to taxpayers of $1.1 billion that was pointed out by the Auditor General because the government that wrote the legislation could not understand the meaning of its own words. The resource sector disagreed with the interpretation of the words. It ended up in court. The government lost. The resource sector won. Taxpayers are out $1.1 billion because of the complexity of trying to define the true meaning of one simple clause in the Income Tax Act. All 2,091 pages of the act give some idea of the complexity.

• (1200)

Capital gains was introduced back in 1971 by the Liberal government at that time. It was deemed to be a tax on increasing wealth. However at that point in time this country was at the threshold of a decade of tremendous inflation. Capital gains in essence became a tax on inflation.

Capital gains was not a tax on increasing wealth but a tax on inflation and the government knew that. It knew people were not getting richer. If you bought a house in 1971 for $25,000 and sold it for $100,000 in 1981, the actual value of your wealth may

not have gone up, but in terms of actual dollars it went up significantly. The government said: "You have to pay a large part of that in tax". It was a tax on inflation, not on wealth creation.

Along came the Tory government which said: "We would like to give our friends a break". So the Tories brought in the capital gains exemption saying it was going to be phased in over a number of years. They envisaged that the first half a million dollars of capital gains was going to be tax free. Remember that the average person on the street really does not get the opportunity to have half a million dollars in capital gains. However the intent was: "We are going to give it to the taxpayer and we are also going to segregate it into things such as the capital gains exemption for farmers". They were going to be different.

As time went on the government realized it could not afford this measure it was introducing so it capped the capital gains exemption at $100,000 but said: "Wait a minute. We are going to add some complexity to this. What about the farmer and his half a million capital gains exemption? Is he going to get both?" No, he can only get one, half a million dollars.

As one accountant explained it to me, we are going to have two buckets. There will be a big bucket for the farmers which will hold half a million dollars capital gains exemption. Inside that big bucket will be a small bucket which contains the $100,000 capital gains exemption. When the small bucket runs over then that of course is subtracted from the large bucket.

The concepts being put forward belie the comprehension of the average person on the street. When someone does not understand the tax he is paying, how do we expect him to pay it voluntarily and willingly in a democratic society? This is why we are finding that coercion and pressure are becoming more and more the order of the day. That statement has come right from the Minister of National Revenue who has said he will not tolerate people who evade taxes and so on. Yet the people on the street cannot understand the tax they are being asked to pay.

This government has to listen. When people fill in their tax returns they write the cheque saying: "I am mad at the government. I don't know why I have to pay all this amount of money. My accountant says I have to pay it but I don't understand it. I feel I pay far too much and I am being ripped off". We have a problem. This government has to explain to taxpayers how the taxes are arrived at. Having 2,091 pages of small print is not the way to go about it.

We have seen complexity added to the Income Tax Act as a kind of smoke and mirrors attitude to collect more taxes. Ten years ago the government introduced limitations on the Canada savings bond accrual.

Canada savings bonds are a Canadian institution. We have been buying them since the war to help the government fund its debt. Some people bought the compound interest bonds. They keep them for seven years, cash them in and get all the interest at once. Maybe that was their plan, with the high income they would keep them until maturity when they retired. The government said: "No, you cannot do that. You have to report the interest at least every three years".

As an accountant filling out income tax returns many times I had to tell people who had compound Canada savings bonds that they cashed in at maturity: "Wait a minute, you should have reported this three years ago". They said: "Well nobody told me". The Bank of Canada knew these people were holding compound bonds but it did not tell them they had to pay taxes.

When we finally make the adjustment we have to go back three years. The government says: "Fine, thank you very much and here is the interest owing because you are three years late in reporting". Is that the way for government to endear itself to the taxpayers?

I could go on. Time after time after time there is unneeded complexity which is useless and is there to basically generate more revenue through penalties, interest and other maintenance for the government. It feels that the taxpayer can be squeezed unceasingly.

• (1205)

My time is up. I could go on, but I think I have given some indication that reform is long overdue.

Mr. Mills (Broadview—Greenwood): Madam Speaker, I do not have a question. I will begin on debate but I believe there is another member who might have a question.

Mr. Alex Shepherd (Durham): Madam Speaker, I thank the hon. member for his comments. We seem to be talking about simplicity, making the system simple. Like him, as an accountant preparing tax returns over the years it has been my observation that the problem with the system is not that it is complex. The real problem is that we keep changing it every year. The complexity and the reason people do not understand it is that it changes year after year. The reality is we should stop fiddling with it.

Could the hon. member comment on why he wants to continually fiddle with the system and make it more complex so that people will not understand it next year either?

Mr. Williams: Madam Speaker, I understand the member's point that we should stop fiddling with it. However I say ask the taxpayer on the street how we arrive at the amount of taxes due by him and he will say he does not know. We add up the income, take a percentage, and that is what is due. That was the old way of doing income taxes.

Many of my former clients ask me why it has to be this complex when 40 years ago it was a dead simple one page form. We have added and added complexity. Today we cannot get by without our computers. Even as an accountant I have to rely on a computer to do the complex forms because I feel it is more accurate than trying to figure it out myself.

The time people have to spend even trying to get their minds around complex issues like the cumulative net investment losses. That is where a loss which may have been claimed five years ago comes back to hit you with a bill for interest because you had forgotten that you claimed for a deduction five years ago and it now affects your taxes payable this year.

There is no need for that. It used to be that your income this year was what you reported and that was it. Now we have RRSPs that have a multiyear basis, capital gains for a multiyear basis, cumulative net investment losses on a multiyear basis, and on and on and on.

There seems to be no end to the opportunities the government takes to add complexity rather than simplicity to the tax return.

Mrs. Karen Kraft Sloan (York—Simcoe): Madam Speaker, I have been listening with great interest and following the direction of the debate. It appears the Reform argument is coming from two possible areas. One is that we should have a very simple income tax form which I certainly agree with, but also that social policy measures should not be part of our income tax system.

If I were to go back to my constituents they would be appalled to learn the Reform Party is advocating banishing registered retirement savings plans. So many Canadians find this as the only way they can contribute toward their retirement years.

If you look at a registered retirement savings plan, as has already been noted, there is some complexity with it. If we did not have them on our forms it would indeed be a very simple form to fill out. It is clearly a direct social policy measure that the Canadian government is looking at helping Canadians save for their retirement.

I am appalled and I think my constituents would be appalled that the Reform Party is advocating something like this.

Mr. Williams: Madam Speaker, let me put the matter straight. Is anybody in the Reform Party advocating that we eliminate RRSPs?

Some hon. members: No.

Mr. Williams: Thank you, Madam Speaker.

• (1210)

Mr. Mills (Broadview—Greenwood): Madam Speaker, I am delighted to have the opportunity to participate in this debate. I believe I am on debate, Madam Speaker.

* * *

BUSINESS OF THE HOUSE

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, on a point of order. There should be more comments.

I heard an hon. member say he got along fine without me and I am glad to see him again too.

Madam Speaker, there have been discussions among the parties and I think you will find there is unanimous consent for the following motion:

That, notwithstanding any standing order:

The Standing Committee on Finance is instructed to report Bill C-17, an act to amend certain statutes to implement provisions of the budget tabled in Parliament on February 22, 1994, no later than May 25, 1994;

The report stage of the said bill shall be on May 26 and May 30, 1994 and at 15 minutes before the expiry of the time allotted for government business on May 30, 1994 the Speaker shall put all questions necessary to dispose of the report stage of the said bill without further debate and any divisions necessary shall be taken immediately;

The third reading stage of the said bill shall be on May 31, 1994 and at 15 minutes before the expiry of the time allotted for government business on May 31, 1994 the Speaker shall put all questions necessary to dispose of the third reading stage of the said bill without further debate and any divisions necessary shall be taken immediately.

[*Translation*]

The Acting Speaker (Mrs. Ringuette-Maltais): Does the hon. parliamentary secretary have the unanimous consent of the House to move the motion?

Mr. Michel Gauthier (Roberval): Madam Speaker, I would like to obtain some information.

The Acting Speaker (Mrs. Ringuette-Maltais): I give the floor to the hon. member for Roberval.

Mr. Gauthier (Roberval): Madam Speaker, normally, 48 hours must pass between report stage and third reading, since amendments are not acceptable less than 48 hours before.

I would just like to make sure that if there are only 24 hours between report stage and third reading, the opposition's amendments would be in order if presented 24 hours in advance. It is just to make sure that the time provisions of our Standing Orders would of course apply to this motion.

Mr. Milliken: Madam Speaker, of course, when amendments are moved by any member in the House on this bill, they are considered by the Chair and the Speaker will decide at the beginning of the debate at report stage.

Regrettably, with this motion, we specified that the debate would begin 48 hours after the report, but we will have only 80

hours. So it will be a little harder for the Chair and also for members, but that is the arrangement we made.

[*English*]

The report from the committee will be received on May 25 and the debate will start on May 26. We have arranged for the debate to start on that day.

Those days have been designated because they are long days in order to give the opposition every opportunity to debate this bill on a reasonable basis. We could have the debate on a Friday but it is a short day. In order to lengthen the opportunities for the opposition, we have agreed to have the debate on the Thursday and Monday instead. That is the reason we have shortened the notice period for the report stage. However I think it is a reasonable compromise and that is the reason for it.

[*Translation*]

Mr. Gauthier (Roberval): Madam Speaker, I would like to be sure that I understood correctly. It is not to create problems; on the contrary, it is to avoid them. I did not quite get what the hon. member was trying to convey to me, so I would ask him the question again.

Since there is only one day between consideration in committee and report stage, we would then leave it to the Speaker to decide whether or not he accepts the amendments presented. Accepting the motion as is without specifying whether amendments would be in order would mean that throughout the last day of the committee's work—I believe that I just said report stage and third reading; sorry, I meant that there would only be one day between committee stage and report stage. This means that no amendment would be acceptable on the last day, which would be basically contrary to the spirit of the rules of procedure of parliamentary committees.

• (1215)

[*English*]

Mr. Milliken: The standing orders would require that the notice of the amendments be given on the day after the report. So the report will be received on May 25 and presented in the House during Routine Proceedings that day. Obviously the notice of the amendments would have to be given before six o'clock that day to be considered the next day. Normally you have an extra day.

The Chair will have the amendments by six o'clock and will be able to work on its ruling overnight and communicate with the parties. If there are a lot of amendments it may mean an all-night work session for the Chair.

[*Translation*]

The Acting Speaker (Mrs. Ringuette-Maltais): Does the hon. parliamentary secretary have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

The Acting Speaker (Mrs. Ringuette-Maltais): The House has heard the terms of the motion. Is it the pleasure of the House to adopt this motion?

Some hon. members: Agreed.

(Motion agreed to.)

* * *

[*English*]

SUPPLY

ALLOTTED DAY—TAX REFORM

The House resumed consideration of the motion.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Madam Speaker, I am appreciative of having the opportunity to participate in this debate because it is an issue very near and dear to my heart. It is an issue that is near and dear to the heart of every member of Parliament. You cannot be in public service today without hearing from your constituents that they are frustrated with the current tax act of Canada.

When you test a tax system it should stand up to three basic criteria. First, is it simple enough that the person on the street who basically has to be responsible for participating in the tax system can understand it? On simplicity the tax act of Canada fails.

Second, on fairness we have heard time and time again of examples within the tax act where people who are making millions of dollars a year are not paying anything and people in the lower income spectrum, sometimes under $50,000, paying more than multimillionaires. When it comes to the test of fairness, it does not pass the test of fairness either.

When you talk about the third criteria, efficiency, my goodness when it comes to efficiency there is no one in this country who would stand up and say that the current tax act is an efficient system.

I must start off by reminding everyone in this House that the Prime Minister during the last election led the debate on tax reform. He led the debate. He said it in the red book. He came to Toronto on more than one occasion. I can vividly remember in the control room of CFRB when they confronted him on the issue of tax reform. The Prime Minister, then the Leader of the Opposition, said our government will be committed to comprehensive tax reform and it will have to meet the tests of simplicity, fairness, and of course efficiency.

We have been in office for just six months and we have started the process of addressing comprehensive tax reform. I believe the finance committee has done a terrific job going across the country and listening to all the different ideas that were presented.

The previous government moved arbitrarily on the GST, without proper consultation, and it ended up getting us all in a mess. It ended up fracturing the confidence of Canadians. It

destroyed a good part of our retail industry, not to mention that it exacerbated an underground economy beyond our ability to calculate right now. The underground economy it is said could be as high as $30 billion to $40 billion.

• (1220)

I say to the members of the Reform Party that they are not alone in their quest for comprehensive tax reform. All of us on this side of the House are on the same pathway as they. I have to caution them, and I say this humbly to the members of the Reform Party, that it is not easy to reform the tax act of Canada.

I believe that I can say that from a bit of experience. I began this journey on tax reform four and a half years ago when the Prime Minister of Canada at that time, Prime Minister Mulroney, and Michael Wilson would stand up on this side of the House and when we would criticize the GST they would say: "Come up with an alternative. Don't just criticize it. Come up with an alternative". A group of us got together and said: "This is going to be an interesting exercise". We came up with this idea called the single tax system.

I want to spend a couple of minutes explaining why we called it the single tax rather than the flat tax. I think it is very important to understand this point. I believe it is essential in advancing comprehensive tax reform further down the path.

For years there has been an attempt to reform the tax system. The number one alternative for debate was called the flat tax. The problem with the flat tax system was that the proponents never took into account the constituencies that needed to be addressed when it came to progressivity. In other words, and I am not suggesting the Reform Party is doing this because I have listened carefully to their speeches, the flat taxers tended to say: "No credits for seniors, no credits for families with children, no credits for charitable donations, to heck with the RRSPs". The flat tax system developed a very bad name. It was: "Here is the gross revenue. You have one single credit and then after that you are 20 per cent, over and out".

The seniors in our community, families with children and charitable organizations, the most disadvantaged in our community who we should care about the most, started to look at the flat tax and said: "The social side of the equation is being ignored in the flat tax system". Regrettably the flat tax got a very bad name. The biggest slam against the flat tax was it was not progressive.

A group of us who were dealing with this problem and doing the research said: "We can't go with that name because if we are going to get acceptance we have to design in the tax form credits that will make sure that those people who are most disadvantaged in our society are looked after right up front". We came around to this name called the single tax, a single rate of tax, corporate and personal.

We designed the personal side of the form. I am sure many members have seen this form. It is a relic now because it is draft two which was done in about April 1989. We are now at draft 19. In five years seven or eight of us have been listening to thousands and thousands of Canadians, probably about 100,000 Canadians over five years who gave us advice and input on how we could refine it. I only bring this point out that it took five years because most of those points that people made were good points. It taught me a big lesson.

• (1225)

Even though I wanted to come in in one year or two years and reform the tax system, I realized that a package this complex could not be done overnight. Believe me, I am not being defensive. I still support the idea of a single tax. One cannot just do it. It is not like putting something in the microwave and 20 seconds later, it is there, ready to go.

Going back to the personal side of the single tax, we started off with the following premise. We must for starters make sure families with children are recognized in the single tax. Therefore they must have a credit. We then said that the seniors need to feel comfortable with this tax act, therefore they need to have a line in the tax act and a credit.

Another line that we put in the credit was for charitable donations. I want to tell members that that 1 per cent line for charitable donations is essential. When we did our early research on this issue we called Drs. Hall and Rabushka from the Hoover Institute at Stanford. They said to us: "Do not make the mistake, Dennis, that we made when we started. We scrubbed the charitable donations line. We said no more charitable deductions".

They told us that the charitable organizations went to their local politicians and went to the press and they were such a force that they condemned the system even before it got out of the gate.

One has to have a line in one's tax act for charitable donations. One can cap it, but one must be generous because ultimately one is going to need those constituencies supporting the system if you are going to pull it off.

Then we said that we cannot do away with the RRSP structure. The RRSP structure is almost a part of our fiscal framework. We put that in the act but we capped it. Of course there was the basic deduction.

After all, there are those deductions or those progressive credits. I want to put the emphasis on progressive because the biggest criticism of this project is that it is not progressive enough. One can design progressivity into the act or into the

card. At any rate after those progressive features were designed, we told them that after their basic income and those deductions they could take a single rate of 20 per cent.

On the corporate side, because one needed to have a fully integrated system, we said that there should be a very progressive credit for small business on the first $50,000, no tax. After that, it is their basic corporate expenditures and after those corporate expenditures and their basic depreciation is put in place, there is a single rate there as well.

That is the direction that we have been working on. We believed that would accomplish a number of goals. The most important thing is simplicity. I think very few people would argue that this system is not simple. There it is. One can see it. One can fill it out. It is very straightforward.

The next most important thing is to make it doable and that is the challenge that we have in this Parliament.

• (1230)

There are difficulties in moving a tax system that primarily ran and to this day runs the economy of Canada and now we are saying, those of us who support this type of idea, that we want to stop running the economy of Canada through the tax act. We basically want to make it a tax collection unit; no more preferences, no more loopholes, flush them all out with those exceptions that I mentioned for seniors, families with children and charities.

I have to say to the Reform Party that the transition from the current system that we are in to a single tax system is really the debate that we have to engage in because that transition period is the real challenge.

I do not believe the challenge is one of whether or not we are going to generate enough revenue because right now the current tax system is so flawed that some experts say the underground economy is over $40 billion or $50 billion and growing. The notion of a simple, fair tax system is reinforced by the underground economy right now.

There is another factor and it is called having a globally competitive tax system and I do not believe we have been talking about that issue enough. Our tax system right now is driving people not only underground but offshore. In other words, our achievers, our entrepreneurs who are creating real wealth are starting to leave. Over a million Canadians are in California right now and we did a survey and found that many of them are there because of our tax act.

I believe that one of the reasons we should investigate comprehensive tax reform which the Prime Minister and our party have supported is that we need to reverse the capital flows. We have to design a tax system that causes the capital to flow back into our country rather than flow out. The current tax act is not doing that very well.

People from time to time come to me and ask how I could support somebody making $60,000 a year paying 20 per cent and someone making $1 million a year paying 20 per cent. Is that not unfair, inequitable?

For me it is not. There are many others in Canada who believe two things. Number one, the harder you work and the more you achieve and the more you earn, you should at least be able to keep some of it in your pocket. There is another thing. Right now there is no guarantee that we are getting anything on the person who is making $1 million or $2 million whereas in the single tax it is airtight. We are going to get that 20 per cent no matter what, including family trusts.
In other words, under a single tax system all income is in the loop, it is airtight.

I suggest that if we had a system like that then those people, whether they be scientists or doctors or people who have achieved entrepreneurial wealth, rather than being tempted to leave would stay. Not only that but we would see other capital from around the world coming to our country because we would have a competitive tax system, a tax system that respected wealth creators, job creators, a tax system that respected people who have achieved through their intellect all kinds of scientific discoveries.

• (1235)

I want to say that we on this side of the House support the pathway that leads to comprehensive tax reform. However, at the same time I want to say as someone who has been engaged in this debate for a long time that it is not an easy task. This transition period is going to be a very tough period.

Let me give an example and let us deal with the energy sector right now because many of the Reform members are from western Canada and I know that the energy sector is very important to their constituents.

Right now in the tax act there are billions of dollars of tax grants to the energy sector. Under the single tax all of those grants or those preferences are gone, eliminated. When a company from the province of Alberta that has been used to getting these tax deductions, some of which are actually in the billions, finds that all of a sudden they are gone, it is a tremendous kick to the cash flow of that particular company. It is going to come running up to Ottawa or to members in their constituency offices saying it is out of business if that tax credit is cancelled.

Therefore, we are going to have to have a transition period because we are going to have to analyse whether that entire tax grant should be eliminated.

My own view has always been the following. Any grant, whether it be a direct grant in a line department or an indirect grant through the tax act, should always be linked to the policy objective of creating jobs. The problem is that because these tax grants are buried in the tax act there is no accountability as to whether they are meeting the policy objective.

I am going to close in 30 seconds. I want to say to the members of the Reform Party that we have to make sure when we move those grants into the line department we link them to job creation. If they do that, where they are transparent and accountability, we could have a successful tax act.

Mr. Ted White (North Vancouver): Madam Speaker, I very much enjoyed the speech of the hon. member. In fact, I hope he has the ear of the revenue minister and is managing to get some of these changes put into effect without too much delay.

I hope the hon. member will listen to my speech later on today about tax saturation because I think that is a point perhaps we have reached here in Canada today. Taxes are too high and part of the reason is that the spending is far too high.

I hope the hon. member will admit that is part of the problem. I certainly hope that it does not take a debt crisis as it did in New Zealand before we can come to grips with this tax situation and actually turn it into something fair.

I agree with the member regarding the complexity of the system. He implied a few times that millionaires do not pay their fair share of taxes. I would like to explore that a little. I would like to know if the member can give me a list of the reasons or ways millionaires do not pay tax other than because of a family trust, which he mentioned. I would really be interested to know. If millionaires can avoid paying taxes in some way legally then those same ways should be available to any average taxpayer in this country. If those ways are there I would like to know about them because I think I am paying too much tax as well.

I wonder if the hon. member could explain the ways millionaires escape paying tax.

• (1240)

Mr. Mills (Broadview—Greenwood): Madam Speaker, I want to begin by saying to the member that in no way, shape or form did I mean to cast aspersions on the people who are generating great personal wealth in this country. Neither did I want to say that they were not paying tax through illegal means.

The bottom line is that there are opportunities that exist for tax deductions or tax options within the tax act that would allow a person with great wealth to reduce that income tax payable.

I am not going to get into any specifics today, but I did give an example in a recent householder. I will give the one example that was actually advertised in a magazine a couple of months ago: "Now your income tax dollars can help you invest in a beautiful home in the sun". I am sure members remember that ad: "This investment opportunity is designed to be of maximum tax benefit to individuals like you with a total family income of over $50,000 per year, Intelevest Group. You can either redirect your income tax dollars to help you invest in luxurious townhouses in beautiful Sarasota or you can continue to send all that hard earned money to the government in income taxes".

In other words, this is an example of how the tax preferences discriminate against those with lower income tax. In other words, you would have to be over that amount. It allows a higher income earner to use his higher income to participate in this luxury townhouse rental income at an after tax cost of zero. That is one specific example but there are many others.

Mr. Philip Mayfield (Cariboo—Chilcotin): Madam Speaker, I would like to compliment the hon. member for Broadview—Greenwood for his statement, his intervention. I appreciate very much the way he has laid it out, citing simplicity, fairness and efficiency.

As I was listening I realized that he talks about the doability of it as well. I am pleased to hear the practical thoughts he has. This Parliament is not the first Parliament to take a run at tax reform. Names like Carter and Macdonald are well known in this exercise. As I have read about these other attempts there has always been the story of the obstacles that have been placed in the way of simplifying the tax system and of reforming it.

I was wanting to ask if the hon. member would perhaps outline some of the obstacles to tax reform. Who are the vested interests that resist reforming the tax system so that it may pass the test of simplicity, fairness and efficiency so that it is a doable tax system?

Mr. Mills (Broadview—Greenwood): Madam Speaker, I would like to deal with the question in two parts.

First, naturally there are people who have thought for years, on behalf of industry, to put their tax preference or their tax loophole or their tax break, whatever you want to call it, into the tax act. Those people who have fought for years and worked over the Department of Finance for their special privilege are defenders of the status quo. They believe in that with the same passion as the member would believe in his particular approach.

However, I am going to say that the biggest obstacle to tax reform in my mind are the people of Canada. The people of Canada are not interested in tax reform. They talk about it a lot and I know we talk about it. I am somebody who has worked on the issue for five years, but when push comes to shove it is not the kind of issue that makes people roll up their sleeves and get turned on about. I know there are tax groups out there that band together and rally from time to time. In relation to the whole, Canadians at large, they are a very small number.

• (1245)

In fairness to the member, my biggest frustration with the issue of tax reform in the last five years—and my party has been supportive of the issue—is that we cannot seem to get the people of Canada charged up and asking for tax reform. They have little

moments or little flutters when they call about it, but there is no real thrust from the people.

Mr. Jim Silye (Calgary Centre): Madam Speaker, I will be very brief. I compliment the hon. member for Broadview—Greenwood on all the work he has done for the last four or five years. We would like that to snowball and not have to wait another three or four years before something happens.

In defence of his simple, fair and efficient tax system, whether we call it a flat tax, a single tax or proportional tax, how many more years is he willing to wait before his government supports or rejects the proposal?

Mr. Mills (Broadview—Greenwood): They are playing hardball with me today, Madam Speaker.

First let me be very specific. I have always said that the single tax is an effort to advance the tax reform debate in a constructive, open way. If there are better ideas out there than the single tax, I welcome them. In other words if it is proportional tax or if the men and women of the finance committee come up with some new tax design that is better than the single tax, as good as or whatever, I am for it. I do not want to be in a position—and the Prime Minister has said he does not want to be in that position either—of defending the status quo. He said it again yesterday.

We must understand that it is most important not to make the same mistake the Conservatives made. They came in so quickly with this GST that they fractured and tax shocked the people of Canada. That set us back 10 years.

Mr. Jim Abbott (Kootenay East): Madam Speaker, my topic as it relates to the subject today is that Canada is an exporting nation. Our livelihood, our personal incomes depend on exports. Our present tax system must be altered to maintain our international competitiveness because our national economy depends on it.

On January 27 I rose and spoke in the House. If I may I would like to repeat a small part of what I said then. It was interesting that in a recent news article in the *Kimberley Bulletin* a headline read: "Cominco irked at city tax rate". The complaint of the mining company was that the major industrial tax rate in Kimberley was 69 per cent higher than the tax rate in Cranbrook. In justifying the position of the city, the mayor of Kimberley argued that Cominco taxes were high but said that the tax rate was justified. He said that the mining company has had it easy on taxes because it did not start paying taxes until 1968 when Cominco was incorporated into the city limits. The mayor said: "That is when Cominco started shutting down plants and laying off people".

I am not criticizing the mayor of Kimberley for his comments. I simply cite that quotation as an accurate representation of what happens when an industry is taxed. The fact is that when taxes go up jobs in an industry decrease.

Capital for mining is fleeing Canada. The country of Chile is one of the greatest beneficiaries of this flight. It has an effective tax rate of 15 per cent. Countries like Mexico and Papua, New Guinea have a mining tax rate of 35 per cent. The Philippines and even the United States have a tax rate on mining companies of 38 per cent, whereas the mining companies in the province of British Columbia suffer a mining income tax rate of 50 per cent for hard rock mining. In coal mining, although it is hard to believe, in four years between 1987 and 1991 the B.C. coal industry paid $454 million or almost half a billion in direct taxes while net returns to the industry were only $8 million. I say taxes kill jobs.

• (1250)

I am a member of the standing committee on the environment of the House of Commons. We are concerned, as we should be, about carbon dioxide emissions. The objective is to return CO2 emissions to 1990 levels by the year 2000. I support that objective. However we must recognize doing that, particularly if we do it by taxation, will have a very detrimental effect on the electric power industry in Alberta.

I represent British Columbia and I have Canada's largest coal mine in my constituency. Therefore I am very concerned about the informal discussion there has been about green tax and about carbon tax. If we use taxation to alter behaviour then we kill our ability to be internationally competitive.

If we want to change behaviour I suggest we may choose to institute penalties. We may choose to institute levies. We may choose to institute fines but they should be considered to be as revenue neutral as possible. In other words taxation is for the purpose of raising revenue. If we manage through green taxes and carbon taxes to alter behaviour, having altered the behaviour we lose the revenue. It is totally contrary and totally counterproductive.

Most of my constituents and perhaps a lot of constituents of members of the House suffer from the same problem and the same concern about the overlapping of all the levies, the penalties, the fines and the permits.

I have a letter from a business in my constituency which was written to the Prime Minister, a company in the business of blacktop. In part it reads:

> Over the past three years, we have kept a record of government permits, inspection and controls from different levels of bureaucracy. To everyone's astonishment, we were exposed to, hassled or intimidated by 35 different government officials all looking for their pound of flesh. Furthermore, if we don't take the time from our busy schedule to treat these people as "all important" we could face costly delays and problems.

Being in a smaller constituency businesses have to deal with many municipalities. When they do so they come up against city engineering which has material specifications, traffic control rules and regulations. They also have independent assessments with respect to fire department regulations and registration. They need a business licence and a municipal licence for registration of trucks. That is at the municipal level.

At the provincial level these firms have to deal with—and this is amazing—the pesticide branch for a permit, pollution control branch for a permit, gas inspection for inspection, electrical inspection, employment standard branch for an audit, gravel pit inspection, safety permit and bond. What is very interesting about the gravel pit inspection is that within the provincial jurisdiction they have to deal with the mines department and with workers' compensation. In certain situations with respect to the gravel pit they cannot comply with both sets of regulations. Within that single provincial jurisdiction they have to work with conflicting regulations: motor carrier inspection, dangerous goods inspection, safety inspection, weight restriction, over width permits, over height permits, provincial sales tax audit and licence, paving branch inspection and standards, material inspection branch, workers' compensation inspection, workers' compensation audit, pressure vessel inspection and permit, fire marshal inspection and regulation, and air use permit.

• (1255)

I should mention what struck me as terribly weird was that they actually pay for the amount of air they consume. It just goes on and on: air use permit, traffic control permit, ICBC licensing and regulation, and capital tax.

Then there is the overlap of many of these regulations into the federal jurisdiction: Canada pension plan rules, regulations and audit; UIC rules, regulations and audit; and Revenue Canada income tax and corporate tax. Included in that would be remission of taxes collected from employees; GST rules, regulation and audit; radio licensing and regulations; Public Works Canada material supply inspection, electrical inspection, mechanical inspection; and finally more inspection and regulation under work hazard training.

This is indicative of what we are doing to the people of Canada. Whether we are talking about individuals or about businesses, fundamentally we are regulating these people out of existence. We are fining. We are getting permits. We are finding all sorts of ways at various government levels to get more and more money from people.

I suggest as I started that Canada is an exporting nation. Our livelihood, our personal incomes depend on exports. Our present tax system must be altered to maintain our international competitiveness because our national economy depends on it.

Mr. Randy White (Fraser Valley West): Madam Speaker, I am pleased to rise to speak today about reforming the tax system. I want to talk today about the tax revolt which has started across the country. It has been going on for some years but it is becoming more predominant. I am going to cover why and how that is.

I want to talk a bit about why people are angry today about taxes, how we got here in the first place, what the government is doing about it, and the result which is the tax revolt itself.

We often hear people asking: "How do we own a small business in Canada today?" A lot of people respond by saying: "If you want to own a small business in Canada today, buy a large one and wait two tax years". While some find those words humorous they are quite discouraging. In fact they are very true in most cases.

Why are we angry? There are three fundamental reasons. First, there is little value in the tax dollar people are getting today. They see smaller disposable incomes and increasing costs. That is one of the reasons we are angry.

Second, people across the country see governments as fat cats spending inappropriately, spending well beyond their means. Quite frankly that is at all levels of government.

The third reason we are angry is that there is only one taxpayer. The trouble is that all three levels of government see only their perspective in raising taxes. It is like the infrastructure program of the federal government. It says it is spending only $2 billion, but it is spending $6 billion of taxpayers' money. It is $2 billion provincial, $2 billion municipal, and $2 billion federal.

Taxpayers do not really give two hoots about who is sharing in the small packages of dollars. They care about the big package and how much it is costing us.

How did we get to where we are? This all started with a temporary tax measure to support the war spending in 1917. Since then all levels of government have the feeling that even though there is no war they can get into the pockets of the average citizen on virtually everything they can name.

• (1300)

Also, we got here because of incompetence and mismanagement. We do not have to go very far to see the mismanagement and incompetent spending. I refer to a couple of items from "The Tales of the Tax Trough" by the National Citizens Coalition. It found that we spent $37,363 to study the effects of colour in advertising. We also spent $58,000 for an examination of what it is like to work for the Dominion grocery stores. We

spent $21,566 to examine experimental studies of interactive gestures.

Those kinds of costs go on year after year after year and in the same year after year after year governments say they are going to make a change. However the taxpayers do not see that; they only see more government rhetoric.

Another way we got here is because Canadians are passive people. We tend to think that governments are going to pull us out of this crazy spending, but it never seems to happen.

The tax revolt is going to go on. It is going to get larger and larger. There are several formal tax revolt structures in place in this country. I am going to speak about those in just a second.

What has this government done? We have already seen that this government has tacked on about $3 billion more in expenditures, but it has said that revenues should increase to offset that. Governments have played that trick on Canadian taxpayers for two generations now.

The government promised to spend about $1.5 billion on child care, if the economy should rise about 3 per cent. But it says: "No, it is not $1.5 billion. It is only $750 million because the provinces have to contribute $750 million". Well, their $750 million and the federal government's $750 million is $1.5 billion to the taxpayer. That is what we have to get into our minds.

The government has closed some bases which was a little premature because they are into a one year study. I have said before it is like bailing out a sinking ship with a thimble. We owe $40 billion. Getting $750 million here and there or $2 million and saving a few on perks and so on is not enough. We have to go deeper.

What is the result? We are into an underground economy the size of which nobody can estimate but we know it is big. The last election was part of the result. We saw a party virtually disappear off the face of the political map.

Then we have the revolt. A number of organizations are springing up across this country and I have talked to two of them. One is the Tax Revolt Network News run by Gerry Rogers in Halifax. He prints a monthly document and I will be quoting from it. There is also a gentleman by the name of Gebert from my home riding of Fraser Valley West who is well aware of Mr. Rogers' activities. By no means is this a limited list. There are all kinds of people out there.

I did get a call from a fellow by the name of George MacDonald in Calgary who is on a fixed income. He basically said: "Why not add the museum in the Prime Minister's riding to the cost of the inordinate expenditures, or the $100,000 grant to study riddles", and so on and so forth. That just came from Mr. MacDonald a few minutes ago. People out there are sick and tired of this.

Let me quote the Tax Revolt Network News: "Today nobody trusts governments will do what they say they will do, or say what they are planning to do without deceit". Gerry Rogers is a small businessman. He is not a politician. He is just ticked right off.

Other things in the Tax Revolt Network News: "The system is too complicated. A small business should be able to run and be accounted for by a person of average intelligence with a basic high school education. Please, governments, do not lend us money and do not give us grants. We are capable of governing ourselves. We need a more participatory form of government for the 21st century".

• (1305)

Another quote: "Taxes can be lowered without law breaking. The secret in the control of politicians and their pathological need to tax and spend: Control the money. Take away their privilege of taxation and borrowing and they will become more reasonable to deal with". This is all over the place in this country.

Another fellow has formed a citizens tax coalition. One hon. member talked about banding together from time to time. These people are not just banding together; this is big stuff in this country. I quote: "The thing Mr. Rogers and I have in common is the contempt for the political system that ignores common sense in taxation. It is bound to result in chaos in our economy. The first casualty will be our system of government followed by the politicians who failed to represent the wishes of the people who elected them".

I have one more quote which is interesting. It goes back a little bit. The quote is this: "The national budget must be balanced. The public debt must be reduced. The arrogance of the authorities must be moderated and controlled. Payments to foreign governments must be reduced if the nation does not want to go bankrupt. People must again learn to work instead of living on public assistance". This is not my quote; it came from a senator of ancient Rome, Marcus Tullius Cicero speaking in 55 B.C. What has changed since 55 B.C. you ask. Not much in this country.

The Romans misread the mood of the people and the civilization went up in flames. We are in danger of that happening too and I think this Liberal government should take heed.

Mrs. Dianne Brushett (Cumberland—Colchester): Madam Speaker, I truly enjoyed the hon. member's remarks, particularly the humour. When there is humour and wit in a taxation debate it does make it a lot more enjoyable.

One comment is in terms of the Rogers report on taxation revolt out of Halifax. My riding of Cumberland—Colchester is in Nova Scotia, that beautiful province. Just yesterday I attended a ribbon cutting and sod turning ceremony at a factory. It

is a manufacturing plant of Intertape Polymer Group. This factory has been in existence in Truro for close to 20 years. About every five years it has been able to expand with a little bit of Atlantic Canada opportunities or ACOA funding.

Yesterday we presented it with a grant of $1.5 million. Seventy per cent of that was federal funds and 30 per cent was a provincial co-operative sharing financial grant. The amount we presented as government of $1.5 million was matched with $9.8 million from the plant. This was to expand into new products that would go on the international marketplace. It already employs close to 400 people and will take on an additional 45 people. These are long term sustainable jobs.

The point I wish to make is that the manager of this plant had to compete with his other plants. One in Florida, one in North Carolina, one in Ontario, one in England, and the one in Nova Scotia: five manufacturing plants that manufacture a plastic tape that goes on the back of carpets, that makes polysacs for carrying all kinds of large bulk products. This fibre is made, competed with and sold internationally.

This plant in Truro was able to get the $9.8 million from the conglomerate because we were able to assist a little bit with an ACOA grant in the Atlantic region.

That is the benefit of cost sharing, stimulating, promoting those jobs. As the hon. member will know, in our red book we did advocate jobs for this country. If he has read the recent reports the economy today is at the highest it has been in the past five years. It is growing. It is growing slowly but it is growing and he must agree that we have taken some appropriate measures by reducing those taxes, the 3 per cent in the UI premiums. That was a constructive, positive measure to increase jobs and to increase job potential for this country.

• (1310)

I wanted to point out to the hon. member the fact that when we do cost share as a government, if the owner or manufacturer puts in a substantial amount and there are long term jobs, long term sustainability in manufacturing for the export market, I must remind him of the tremendous products, then it is a good investment and we are on the right track.

Mr. White (Fraser Valley West): Madam Speaker, good comments from the hon. member. I assure her it is not easy getting a laugh out of a tax revolt or a tax system in this country but one has to try once in awhile.

There is such a thing as government trying to assist business. I guess it is the perspective one has on how it is done. I can name time after time where government has put money into business and it has just gone out the back door. It has been a waste.

I spent some time down in Halifax not too long ago. Many people I talked to down there said: "Get rid of ACOA. It is just another tax bonus for those who can get into the trough".

I was in Anglemont up in the Shuswap in British Columbia this weekend. A fellow there said: "A friend of mine is going to start a business. He just got a $17,000 grant to start a business". I know the name of the business but I will not say it here.

The fact is that perhaps his friend should have borrowed the money from a bank or a business somewhere. You cannot just go around this country handing out tax dollars from the people of British Columbia or Alberta to somebody in the territories who wants to start a business. That is what is ticking people off today. Their money is being given away to some businesses that are totally unproductive.

Westray mines in Nova Scotia is a good example. That mine kept a lot of people working but it was tax dollars being transferred right across this country. What was the end result? There never was money earned in that place and many people died in a very unfortunate accident.

I received a letter not too long ago from the Canadian Kennel Club after my criticism of its receiving a $5,000 bilingualism grant. The club told me it had an income of $4 million to $5 million, yet it was getting a $5,000 grant. What for? Let it spend its own money.

The Acting Speaker (Mrs. Maheu): I am sorry, the hon. member's time has expired.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, I am pleased to rise during this opposition day to debate the motion tabled by the hon. member for Calgary Centre which reads: "That this House implore the government to initiate immediate consultations with Canadian taxpayers—"

I do not know if the hon. member remembers, but before tabling his budget, the Minister of Finance consulted Canadian taxpayers across the country. Thanks to modern technology, those who did not participate in these consultations were able to follow this exercise on TV. Consequently, the first point mentioned in the motion does not accurately reflect the situation.

Also, since the motion talks about initiating consultations, I thought that, especially in the case of the Reform Party, details would have been provided as to the kind of consultations to hold, because such a process costs money. What about expected results? I have not heard anything concrete on this since the debate began this morning.

The motion then refers to consultations with "provincial governments on the creation of a fair and integrated reform of the entire tax system—" I believe the hon. member is alluding to tax harmonization and I agree with the Reform Party on that. I

think that the Minister of Finance has already had meetings with his provincial counterparts, and it goes without saying that there is work to do. I also believe that, in its efforts to determine how to replace the GST, the finance committee is reviewing this whole issue.

• (1315)

This government has taken concrete measures since it took office. The hon. member mentioned earlier that we grant subsidies to companies or institutions and that this was a bad investment. We did say during the election campaign, as well as in our red book, that subsidies to companies will be drastically reduced, and I believe we are doing that. So we are going in the right direction concerning this aspect of public finances.

In fact, we have taken several realistic measures to put some order in public finances. During the election campaign, we did not make unrealistic promises, as did the Conservatives and the Reformists who promised to totally eliminate the deficit in three or five years.

The federal administration also includes the vision of a society. This is why it is not as easy as the Reform Party would have you believe to make cuts to reduce the deficit.

We made a very logical and realistic proposal in our red book. We said that we were going to lower the deficit to 3 per cent of our gross national product, over a period of three years. And when he tabled the budget, the Minister of Finance showed how he was going to fulfill that promise.

This is what we managed to do in the six months since we took office. The results are starting to show.

Reform Party members are very critical of the infrastructure program, and this from a political party that believes in public consultation and local government. I have been a member of Parliament for ten years now, and every time I meet mayors of municipalities, members of municipal, provincial and regional councils and members of the Federation of Canadian municipalities, they always demand federal involvement in an infrastructure program, because that is our role as a government. The Reform Party has no vision. A government must have a vision of society. A modern society without a modern and adequate infrastructure cannot develop its economy, and our economy must be in good shape if we are going to reduce the deficit and the debt. And that is what we are doing.

We responded initially to a request from the municipalities and we put this request before the provinces, which agreed to share the cost three ways. We will not only create jobs needed in the short term to boost economic recovery but also respond to a real need for infrastructures in our regions, our communities, our towns and our villages. The infrastructure program will help communities and existing entrepreneurs to expand and help new entrepreneurs get started.

It is not just a matter of dollars and cents. We must have an all-encompassing vision, which the Reform Party does not have when it insists on talking about a tax revolt.

To my knowledge, there have always been protest movements, and these are sometimes necessary because they make us think. As members we often sit in this House five days a week and do not always have time to go and listen to our constituents. However, we don't think we can say there is a revolt. Of course some people are angry, and a few may have good reason to be, but I think that today we should be more constructive and try to get together and deal with these problems with the government, and I think we should stress the positive aspects so that we can suggest how the government should deal with these problems. We did.

• (1320)

Speaking of consultations, as part of our parliamentary reform at the beginning of this session, our first item was to ensure that members of the finance committee would be able to prepare the next budget with the Minister of Finance, something unheard of in the past. Until now, the contents of the budget were announced to members in this House at the same time as they were to Canadians watching on television, in other words, when the budget was brought down in Parliament.

Members of Parliament will be able to contribute. This system will enable us to submit proposals, make suggestions and express the people's concerns to the Minister of Finance. That is what we call real consultation!

The motion reads:

> —implore the government to initiate immediate consultations with Canadian taxpayers—

That is what we have been doing since the opening of the session. In fact, that was one of the commitments we had taken during the election campaign.

We, members of Parliament, are here to represent the people of Canada. As such, we can let the Minister of Finance know what they think and the committee will be able to prepare a budget, together with the minister, and to tackle the problems facing the Canadian economy. This way, we will be prepared to face the problems of the 21st century, have a sound financial position and be able to compete in the modern economy.

On September 4, ten years ago, I was elected federal member of Parliament and I have spent at least six of the past ten years examining problems the small and medium-sized businesses are grappling with. In the budget speech, I was pleased and proud to notice that the Minister of Finance had tried to settle once and for all the question of small business deductions. Small business need tax deductions, but the Income Tax Act allowed large

corporations to take advantage of the system, up to $200,000 worth in income. The Minister of Finance corrected the situation and he will certainly address small business.

In the budget also, large corporations like financial institutions were told that they would have to pay their fair share. Of course, complaints were received from the Restaurant Association because deductions for entertainment expenses were reduced from 80 to 50 per cent. The Minister of Finance's budget actually established equity, as requested in the motion before us, but this means everybody has to do his share. I must admit that the federal government was dragging behind in that respect. Measures to that effect had long been in place in Quebec, as well as in Ontario and in the United States. I am sure that restaurant owners will realize that their businesses will not suffer from these measures; the fact that people can only deduct 50 per cent of their expenses will not stop them from going to the restaurant.

It is therefore very important to pursue our efforts in that area. That is in fact the first thing we will do after receiving the finance committee's report on the GST. Consumption tax is a major element of our tax system. We are going to provide the Canadian people with a fair and equitable tax system. We will start by finding an equitable alternative to the GST and I hope that this time, the provinces will accept to harmonize their programs with ours and that we can have a tax system that everyone can understand.

• (1325)

Madam Speaker, you and I come from Quebec. Today, someone who goes to a service station or a garage to get their car fixed would have trouble understanding their bill. As an accountant myself, I have difficulty understanding my bill.

Because there is a 4 per cent tax, a 7 per cent tax, a 9 or 8 per cent tax, and every tax kicks in after a certain amount. So the small entrepreneur who should be in his garage working as a mechanical specialist and serving his customers is busy with all this paperwork, and God knows what will happen in two or three years, when the auditor from the revenue department drops by his garage. Did he figure out the taxes properly?

Imagine how our small and medium-sized businesses feel who have to live with this GST system. I think this year we should make the effort to design a consumption tax system. Because with our financial situation, we cannot tell Canadians that we will abolish the GST and that there will be no consumption taxes.

The Right Hon. Prime Minister, whether in opposition or in government, has always been very clear: we will replace the GST. However, once we have dealt with this important part of the tax system, namely consumption taxes, we will move on to the other part of the system, income and capital taxes. What system should we have? I think with the structure, reforms and regulations established in this House by our parliamentary committees, especially the finance committee, we will be able at this time next year, with the next budget, to really put our fiscal house in order and give hope to Canadians that we can have a fair, equitable and efficient tax system.

But it is only by working together and supporting the Minister of Finance—and I am confident that our finance minister will see it through to the end. Before becoming involved in politics, he was a businessman; he knows the problems, he listens to Canadians—and I am sure that together we will succeed.

I know that the hon. member for Gatineau—La Lièvre would like to participate in this debate so, Madam Speaker, with the consent of the House, I will sit down and allow him to speak his mind.

[*English*]

The Acting Speaker (Mrs. Maheu): On a point of order, the hon. member for Calgary Centre.

Mr. Silye: Madam Speaker, do we not get to ask some questions of the hon. member for Saint-Léonard?

The Acting Speaker (Mrs. Maheu): The member was asking if he finished early whether he could give a chance to the member for Gatineau—La Lièvre to make comments or ask questions.

Mr. Jim Silye (Calgary Centre): Madam Speaker, I would like to congratulate the member for Saint-Léonard for his contribution to today's debate. I am a little disappointed that he has just focused on the GST as a partial solution to our taxation problem. Perhaps he is too busy being the Liberal whip to put full concentration on this area of taxation.

He brought up a point about the cost of consultation and as a Reformer I feel I should address this particular issue. Current hearings are always held by most standing committees, especially the Standing Committee on Finance.

With the replacement tax for the GST provincial governments are certainly encouraged to look at the issue of harmonization and therefore the government and/or committees will be meeting with provincial finance people. When they are doing that and for the same cost at the same time the government can be bringing up other areas of taxation that provinces, individuals or witnesses may want to contribute toward an overhaul of the taxation system. In the next year and a half, at no extra cost, this extra review can be initiated with Canadians and provincial governments.

On the order of public finances the member indicates that he feels his government is bringing order to the public finances. I counter that position as a comment by saying that the government has increased overall spending by $3.3 billion and is

concentrating on the revenue side to generate more revenue for the government.

By borrowing $2 billion on the infrastructure all the government is going to get back at most is $400 million in taxes with the extra jobs it creates if it creates them.

• (1330)

That will be a net loss on the infrastructure program so it is headed the wrong way.

I compliment the hon. member for Saint-Léonard as party whip for handling the budget of the Board of Internal Economy. I do not know whether it is $250 million or $270 million, but he and his committee, and I believe it was through his efforts, came up with a $5 million saving for this House and the taxpayers of Canada.

I wish that he would take his insight and his understanding of how cuts should really work and apply it to the Department of National Revenue. When the deputy minister of National Revenue and Taxation was asked to come up with some cuts, he came up with an amalgamation of two departments. Out of a budget of $2.2 billion all that he could come up with, not that it is insignificant, was $36 million.

On a proportionate and percentage basis, I would like to know if the hon. member would be willing to serve as the cabinet minister of National Revenue and Taxation. He knows how to cut.

Mr. Gagliano: Madam Speaker, maybe the member should speak to the Prime Minister.

I thank him for his congratulatory remarks. With the help of some of my colleagues, we realized the cuts that the member mentioned. The budget of the Internal Board of Economy for 295 members of Parliament and this House is between $200 million and $230 million a year. Five million dollars may be saved by the end of the year and we hope to save even more. This is not a big reduction but we have to start somewhere.

We have to start from the top. That was the aim of this government. The Prime Minister did it with cabinet. We collectively did it here in the House. We are giving a good signal to the public administration in all departments. I would not like to pick on only one department. The member mentioned national revenue. It should be all departments.

The Prime Minister is reminding every cabinet minister on a daily basis to make sure that they are responsible. We are going that way.

In terms of consultation, the member and I agree. The rules are already in place through the finance committee. The least expensive consultation that we can have is through the finance committee of this House. We are doing it on the GST. Once the GST is finished, I am sure that with the budgetary process that we have in place this fall the finance committee will look at all the other tax expenditures and we will make progress.

Like I said, we all have to participate. I could quote letters. It is incredible how such a thing could happen. We are trying to serve almost 27 million people. We have a system, but it is a complicated system. If all of us sincerely want to help we can do our own little thing for which we are responsible as a member of Parliament. We can go a long way.

I hope that in this 35th Parliament this new spirit of co-operation and so on that we have shown in the past four months will continue. I am convinced that in the end we can achieve a greater result and Canadians will be better off. We run for office and get elected so that we can help Canadians feel good about this country. We want them to be better off. They can compete and look for a bright future.

I thank the member for his congratulations. Our difference is not that far apart. Sometimes we have to look at more than just dollars and cents. The hon. member said that through taxes we may get only $100 million back from our $2 billion. I do not want to dispute those figures. I did not do the calculation.

• (1335)

We also have to look at the wealth and the infrastructure that we put into our communities that will help to create a better business structure, a better lifestyle which in general helps people to feel better and feel more secure in our communities and therefore be more productive and more active.

That is the problem in our society. If we make sure that all Canadians are active, I think we will reduce the deficit and the debt and we will have a better society.

[*Translation*]

Mr. Gérard Asselin (Charlevoix): Madam Speaker, I am pleased to address the House this afternoon on the subject of the government's tax system. Since the Bloc Quebecois was elected last October 25, it has tabled a motion calling on the government of Canada to strike a committee to review all government spending.

For many months now, the Bloc Quebecois has been demanding an in-depth review of the tax system, the aim being the elimination of tax inequities. Having brought down a $164.7 billion budget providing for a spending increase of $4 billion for 1994, the Liberal government should review its spending practices because it has chosen the easiest course of action, which is to raise taxes.

Finance minister Paul Martin's recent budget sets a second record in this House, what with a deficit of $9.7 billion and $110 million in interest charges per day. Given the current state of the economy and the high levels of unemployment and poverty in Quebec and in Canada, the $110 million in interest charges which the federal government pays to financial institutions could surely have been put to some other use. It could have been

invested in a variety of other areas such as social housing or in business recovery programs aimed at job creation.

There is an urgent need for the government to review the entire tax system. Furthermore, as I stated earlier, it is also very important that the government agree to the motion presented in this House by the Bloc Quebecois which calls for a committee to be established to review government spending item by item and to give the government some control mechanisms.

When the Minister of Finance appeared before the Standing Committee on Finance, of which I am a member, I asked him whether it was the public servants who were mismanaging programs, or the politicians who were spending too much. Of course, since the minister wanted to protect some public servants and deputy ministers, he had to take full responsibility and reply that it was the politicians who were spending too much.

I believe that politicians should give themselves monitoring tools, because they are the ones who must take responsibility when the government tables a budget and has a deficit. Every four years, political parties have to go before the best judges of their actions: Canadians and Quebecers. We cannot afford a budget like this one, with a deficit of $39.7 billion. The government is trying to eliminate a deficit by creating another one.

You will remember that when the Conservatives tabled a budget with a deficit of $32 billion, the largest ever at the time, it caused an uproar. The Liberals just hit the roof. This was unprecedented. But this was just rhetoric on their part to get elected. Indeed, the Liberals' recent budget is proof that they are no better managers than the Conservatives of the time.

• (1340)

It is important that the government implement all the Auditor General's recommendations. His services are costly. In fact, it costs the government $60 million over three years for this audit of its books, a job which the Auditor General has always done well and will continue to do well. We are not asking for cuts affecting social programs, low-income and single-parent families, or social housing. We are asking the government to make cuts in its own fat. It is the Auditor's mandate to find out where that fat is, and he does a very good job at that.

The Bloc Quebecois is also asking that a committee be set up to review all government expenditures. The Reform Party agrees with us on this score. This committee would include members of all political parties, mainly the government, the Bloc Quebecois and the Reform Party, who, along with the Minister of Finance and the Minister of National Revenue, would take a look at all expenditures which are not essential to the operations of this House.

It is important that the government give itself means to control each department. And if in its budget, the government approves the budget for the Department of Transport, and if the Minister of Finance includes in his budget a budget for health programs for the Department of National Health and Welfare, the officials who run this program must be responsible for its administration, and the ministers responsible for their respective departments must be accountable for those departments.

A minister who is there just for the prestige is pretty useless. I think ministers should be responsible for their individual departments and for the programs in those departments. If the minister does not do his job or if the official doesn't do his job, in that case, let us get someone else. However, we cannot afford to approve a budget with a $39.7 billion deficit, knowing full well that in the end, if the economy or employment recovery is not up to expectations, we may end up with a deficit of $45 billion or even $50 billion.

Public servants and the ministers in their respective departments must be aware of their responsibilities and administer the programs and budgets they have been given to administer by the government.

I have been sitting on the finance committee for about two months, and we heard many witnesses for the municipalities, Chambers of Commerce, unions of municipalities, restaurant owners, and so forth, and everyone is trying to find ways for the government to raise revenue without affecting the consumer. I think the government should stop worrying about how to raise revenue, because workers and consumers are already paying far too much.

What the government should worry about is how to cut its spending, and it doesn't take very long to find out how to do that. What it takes is a good committee that looks at departmental budgets item by item. Its work would be cut out for it. For a start, we should act on all the recommendations made by the Auditor General. We pay too many taxes and too much income tax, and we should try to eliminate monumental mistakes like the contract at Pearson Airport in Toronto. This is the only federal airport in Canada that makes a profit, that generates a total of $50 million annually, and the previous government decided to privatize it.

Did the government decide to reward indirectly those who had contributed to the election campaign? The Bloc Quebecois is asking for a public inquiry to prove that the present government did not enjoy certain advantages as result of actions taken by the previous government, actions which have penalized taxpayers in Quebec and Canada. Quebecers and Canadians pay too much tax, and people are wondering whether they are getting their money's worth.

• (1345)

We pay taxes to the federal government and to Quebec. We turn over $28 billion per year in taxes to the federal government, in addition to paying provincial taxes, the GST, the TVQ, municipal taxes and school taxes.

Quebecers are prepared to pay a single harmonized tax, one that would give the provincial government control of all tax dollars and combine the GST and the TVQ into a single tax for a single country. This will come to pass when Quebec achieves independence.

As I was saying, workers and consumers are the ones left to pick up the tab. From the moment he is born, a Canadian child owes $20,000 to the federal government. And this same child will be paying until the day he dies.

Allow me to explain myself, Madam Speaker. As I was saying, when a child is born, he inherits a $20,000 share of the deficit. From the time they are old enough to attend grade school and high school, CEGEP or university, students pay taxes on books, goods and services and computers, etc. In short, even their education is taxed.

For parents who must incur a number of expenses related to their children's education, the process can be quite costly. Not every municipality or region in Quebec or in Canada has a CEGEP or a university. There is a CEGEP in the Charlevoix region. However, when students wish to go to university, they must travel outside the region and this can be very expensive.

A student from Baie-Comeau who decides to further his education in Montreal or in Quebec City will probably have to pay anywhere from $8,000 to $10,000 per year. Quite often, his father or mother, or sometimes both, end up unemployed, or even on welfare because a plant was forced to close, jobs were cut or a contract terminated.

If the student wishes to stay in school, he is forced to rely on loans and bursaries. When they graduate from university three or four years later, students find themselves $20,000 to $25,000 in debt and this, without any guarantee of finding work when they get out of school.

Naturally, these parents cannot afford to pay the required $8,000 to $10,000 a year and the child, having taken out loans, often must abandon his studies, for lack of funds.

There should be a tax deduction form for parents, to help children who study away from home. Let me explain. At present, when a couple divorces and the father is ordered to pay alimony to his ex-wife, the portion of his income which is paid in alimony is tax deductible. On the other hand, the same parent, if he is a good father and puts one, two and sometimes as many as three children through university, incurs very high expenses, but the money invested by parents in the education of children attending university is not tax deductible. The government should come up with programs to help, through the tax system, working taxpayers who pay to send their children away to get an education. These young people are our future. I also think that it would help prevent dropping out.

• (1350)

It is also urgent, both at the federal and the provincial level, that vocational schools be reopened. There will always be intellectuals with the skills and financial means to enter university, but there are also young people who do not have the skills or the financial means to go to university. There is an intermediate level that used to exist in the seventies—I am talking about vocational training.

You know that these jobs are increasingly occupied by women. Equal pay for equal work! These would be much sought-after trades because in construction, we will always need plumbers, electricians, carpenters, mechanics and the likes. There are only two classes: labourers, almost like welfare recipients, and professionals. But the construction market will always exist and I think governments should re-open vocational training centres to help those who lack the skills to go on to university.

The government tried to compensate for taxes by promising "jobs, jobs, jobs" in its red book. They will have to take action. Six months after the Liberal Party was elected, 23,000 more people live on social assistance in Quebec. They have exhausted their unemployment insurance benefits and are now on welfare. As I said last week when the Prime Minister declared that the unemployment rate was down 2 per cent in Quebec, it is because social assistance has gone up by 2 per cent.

The only reasonable thing in the Liberal Party's platform is the infrastructure program. Of course, this program will help small municipalities and some regional county municipalities. But $2 billion for the infrastructure program is not enough. The Federation of Canadian Municipalities recommended that the government should invest at least $15 billion in the program. The infrastructure program will not cure the unemployment cancer. Part of the problem in Quebec and Canada can be solved by a $2 billion infrastructure program, but not all of it.

One does not treat a broken leg with a Band-Aid or a general cancer with aspirin. The government must inject more money into this program to create jobs and help municipalities; this, in my opinion, would turn a good program into an excellent program. Again, what ratepayers do not have to borrow, they do not have to pay. I will be happy to resume my comments after question period.

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, after listening to the member for Charlevoix who dealt with many subjects, I will come back to the issue of taxation, because that is what we were discussing this morning.

• (1355)

He talked about the need to reform the tax system. Of course many people have called for that. The hon. member is on the finance committee. Last night, I had the opportunity, as a member of Parliament, to testify before that committee and talk about the need for tax reform. In the brief I presented, I spoke of the need to reform the tax system.

There is something we can refer to. Twenty-five years ago, maybe more, there was a well-known royal commission of inquiry on the tax system, the Carter Commission. Twenty-five years later, the Carter Commission's recommendations are still valid today. The tax system must be improved to make it fairer and more equitable. We need consider only a few figures to realize that in the past 15 or 20 years, the tax system has worked against the welfare and interests of the middle class, which for all practical purposes is the backbone of any modern economy.

Of course, in a society like ours, when the middle class has disposable income, the economy is moving. But as the years go by and taxes are so high that incomes go down, we see the problems that we have in Canada now. These are only some indications of the reform that must be made to our whole tax system, including the GST, of course, which was a disastrous error for the country.

I would like to draw your attention to some figures and show you how unbalanced our system is. Back in 1980, the richest 1 per cent of Canadians at that time held 16 per cent of all the wealth and income in the country. That is just to give you an idea. Ten years later, only ten years, which is not much in the history of a country, in 1990, the same top 1 per cent held 26 per cent of all the income and wealth in our country.

Did those people invest? Did they make wonderful investments in the country? Not at all. They used the tax system to their advantage. Please note that everything they did was not illegal, far from it; it was legal, they were protecting their own interests. They used the tax system; they found loopholes in the act to protect as much as possible their wealth and revenue. This gives you an idea of the imbalance which prevails.

Another figure also shows that problems exist. Everyone agrees that the accumulated deficit is enormous, but 44 per cent of that deficit is due to compound interest. This means that 44 per cent of our accumulated deficit is not due to any actual spending. That part of the deficit is the result of compound interest. As you know, interest rates were very high for a period of 12 years. Even our interest rate was one third higher than the American average for 12 consecutive years. You can see the damage caused by that situation to an economy.

Is my time up, Mr. Speaker?

The Speaker: No, not yet. The hon. member has about six minutes left. He can resume after Question Period, that is after the vote which will take place this afternoon. I remind the hon. member that he must always speak to the Chair.

It being two o'clock, pursuant to Standing Order 30(5), the House will now proceed to Statements by Members, pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

RIGHTS OF THE FAMILY

Ms. Roseanne Skoke (Central Nova): Mr. Speaker, in recognition of International Year of the Family my statement is prepared in defence of the family.

The conventional terms of debate in matters of political, economic and legal issues tend to focus on individual rights and the rights of state, not the rights of the family.

This is unfortunate and must change, for the family is the most important reality in our lives. To redefine the family to include homosexual and lesbian relationships is immoral, unjust and a violation of the rights of the family which are well founded in both Canadian and natural law.

The family unit is the basic institution of life and the solid foundation on which our forefathers built this great nation. The protection of families, family life and family values must be a priority with this government.

* * *

[*Translation*]

MULTICULTURALISM

Mrs. Christiane Gagnon (Quebec): Mr. Speaker, yesterday, the member for Saint-Léonard said that the future government of Quebec will reject multiculturalism and will not uphold its commitments to cultural communities.

The member's statement is a perfect example of the kind of disinformation which is being spread around by advocates of a Trudeau-like multiculturalism, an archaic concept whose noble and bold principles no longer ring true in Quebec.

Quebec sovereignists are resolutely forward-looking. They are actively promoting, both in Quebec and in this House, a free society where social, political and economic policies make room for everybody, no matter their origins.

For us, Bloc members, as for the members of the Parti Quebecois, there can be no doubt: a sovereign Quebec will respect the rights of its communities in a free, democratic and French society. That is the truth.

* * *

[*English*]

AYRTON SENNA

Mr. Grant Hill (Macleod): Mr. Speaker, the auto racing fraternity was saddened by the death of Ayrton Senna in a racing accident Sunday during the Grand Prix at Imola. Senna, three time world champion and a hero in his home country of Brazil, died doing what he did best. He was the acknowledged master of his craft and surely he seemed immortal.

His death is very similar to the untimely end of Canada's equally talented driver, Gilles Villeneuve.

To Ayrton Senna's family, his country and to all his close friends I extend my sympathy and my support in this sorrowful time.

* * *

JUSTICE

Mr. Rex Crawford (Kent): Get tough with criminals is the message I am hearing in my riding, Mr. Speaker. Chatham, Ontario, with a population of only 43,000, is still reeling in shock and horror at the brutal murder last week of seven-year old Daniel Miller at the hands of a teenager.

Some residents are calling for vigilante justice and curfews. Mothers with kids in elementary school are calling me. Their children are afraid to go to school.

Let us beef up our justice system so Canadians feel secure that criminals are punished with more than a slap on the wrist. Calm and level heads must prevail. With sinister events recently in Chatham and Hull shaking our faith, I encourage and support the Minister of Justice as he reviews the Young Offenders Act.

The nation is waiting for the minister to act.

* * *

GENERAL MOTORS

Mr. Ivan Grose (Oshawa): Mr. Speaker, today I address you to correct an impression that was left with this House last Thursday.

It was suggested that the largest, most efficient, highest quality General Motors plant in the world was in the federal riding of Durham. That is incorrect. Since this happened a letter and a telephone call have come to me. I therefore want to set the matter straight.

The aforementioned General Motors plant is located in the federal riding of Oshawa. The citizens of Oshawa have honoured me by sending me to this Chamber to defend their honour and pride against all those who would deign to move the best corporate citizen in this land into an adjoining riding.

I promise my constituents to be ever vigilant and never allow this type of hijacking of any of our assets.

* * *

MEDIC ALERT

Mr. Andy Scott (Fredericton—York—Sunbury): Mr. Speaker, it is my pleasure to remind the House that May is Medic Alert month. Medic Alert is an emergency medical information network accessible around the world. Over three-quarters of a million Canadians rely on Medic Alert bracelets and necklets to ensure emergency medical personnel are aware of their specific needs, whatever they may be.

Life Underwriters Association also holds an awareness campaign each May to promote the benefits of Medic Alert to Canadians.

• (1405)

Medic Alert identification can help save the lives of people suffering from diabetes, epilepsy, asthma, food and drug allergies and any hidden condition.

Please join me in congratulating the Medic Alert Foundation and the Life Underwriters Association for their excellent contribution to the health of Canadians.

* * *

[*Translation*]

LA SAINT-JEAN

Mrs. Madeleine Dalphond-Guiral (Laval Centre): Mr. Speaker, Quebec's national holiday, *la Saint-Jean*, is a very special moment when all Quebecers have the opportunity to renew their commitment to their native land. Last year, over 200,000 people took part in the march down Sherbrooke street, and close to one million viewers watched the parade and the show on TV.

This year, several corporate partners from the business and communication sectors will help finance the festivities. Moreover, all Quebecers will be able to chip in by purchasing one of the 500,000 tickets which will be sold across Quebec at 5,500 different outlets.

The Bloc Quebecois strongly urges all Quebecers to give a hand to the National Holiday Committee so that, this year, the celebrations are once again a magical time of solidarity for all Quebecers.

* * *

[*English*]

CANADIAN NAVY

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, last Sunday Canadians remembered the Battle of the Atlantic. Canadians have enjoyed 50 years of peace and security

in large part due to the contribution of the courageous sailors of the Canadian navy.

Today the navy has as its mission the continued assurance of this peace. Canada has the world's longest coastline and is a major trading nation with busy seaports on both coasts. Her maritime interests are undeniable, particularly the fisheries.

Our navy plays a significant international role in NATO and made no small contribution to bringing about the end of the cold war. In peacekeeping operations the professionalism of our navy is respected around the world.

Today almost 1,000 Canadian sailors and airmen are off the coast of Haiti and Yugoslavia doing their part to support UN operations.

As we remember those sailors of World War II, I call on all Canadians to also remember the men and women of the Canadian navy who serve us so well today.

* * *

KILLER CARDS

Ms. Colleen Beaumier (Brampton): Mr. Speaker, serial killer cards have an adverse effect on our youth by glorifying the deeds of violent murderers. I encourage all members of the House to support the ban on their production and distribution.

Over the past six weeks I have received letters from high school students in my riding telling me that they fear growing up in a society in which violent murderers are rewarded with the production of commemorative trading cards. They tell me they fear that peers who collect these cards will come to look at violent murders as a quick and easy way to achieve fame rather than seeing murder for what it really is: a cruel end to many lives beginning with the victim and ending with their family and friends.

Youth in Brampton are demanding an end to the production and distribution of these cards.

For the well-being of our children and for the well-being of the type of society this generation hands down to them, I again ask all parliamentarians to support a ban on the production and distribution of serial killer cards.

* * *

CANADIAN FORESTS

Mr. Derek Wells (South Shore): Mr. Speaker, it is National Forest Week and I would like to acknowledge the contribution that forests make to my riding and to all of Canada's social, environmental and economic well-being. Next to the fishery the forestry sector is one of the largest employers in South Shore, with 270 companies employing over 5,000 people with exports valued at $150 million a year.

The designation of Lunenburg county by the Canadian Forestry Association as the forestry capital of Canada for 1996 and the previous designation of Queens county in 1987 indicate just how significant this resource sector is. Forests are a part of the natural beauty of South Shore and serve to make it a popular tourist destination.

Most important, forests are a key component of our natural environment. They moderate the climate, prevent erosion, improve air quality and provide wildlife habitat.

This week we should not only be thinking about what our forests provide for us but what we can do to provide for them.

* * *

KILLER CARDS

Mrs. Sue Barnes (London West): Mr. Speaker, I rise today to express my concern and that of my constituents about the importation of serial killer cards and serial board games into Canada.

We do not need products that exploit violence and cruelty. It is appalling that in the midst of the recent senseless shootings and the flare-up of violent crime some would go to any length to promote and commercialize serial killer cards and serial board games.

• (1410)

I am heartened that the Minister of Justice tabled in this House on April 20 draft amendments to the Criminal Code and the custom tariff. These draft amendments would prohibit the sale or distribution of offensive material such as serial killer cards and serial board games to children under the age of 18.

Let there be no doubt that I along with my colleagues in this House will do my utmost to effectively deal with the commercialization of crime and still work within the Charter of Rights and Freedoms of our country.

* * *

[*Translation*]

AGRICULTURE

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, the agri-food sector is presently faced with an upheaval the like of which we have not seen in thirty years. During the States-General of the rural world and the Trois-Rivières Summit, Quebec took the lead and agreed on principles which will govern the agriculture of tomorrow. The challenges of globalization are enormous and Quebec committed itself to developing a competitive agricultural sector which would build on the social and economic strengths of the regions.

The future depends on the decentralization of powers towards regional decision-making units better in touch with reality. Unfortunately, shared jurisdiction in the area of agriculture and

very different interests in the main agricultural areas of Canada, is not really helping the initiatives of Quebec farmers.

In this context, Quebec sovereignty is the necessary tool which will allow Quebec farmers to stay in the game.

* * *

[*English*]

REFERENDUM '94

Mr. Ted White (North Vancouver): Mr. Speaker, at a news conference this morning Referendum '94 on proposed amendments to the Young Offenders Act was officially launched.

Referendum '94 is believed to be the world's first ever electronic referendum. In the next few weeks every registered voter in North Vancouver will be receiving a confidential PIN number which will allow them to vote by dialling a 1-900 number, using their touch tone telephone to enter PIN identification and then voting yes or no to the questions on the electronic ballot.

North Vancouver high school students 15 years and older will also take part in the vote using a special series of PIN numbers that separates their vote from the vote of the registered voters.

A Canada wide 1-900 access will permit all Canadians to be part of an opinion poll on the same three questions that will be asked to the voters of North Vancouver in Referendum '94.

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BANGLADESH

Mr. Walt Lastewka (St. Catharines): Mr. Speaker, in the wake of the severe cyclone which battered the Bangladesh coast and offshore islands yesterday I would like to extend sincere condolences to the people of Bangladesh.

Winds of over 200 kilometres per hour and heavy rains swept over the area bringing widespread damage to crops and property. The Canadian High Commission in Bangladesh has confirmed that there have been many casualties from this storm.

I know all members of the House join me in mourning this terrible loss of life and property.

Our condolences are also extended to the members of the Bangladesh community in Canada. We join with them in mourning the passing of their friends and loved ones.

* * *

FISHERY OBSERVER CONTRACT

Mrs. Elsie Wayne (Saint John): Mr. Speaker, it has been brought to my attention that there are severe problems with the recent awarding of the fishery observer contract to Biorex.

This year the contract was up for renewal and the government went with the lowest bidder, Biorex, to save money. This saving is being consumed by the fact that the government has decided to train these inexperienced observers from Biorex under funding from CEIC. It is clear that by paying for this training the government is spending the same if not more by awarding the contract to Biorex when the government could have awarded the contract to the Scotia Fundy observers who are already trained and experienced.

How can the government justify spending $1.9 billion on a fisheries aid package while at the same time put 50 experienced and trained observers from Scotia Fundy out on the street?

* * *

BOSNIA

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I rise today to bring to the attention of the House the plight facing children in war torn regions across the world, specifically in Bosnia.

Last week I attended an international conference on genocide in Bosnia-Hercegovina. One of the impressions from this meeting is how much some European nations are doing for the children and some women at risk, and how comparatively little Canada is doing. The most recent numbers I have been able to obtain indicate that Canada is only taking a mere few dozen children for temporary safe haven. For a society as generous and caring as ours I find it hard to believe that we have not done more.

• (1415)

As well, I want to invite all concerned members of this House to speak up on this issue and to consider forming a coalition to find ways of bringing together federal and provincial governments, private corporations and community groups in a joint effort to do what is right.

History will judge us harshly if we stand aside and allow an entire generation to be sacrificed.

ORAL QUESTION PERIOD

[*Translation*]

MOHAWKS FROM KANESATAKE

Mr. Michel Gauthier (Roberval): Mr. Speaker, yesterday, three human rights organizations jointly condemned the intimidation and acts of violence suffered by Mohawks from Kanesatake. The Native Women's Association of Quebec, the Civil Liberties Union and the Canadian Action Committee on the Status of Women ask Quebec and Ottawa to intervene in order to guarantee respect for the rights of all those who live on this territory. These organizations are joining their efforts to those of

local organizations that today met with the minister for the same reason.

My question is directed to the Prime Minister. Does the government intend to act on this request by three human rights organizations, especially considering that band leader Jerry Peltier did not even bother to consider meeting with these three organizations?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the reports are disturbing but these particular incidents are a matter for provincial jurisdiction. The Kanesatake area is not an Indian reserve and, as I said, these incidents are a matter for the province and should be brought to the attention of the Sûreté du Québec or the Government of Quebec.

Mr. Michel Gauthier (Roberval): Mr. Speaker, considering that several Mohawks have suffered intimidation, especially women whose Indian status had been newly restored, and considering the major role played by the federal government in maintaining law and order through the Royal Canadian Mounted Police, does the government intend to intervene and act on this distress call?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, as I just said, maintaining law and order comes under the provincial government, and the RCMP has no role to play in this kind of situation.

Mr. Michel Gauthier (Roberval): Mr. Speaker, Michèle Rouleau, ex-president of the Native Women's Association of Quebec, said according to certain newspapers that if what happened in Kanesatake had happened anywhere else, criminal charges would have been laid.

Will the Prime Minister promise to intervene in this matter, since he has said repeatedly that the law should apply equally to everyone in Canada?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the administration of justice is a provincial matter, and complaints, if these matters come under the Criminal Code, are handled by the Attorney General for the Province of Quebec.

[*English*]

If the hon. member is talking about possible breaches of the Criminal Code then this is a matter strictly for the Attorney General of the province of Quebec and I would be happy to draw his attention to the concerns that have been reported in the press.

[*Translation*]

CHILD SUPPORT PAYMENTS

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, a decision handed down by the Federal Court-Appeal Division today confirms that the custodial parent should not have to pay tax on support payments and that the federal government has apparently wrongly collected several millions of dollars in taxes.

Can the Minister of Revenue tell us whether he will act upon this decision or appeal it before the Supreme Court?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, this is a matter of great interest to us. As the hon. member must know, in the budget tabled on February 22, reference was made to the federal-provincial family law committee which is expected to report to us on a number of issues relating to children and family and indeed more specifically, on the one raised by the court in the decision rendered today.

• (1420)

Our biggest concern, I must say, is first and foremost financial support for children and second, tax fairness. I can assure you that we will take into consideration the court's decision as well as the report of the federal-provincial family law committee.

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, more specifically, are we to understand that the Minister of Finance intends to implement the court's decision or that he will appeal it? Furthermore, how substantial are the amounts involved?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, the hon. member has to understand that the court just handed down its decision late this morning. We have received a copy of the decision, but have only had the chance to glance at it. We will now have discussions with the Minister of National Revenue, the Minister of Justice and certainly officials from our respective departments.

After that, we will be in a position to provide you with the answer you are looking for, but as I just said, our biggest concern is financial support for children and tax fairness.

The Speaker: I would remind the hon. minister that the hon. members must always address the Chair.

[*English*]

TAXATION

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

Yesterday the Prime Minister in response to a question from the member for Calgary Centre said that Canadians cannot expect any tax relief "until all Canadians who want to work find jobs". This statement surprises and alarms business people, investors and unemployed Canadians who believe that tax relief is necessary to create jobs.

They feel that the Prime Minister has put the cart before the horse. My question to the Prime Minister is this. Does he or does he not believe that tax relief is necessary to create jobs and reduce unemployment?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have an economic policy that was enunciated in the budget and we said that the priority of this government was to create jobs.

Some hon. members: Hear, hear.

Mr. Chrétien (Saint-Maurice): It is still the same.

We would like to be able to reduce taxes at this moment but it would increase the deficit. If the hon. leader of the Reform Party is telling us to increase the deficit, fine, we will consider that.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, you can reduce taxes without increasing the deficit if you reduce spending.

What we are trying to get at is the connection between tax relief and job creation. Let me put my question another way. Yesterday one of Asia's top bankers, Mr. David Li, told a conference that Canada was an unattractive place to invest Asian capital because of high taxes, public debt and unnecessary government regulations.

In other words, Mr. Li and his clients are reluctant to invest more in job creating activity in Canada because of our high tax and spending level.

My question to the Prime Minister is this. What does he have to say to Mr. Li and thousands of other investors like him who refuse to invest more in job creating activity in Canada until they see lower taxation and spending levels?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development -Quebec): Mr. Speaker, the leader of the Reform Party is absolutely right when he says—

Some hon. members: Hear, hear.

Mr. Martin (LaSalle—Émard): I do not blame members for clapping. They do not have much chance.

Some hon. members: Hear, hear.

Mr. Martin (LaSalle—Émard): I'm sorry, Mr. Speaker, you can clap too. I take it back, Mr. Speaker. I withdraw.

• (1425)

The Speaker: I do not want the hon. minister to withdraw. I want him to get on with it.

Mr. Martin (LaSalle—Émard): Suitably admonished, Mr. Speaker.

It is for that reason that in the most recent budget we did not increase taxes. We recognize the burden that Canadian taxpayers face. At the same time it is the reason that one of the essences of the unemployment insurance reform being undertaken by the Minister of Human Resources Development was in fact not only a freeze of the anticipated increase in unemployment insurance premiums brought in by the previous government but an actual rollback next January 1.

The leader of the Reform Party referred to an intervention by a Hong Kong banker. May I just say that the International Monetary Fund last week said that Canada was going to lead all of the G-7 countries, either be number one or number two, in terms of growth and employment and it was going to be leading in low inflation. The fact is that the International Monetary Fund said that this country is creating jobs at a rate that it has not seen in a long, long time.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, contrary to what the Prime Minister said yesterday, it was the Minister of Finance who said a while back in this House that taxes are a cancer on job creation.

Millions of hard pressed Canadians are looking for a light at the end of the tunnel. They are looking for tax relief before they will spend more or invest more in job creating activities.

My question for the government is this. The government professes to have a target for deficit reduction. Does the government have a target for tax relief? Can the Prime Minister or the finance minister tell Canadians when they can expect real tax relief from this government?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development -Quebec): Mr. Speaker, the exact quote was that payroll taxes are a cancer on job creation and our target is next January 1.

* * *

[*Translation*]

PURCHASE OF PROPERTIES AT OKA

Mr. Maurice Dumas (Argenteuil—Papineau): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In a letter sent on December 20, 1993 to owners of houses located south of highway 344 in Oka, the minister wrote: "I can assure you that I am paying particular attention to this very complex issue." Five months later, these families are

still waiting for concrete action from the government, since the evaluation of these houses was completed on December 15, 1993.

My question is this: How can the Minister of Indian Affairs explain such a delay in buying the properties located south of highway 344, when he has had all the information needed to settle the issue since December 15?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, I had what I thought was a very fruitful meeting with the APIK members. I just came from it. I have a statement that they have agreed to.

[*Translation*]

I promise to meet as soon as possible with Mr. Christos Sirros and APIK representatives to solve the problems of the properties located south of highway 344 and four enclaves and the security of that territory.

[*English*]

I hope that satisfies the hon. member.

[*Translation*]

Mr. Maurice Dumas (Argenteuil—Papineau): Mr. Speaker, five months later, still nothing, despite the special attention that the minister says he is giving these desperate people.

Why does the minister not solve the problem of these 25 families right now?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think the hon. member knows that the former government purchased approximately 90 pieces of property which the Mohawks still have not taken over. Notwithstanding that, we allocated money for renovations and allocated money for a housing committee.

I dropped the precondition to negotiations that we would have to solve north of 344 before I would be prepared to bring a recommendation to cabinet. The meeting today was along those lines. Its progress is moving in the right direction.

I am very sympathetic to the problems that people south of 344 are facing. There is gunfire. I am not talking about a bit of gunfire. I am talking about thousands of rounds going off as early as last Saturday night. It is not a problem that they created. It is a problem that exists and a problem that we are prepared to solve.

• (1430)

I am glad the hon. member is inviting the federal government to go into Quebec and solve problems.

* * *

CANADA HEALTH ACT

Mr. Grant Hill (Macleod): Mr. Speaker, "the Canada Health Act is the law of the land", to quote the health minister. My question is for the Prime Minister. Should the law of the land be applied equally to all Canadians?

[*Translation*]

Right Hon. Jean Chrétien (Prime Minister): Yes, Mr. Speaker.

[*English*]

Mr. Grant Hill (Macleod): Mr. Speaker, Ontario is ignoring a principle of the Canada Health Act by refusing to reimburse Canadians fairly if they get sick in the U.S.

The Speaker: Would the member please put his question.

Mr. Hill (Macleod): This is specifically forbidden in the act. The Canada Health Act is unravelling.

Will the Prime Minister review the act, not to punish the provinces but to provide good health care for all Canadians?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, there will be a meeting in June of all representatives of the provincial governments, the federal government and other people involved in health care services in Canada. This meeting will be presided over by the Prime Minister.

* * *

[*Translation*]

FISHERIES

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Minister of Human Resources Development.

Yesterday, this minister clearly indicated to this House that the Atlantic fishery workers unions had been consulted about the individual contracts that workers must sign, thus committing themselves to undergo training or do community work in order to receive their benefits. We checked and the unions were never consulted on this.

How can the minister reconcile the statement he made yesterday in the House with the confirmation that was given to me afterwards by the head of the fishery workers union, who said he had never been consulted on the issue of the individual contracts?

[*English*]

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I look forward to the opportunity to answer the member's question and in the process to set the record straight. I know the member is much interested in having the record set straight.

The straight facts are that all major unions associated with the Harvesters Council of Canada, all provinces of Atlantic Canada and the province of Quebec, all stakeholders on the private side, and literally everybody who moves, walks, talks, breathes and has any interest in the fishery, have been more broadly consulted by the Minister of Human Resources Development about this policy—and I might add by the Minister of Fisheries and Oceans—than on any other policy heretofore introduced by a government anywhere on the planet earth.

Yes, this is one of the matters that was discussed.

[*Translation*]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, no consultations were ever held on the individual contracts. Despite what the minister said yesterday and today, this is an extremely important issue as workers must sign contracts committing them to do certain things in order to receive benefits. This question was never looked at and the unions were not consulted on it.

Can the minister now promise to meet with them to discuss this issue before putting this system in place?

[*English*]

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, the question is a bit late because the Minister of Human Resources Development and the Minister of Fisheries and Oceans committed months ago, not only to the dozens of meetings we have already held but to the many more meetings that are to be held to ensure that the program is properly implemented.

• (1435)

Despite the very difficult and real circumstances, despite the impact on people's lives, from which none of us gets any joy or seeks any advantage, may I say that one of the reasons this has gone superbly well has been the completely open attitude, the flexible attitude, the caring attitude and the consulting manner of the Minister of Human Resources Development, and that will continue.

* * *

INDIAN AFFAIRS

Mr. David Chatters (Athabasca): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

Can the minister tell us: Do rank and file aboriginal peoples in Manitoba really want self-government at this time?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, the question is: Do rank and file aboriginal people of Manitoba want self-government at this time? The response would be yes.

Mr. David Chatters (Athabasca): Mr. Speaker, I have a supplementary question.

In the last six months I have received over 60 examples from Manitoba describing instances of misappropriation and fraudulent use of band funds, mismanagement of band funds for unauthorized purposes, interference of band leaders in the deliveries of programs, and fear and intimidation tactics including assault and band memberships being forcibly removed from the reserves.

In the self-government agreement being negotiated—

The Speaker: Order. I would ask the hon. member to please put his question.

Mr. Chatters: How will the minister assure the protection of individual rights and how will aboriginal leaders be held accountable to rank and file aboriginal people?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, the premise of the hon. member's question is that we cannot trust these people because they cannot handle their affairs. I do not accept that premise.

What I see out there are honourable chiefs, honourable members, 400 of whom met at The Pas and unanimously said: "The time is now. We like your policy. We are prepared to work with you", and I intend to work with these people.

* * *

[*Translation*]

PUBLISHING INDUSTRY

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, my question is for the Minister of Canadian Heritage. According to this morning's *Toronto Star* issue a secret memo, addressed to all members of the cabinet, told them what strategy to use when dealing with Ginn Publishing. They were advised not to make any statement on the sale of this company, and also to dismiss all possibilities of inquiry on the matter by a parliamentary committee.

Could the Minister of Canadian Heritage confirm the existence of such a secret memo and tell us if this is the reason why an inquiry on this sale has been rejected by the cabinet and by the Parliamentary Committee on Canadian Heritage?

[*English*]

Hon. John Manley (Minister of Industry): Mr. Speaker, the secret memo the member refers to is so secret that none of the ministers involved had seen it or heard of it in fact until this morning; but I am told there was some advice contained in a

communications memo prepared although I am not sure by whom.

They tell me that it said among other things: "Be boring and dull". I can assure the hon. member I have been doing my best to fulfil that qualification. It has worked so far, has it not?

An hon. member: Some things come naturally.

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, I am outraged at seeing the government turn into a farce a question dealing with Canadian Heritage.

• (1440)

How can the Minister of Canadian Heritage still pretend he is defending the Canadian Heritage when his only concerns are to give answers that leave no trace since they are strictly oral and to blindly follow this memo instead of trying to shed light on this sale to American interests?

[*English*]

Hon. John Manley (Minister of Industry): Mr. Speaker, as I was about to say a moment ago, the important thing that was also contained in this memo was to grind down the questioner with facts.

Unfortunately the facts have not been of great interest to the hon. member who has put a number of questions on this file; but the facts include the fact that when Investment Canada approved the acquisition of Maxwell Macmillan limited by Prentice-Hall, it approved the acquisition of a company which was in receivership.

The result of the acquisition was the preservation of about 100 jobs in Canada, as well as the acquisition of a series of undertakings given by Prentice-Hall and its owner, Paramount, with respect to the distribution of publications within Canada, as well as the continuation of as many employees as possible.

There is a series of undertakings there. We received undertakings which we think are meaningful and which made this a good deal for Canada.

The facts are not of a lot of interest around here a lot of the time, but it is time members started to take recognition of the fact that in this case we got a good deal for Canada.

* * *

INCOME TAX ACT

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my question is supplemental to the one previously asked in the House with regard to today's Federal Court of Appeal decision on child support payments and is for the finance minister.

In recent weeks many members on all sides of the House have spoken in support of changes to the Income Tax Act with regard to how child support payments are taxed.

Will the minister please take into consideration those members' views before making any decision on the approach the government will take?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development -Quebec): Mr. Speaker, it is particularly appropriate that this question would be put to me today by the member for Nepean who has shown such a consistent interest in this subject and in fact has her own bill before the House.

As the member knows and as a number of members in the House know, prior to the last budget there was extensive consultation. It was as a result of suggestions made by members in the House, and particularly in this caucus, that in the last budget we made reference to the potential disparities that might exist and our intention to await the decisions of a federal-provincial family law commission dealing with this subject among many others.

I can assure the member that we will take her advice and the advice of other members in the House into account. Our major concern is that the financial support for these children be as good as it can possibly be and that tax equity be maintained.

* * *

IMMIGRATION

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

The minister had the opportunity for some tough talk over the weekend. He promised to get tough and to close loopholes for deportable criminals.

Last week the immigration and refugee board gave refugee status to a man convicted in Canada of raping an 18-month old child.

In light of this fact could the minister tell the House exactly what concrete measures have been taken during his tenure to toughen up and to protect Canadians from criminals his department allows to stay in Canada?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, I said last week and I repeat that in the large number of cases of individuals who appeal to the immigration appeal division my department is not in favour of staying or overturning those deportations.

The member ought to use his words very carefully because it is not true when he characterizes my department as being against the individual's deportation.

Second, I think the member owes it to the immigration file not to suggest somehow that the entire situation is out of whack. The

member should not consider immigration in the way we sometimes consider airplanes, by the ones that do not land, because 99 per cent of the airplanes land at our airports seven days a week, 24 hours a day.

• (1445)

It is the same for immigration. Of the 1,100 cases appealed last year only 16 in terms of criminality were overturned. I admit that some cases ought not to have been overturned and I was very honest and candid with one case last week.

Before last week I said it is not incompatible to have a fair and progressive immigration policy which also means being tough in applying the law to those who seek to break or abuse it. We are not backtracking on that. We will be bringing those amendments to this Chamber so that we can target those individuals who by their actions give all immigrants a black mark.

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, it is that one plane crash that causes horror and devastation. That is the one we are talking about today.

Here is a fact. Just two short weeks ago this minister disbanded the permanent residents unit which tracks down and apprehends the most dangerous deportable criminals in Canada. This is the sort of criminal this minister's appeal division and refugee board seem to enjoy putting on Canadian streets.

My question for the minister—

The Speaker: Order, order. I am sure the hon. member is going to put his question. I encourage the hon. member to not in any way impute motive to any other member in the House. It makes things that much more difficult. I am sure that if the hon. member would want to withdraw any imputation of motive to the hon. minister, I would invite him to do that before he continues his question.

Mr. Hanger: Mr. Speaker, if I have said something that offends this minister, then I withdraw it. However, I am talking about his department.

My question to the minister is this: How can this minister in good conscience continue to preach about getting tough and at the very same time disband that unit which provides Canadian families the most protection from dangerous deportable criminals?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, I said last week that this member does not have a monopoly on virtue or concern and that I do not take any pleasure whatsoever in seeing those individuals who do not merit our consideration walking our streets. The member should do justice to how all members feel about a number of cases.

In answering the question I am going to ask the member to get his facts right and perhaps he could listen. For example, in Ontario since 1992 there has been a reduction of general immigration staff from 1,560 to 1,040. In the meantime, in Ontario, in terms of investigative enforcement officers, the staff has increased from 50 to 60. Five of the six individuals who were reduced in Toronto at the behest of this minister, those individuals have not been reassigned. They are still there.

Also, the unit was not—

The Speaker: Order. The hon. member for Joliette.

* * *

[*Translation*]

PUBLISHING INDUSTRY

Mr. René Laurin (Joliette): Mr. Speaker, in the week-end issue of *The Ottawa Citizen*, it was reported that the cabinet had turned down a strategy preventing foreign take-overs of our cultural industries.

My question is for the Minister of Canadian Heritage. Can the minister confirm this information and could he shed some light on the reason why he refuses to put in place measures to protect Canadian cultural industries so as to avoid another fiasco like the Ginn Publishing disaster?

• (1450)

This time, I hope that the real Minister of Canadian Heritage is going to rise and answer my question.

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, to this day, I have not presented the cabinet with an overall policy concerning the protection of Canadian cultural industries. Therefore, the cabinet has not taken it into consideration nor made a decision in this regard.

Mr. René Laurin (Joliette): Mr. Speaker, I did not say policy; I said strategy.

I have a supplementary. In view of the fact that 80 p. 100 of school books in Canada are sold by foreign-controlled companies, can the Minister of Canadian Heritage, the real one, tell us when he intends to present a policy to prevent what is left of our publishing industry from falling into foreign hands?

The Speaker: I would remind all hon. members that when they are addressing a minister, it is the real minister they are talking to. So, there is no need to mention it, please.

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, there is already a policy and I intend to give it some more teeth.

* * *

[*English*]

APPLE INDUSTRY

Mr. Werner Schmidt (Okanagan Centre): Mr. Speaker, my question is for the Minister of National Revenue.

Next Monday, May 9, there will be a large protest at the Osoyoos border crossing in south central British Columbia. The protest is being staged by B.C. fruit growers angry at the inaction by this government on the issue of dumping of Washington apples into Canada.

According to figures supplied by the growers, the industry has lost $1.6 million after only eight weeks of dumping. By the time the Canadian International Trade Tribunal gets around to hearing the complaint, the industry estimates that $25 million could well be lost before the dumping is halted.

Yesterday the minister said he needs proof of damage from the industry. Will the minister acknowledge that industry has supplied the proof and undertake self-initiated action before the Canadian International Trade Tribunal now, before any more growers are hurt by this inaction?

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, as I said yesterday, this problem arose because the Canadian International Trade Tribunal, a Canadian body, ruled against the Canadian apple growers.

It is therefore imperative if we are to win in a subsequent appeal to that body which would follow a national revenue ruling, that we have the clear evidence to make sure that its previous decision is overturned.

The dilemma the hon. member and I have in this instance is that very much the same evidence was provided in the initial hearing of potential damage and was rejected. It is therefore imperative before we go before the Canadian International Trade Tribunal for a second time that we have what I would describe as an airtight case in this regard.

As I said yesterday and will repeat today, the consequences to the Canadian apple industry of a second defeat probably would be catastrophic.

Mr. Werner Schmidt (Okanagan Centre): Mr. Speaker, indeed I agree with the minister that we need to have good factual information. He is quite right in that. I believe the B.C. fruit growers are fully aware of the difficulty that is there. They believe these numbers are correct.

I challenge the minister to recognize that we are dealing with perishable fruit that cannot wait five or six months. Will the minister act now to speed up the process involved and have the complaints heard by the Canadian International Trade Tribunal so that others will not suffer in the same way in the future, that is, the next crop that is coming up.

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, certainly I agree with the hon. member that it is particularly important to make sure this damage to the industry which I believe is taking place does not continue in the future, particularly into the next crop year.

• (1455)

It is important to note this is a fairly technical area. We have to have information on costing. We have to have information on import pricing. We have to have information on injury.

I will be quite willing on the representations of the hon. member and indeed the hon. member who questioned me yesterday in this regard to review once again with my officials the information made available to us from the apple growers. We will check with legal counsel once again to see whether at this point we have evidence which can guarantee a win.

Let me repeat that it would be thoroughly irresponsible for me or any other minister to—

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

* * *

[*Translation*]

ADVERTISING CONTRACTS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Public Works. Following a statement by the Prime Minister on November 4, the government announced its plans to review its policies with respect to the awarding of advertising, polling and communications contracts. Is the Parliamentary Secretary now in a position to inform the House of the corrective action the government intends to take to clean up the mess inherited from the previous government?

[*English*]

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, it was on November 4 that the Prime Minister made a clear and unequivocal statement to Canadians that the former government policies with respect to polling, advertising and communications would be reviewed.

This review is now complete. There will be new guidelines announced in the very near future. They will respect the principles of accountability, fairness, openness and transparency.

It is because of efforts such as those undertaken by the Prime Minister and the Minister of Public Works and Government Services who have spearheaded the charge for change in this area that this government will return integrity to government and will return integrity for Canadians.

[*Translation*]

I am very pleased to announce that new guidelines will be adopted. These will show that our policies are equitable, fair, open and transparent for everyone.

* * *

CORRECTIONAL SERVICE

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, my question is directed to the Solicitor General. The weekend newspapers reported that the RCMP was currently investigating an alleged case of influence peddling within the Correctional Service of Canada and the National Parole Board and that certain charges could be laid very shortly against employees.

Can the Minister confirm that an investigation is indeed under way into allegations of influence peddling within these agencies and that charges could be laid against certain commissioners?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I can confirm that an investigation is under way, but I cannot provide the House with any additional information at this time.

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, in light of his response, can the minister tell us whether the allegations of influence peddling involve any persons other than those mentioned in the weekend newspapers?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the RCMP and the Correctional Service of Canada are currently investigating this matter very thoroughly. When additional information becomes available, I will be happy to convey it to the hon. member.

* * *

[*English*]

CHILD SUPPORT PAYMENTS

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, my question is for the Minister of Justice. It is on a matter that has been discussed earlier today.

As we heard, a landmark decision was rendered today by the Federal Court of Appeal that will fundamentally change the approach to child support payments in this country. Justice Hugessen ruled that Suzanne Thibodeau was discriminated against on the grounds that the inequity, the inequality created for separated custodial parents is discriminatory and imposes a burden on them not imposed on others.

The Federal Court has taken the lead in recognizing the importance of stabilizing the family unit, whether you are together or apart. Will the minister follow suit and do the same?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, may I take the hon. member's question to relate to the issue of appeal.

If the hon. member is asking whether we are going to appeal the judgment, may I first of all say that although I have received the reasons over the lunch hour, I have not yet had the advantage of reading them. I know there is a dissenting judgment. I will be reading them with care and interest. It is a very important judgment. Once I have had an opportunity to consider the judgment I will be speaking with the client ministry to determine from a policy perspective what the minister would like to do and to make my recommendation.

• (1500)

Let me say that once I have read the judgment I will be happy to discuss the matter further with the hon. member. However, I take it her question related to appeal and that is my response if that was the point she wanted to raise.

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, having heard the hon. minister I have no supplementary question. I thank him for his answer.

* * *

YOUNG OFFENDERS ACT

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is for the Minister of Justice.

The tragedy of youth crime is a ticking time bomb in this country, yet the minister has said that he does not expect a bill to be passed by this Parliament until late this year, possibly next.

These delays are simply not acceptable. In light of the urgent need for changes to the Young Offenders Act will the minister fast-track his agenda and will he give his undertaking to this House that a bill will be passed before this House adjourns for the summer holidays?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, any such undertaking would require a degree of control by a member of Parliament over the process of government that I am not sure any of us possess.

However, let me respond directly to the hon. member's question. I respect and to a large degree share the hon. member's sense of urgency in this issue. As I have said in the past, as recently as yesterday, I expect that within weeks I am going to introduce legislation in this House with respect to changes to the Young Offenders Act that we think are in the public interest.

Let me also emphasize to the hon. member that while we are concerned about crime in this country, it is not the enactment of a change to a statute, it is not the introduction of new legislation that is going to come to grips with the underlying problem we face. Quite apart from the criminal justice system we have to

take a wide ranging, holistic approach to crime in this country if we are going to make real progress.

Yes, there will be changes to the Young Offenders Act but I hope the hon. member realizes that is one of a variety of responses that we must muster to this social issue.

* * *

BILL C-91

Mr. John Solomon (Regina—Lumsden): Mr. Speaker, my question is to the Minister of Industry. It concerns Bill C-91, the drug patent legislation.

Since this bill passed in the last Parliament drug prices have skyrocketed and Canadian consumers are being gouged with high prices for prescription drugs.

The minister knows this to be true because he has stated he will be reviewing Bill C-91 soon. The minister is also aware that the Leader of the Opposition supports the wishes of multinational drug companies in Quebec.

To the minister, is the government going to continue to play politics with people's health by waiting until after the Quebec election to make any changes to this bill or is he going to repeal this disastrous legislation now to protect all Canadian consumers?

Hon. John Manley (Minister of Industry): Mr. Speaker, certainly the member's position is clear on the issue. I thank him for that.

As the Prime Minister said in the House last week, the review that was promised during the election campaign is one which is ongoing. We are looking at the question of prices. We are also conscious of our international commitments under the Uruguay round. Likewise we are conscious of the fact that the present legislation, Bill C-91, contains within it a statutory review mechanism which will occur prior to the completion of this Parliament.

* * *

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. David Chatters (Athabasca): Mr. Speaker, during my supplementary to the minister of Indian affairs, the member for Hamilton East shouted "racist" at me and I find the remark very offensive and insulting. I would ask the Speaker to ask the member to withdraw that.

The Speaker: I will review the blues and if it is stated in there I will take whatever action is necessary. If it is necessary I will come back to the House.

GOVERNMENT ORDERS

[*English*]

PEARSON INTERNATIONAL AIRPORT AGREEMENTS ACT

The House resumed from May 2 consideration of the motion that Bill C-22, an act to respecting certain agreements concerning the redevelopment and operation of terminals 1 and 2 at Lester B. Pearson International Airport, be read the second time and referred to a committee; of the amendment; and of the amendment to the amendment.

The Speaker: It being 3 p.m., pursuant to Standing Order 45(5)(a), the House will now proceed to the taking of the deferred division on the subamendment to the motion for second reading stage of Bill C-22.

• (1505)

Call in the members.

(The House divided on the amendment to the amendment which was negatived on the following division:)

(*Division No. 37*)

YEAS

Members

Abbott	Ablonczy
Asselin	Bachand
Bellehumeur	Benoit
Bergeron	Breitkreuz (Yellowhead)
Bridgman	Brien
Brown (Calgary Southeast)	Bélisle
Canuel	Caron
Chatters	Chrétien (Frontenac)
Crête	Dalphond-Guiral
Daviault	de Savoye
Deshaies	Dubé
Duceppe	Dumas
Epp	Fillion
Forseth	Frazer
Gagnon (Québec)	Gauthier (Roberval)
Godin	Gouk
Grey (Beaver River)	Grubel
Guay	Guimond
Hanger	Harper (Calgary West)
Harper (Simcoe Centre)	Hart
Hermanson	Hill (Macleod)
Hill (Prince George—Peace River)	Hoeppner
Jacob	Johnston
Lalonde	Landry
Langlois	Laurin
Lavigne (Beauharnois—Salaberry)	Lebel
Lefebvre	Leroux (Richmond—Wolfe)
Leroux (Shefford)	Loubier
Manning	Marchand
Martin (Esquimalt—Juan de Fuca)	Mayfield
McClelland (Edmonton Southwest)	Mercier
Meredith	Mills (Red Deer)
Morrison	Ménard
Nunez	Paré
Penson	Picard (Drummond)
Plamondon	Pomerleau
Péloquin	Ramsay
Ringma	Rocheleau
Sauvageau	Schmidt
Scott (Skeena)	Silye
Solberg	Speaker
St-Laurent	Stinson
Strahl	Thompson
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)

White (Fraser Valley West)
White (North Vancouver)
Williams—91

NAYS

Members

Adams
Alcock
Allmand
Althouse
Anderson
Assadourian
Augustine
Axworthy (Winnipeg South Centre)
Bakopanos
Barnes
Beaumier
Bellemare
Bernier (Beauce)
Bertrand
Bethel
Bhaduria
Blaikie
Bodnar
Bonin
Boudria
Brown (Oakville—Milton)
Brushett
Bryden
Bélair
Calder
Campbell
Cannis
Catterall
Chamberlain
Clancy
Cohen
Collenette
Collins
Comuzzi
Copps
Cowling
Crawford
Culbert
DeVillers
Discepola
Dromisky
Duhamel
Dupuy
Easter
Eggleton
English
Fewchuk
Finlay
Flis
Fontana
Gaffney
Gagliano
Gallaway
Gauthier (Ottawa—Vanier)
Gerrard
Godfrey
Graham
Gray (Windsor West)
Grose
Guarnieri
Harvard
Hickey
Hubbard
Ianno
Iftody
Irwin
Jordan
Keyes
Kirkby
Knutson
Kraft Sloan
Lastewka
LeBlanc (Cape Breton Highlands—Canso)
Lee
Lincoln
Loney
MacAulay
MacDonald
MacLaren (Etobicoke North)
MacLellan (Cape Breton—The Sydneys)
Maheu
Malhi
Maloney
Marchi
Martin (LaSalle—Émard)
Massé
McGuire
McKinnon
McWhinney
Mifflin
Milliken
Mills (Broadview—Greenwood)
Minna
Mitchell
Murray
Nault
Nunziata
O'Brien
O'Reilly
Ouellet
Pagtakhan
Parrish
Patry
Payne
Peric
Peters
Phinney
Pillitteri
Proud
Reed
Regan
Richardson
Rideout
Riis
Ringuette-Maltais
Robichaud
Rock
Serré
Shepherd
Simmons
Skoke
Solomon
Speller
St. Denis
Steckle
Stewart (Brant)
Szabo
Telegdi
Thalheimer
Tobin
Torsney
Ur
Valeri
Vanclief
Verran
Volpe
Walker
Wappel
Wells
Whelan
Wood
Young
Zed—143

PAIRED—MEMBERS

Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Chan
Debien
Dingwall
Goodale
Stewart (Northumberland)

• (1520)

The Speaker: I declare the amendment to the amendment lost.

GOVERNMENT ORDERS

• (1525)

[*Translation*]

SUPPLY

ALLOTTED DAY—TAX SYSTEM REFORM

The House resumed consideration of the motion.

Mr. Gérard Asselin (Charlevoix): Mr. Speaker, I appreciate being able to continue after Oral Question Period. Earlier, when I rose, I was followed by a parliamentary secretary who made a comment. When the time comes to vote on the Bloc Quebecois motion for the creation of a committee to review public finance management, I hope that the parliamentary secretary, who is a Liberal member, will make good on his comments and support our motion.

I explained that a child is burdened with a $20,000 debt the minute he is born. I also talked about students and workers, and I would like to follow up by telling you about the elderly. Our seniors are overtaxed. These people have paid school, municipal, provincial and federal taxes throughout their life. Many of these people raised large families but managed to save a bit of money in RRSPs to enjoy a more comfortable retirement. Unfortunately, the government is still going after these people by forcing them to pay tax when they cash in their RRSPs.

Indeed, in his recent budget, the Minister of Finance decided to tax all seniors with a revenue of $26,500 and up. School and municipal taxes still have to be paid by those who keep their home. Retired seniors with a low income still pay the provincial sales tax as well as the GST. Many people who have reached the age of 65 continue to work because they do not have the means to enjoy a comfortable retirement. Seniors should benefit from major exemptions, so that people can retire no later than when they turn 60, or even 55 if possible.

• (1530)

That would open up new jobs for our young people, for those who graduate from university and wait for the government to create jobs.

The government will tax seniors till the very end, that is until their funerals. Undertaking and burial services are taxed. The GST applies to those services as well as to the cost of a coffin. We will have paid all of our lives and until our death.

The government is racking its brains to find new sources of revenues, but it will choose the easiest solution and increase taxes. The government urgently needs to set up a committee to review the reduction of government expenditures. In its red book, the Liberal government said it wanted to get rid of the GST. Of course, the government wants a hidden tax, that would increase from 7 to 12 per cent. It also wants to tax food, education, books, computers, all basic education needs, prescription drugs and health care.

The Bloc Quebecois will strongly oppose any effort by the government to tax prescription drugs and health care among other things, since poverty is rampant in Quebec and in Canada. A lot of people cannot even afford bread and butter.

I think the most urgent thing is to set up this committee. We are going through harsh economic times, and the cost of living is still very high for low-income and very poor families. More and more, wages are being frozen and people are working at the minimum wage. We have to deal with high levels of unemployment and welfare, smuggling, the underground economy, a rise in criminal activity and the fact that our prisons, in Quebec and in Canada, are more and more packed-full. Who pays for all of this? It is our society and our workers.

Under the Conservative government, we were told that the GST was supposed to reduce the deficit, but the deficit has grown ever since. Despite GST revenues of $14 billion, the deficit has tripled during the last nine years the Conservatives were in office.

Finally, I hope the government will set up a committee made up of course of government members who are responsible for running this country. In the latest budget, the Liberal government showed its inability to efficiently manage the public finances. If that committee is to be increasingly efficient, the government should add to its team a group of Bloc Quebecois members because they really want the government to lower taxes or at least freeze them for years to come.

They will have to review all the overlapping and duplication occurring in this government. In Quebec, we do not need the federal government to manage our health program, nor do we need the federal government to manage our education and occupational training, our manpower or our social programs.

It is urgent to cut on travelling expenses for ministers, senators, members of committees and parliamentary associations. Last week I attended a on Public Works meeting and asked the Minister of Public Works if he was ready to say in front of the committee that he would issue a public call for tenders in the papers to give those who wanted to bid the chance to do so; I also asked him if he would accept the lowest bid coming from a compliant bidder. He answered no, that he could not commit himself to that. The government must manage public funds; if businesses were managed like the government, they would all go bankrupt a few weeks after opening. Not a single business is managed like the government.

• (1535)

As a member of the finance committee, if the Liberal Party government invites me to do so, I will be happy to assist and work hard to find places where we can cut out the fat from government operations, items that could bring the budget down.

In conclusion, I would like to congratulate the members of the Bloc Quebecois and of the Reform Party who are concerned and worried because of the increase in the last budget.

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, the hon. member is to be commended for his tremendous understanding of senior citizens. Like me, the hon. member represents a rural riding. When we are in a rural area, we realize that the problems may not be as obvious to the government as the problems of our big cities. I have tried to listen carefully to what the hon. member had to say.

In our area, there are seniors who worked all their lives to save a few dollars, and it certainly was not easy. These people worked in factories. They worked in the fisheries. They worked on farms, and I am referring to my own constituency. And, the government is going to take some of those hard-earned savings away from them. When we consider the multinationals which pay practically no taxes and family trusts which are not taxed at all, I say there is some incredible injustice in this country, and especially in rural communities.

I have a brief question for the hon. member. He said, and perhaps he would like to repeat what he said or rephrase it: Is there not another way to let senior citizens take advantage of the few years they have left, people who worked from the age of 7 until 65, at one, two or three jobs, and who worked for as long as 18 hours a day?

I speak on behalf of these people in rural areas and also on behalf of people in the cities, because they worked very hard as well. Is there no other way to get more taxes from the big corporations? He commented on that, and I wish he would expand a little on family trusts and duplication.

There is also the forestry sector. A lot is being done, both provincially and federally. One example is the so-called sociétés de la Vallée, which have a staff of engineers and technicians. What often happens is that two technicians from different associations turn up at the same place, so would it not be a good idea to have only one technician visit the landowner and be able

to offer the whole range of services instead of having two technicians going separately, each with his own proposals? I would like to ask the hon. member whether he could expand a little on this.

Mr. Asselin: Mr. Speaker, first of all, I must admit that the hon. member for Matapédia—Matane did listen very carefully to my comments about seniors.

As I said earlier, seniors pay taxes from the day they are born until they retire. Even after they retire, the government still finds a way to claw back by taxing any income of $26,500 or more they derive from their pension funds, their RRSPs and other financial resources they managed to set aside while raising their families.

• (1540)

Today's families are a little smaller than they used to be; families with 9, 10 or 12 children were not uncommon when I was growing up. Today, they are not as common but it was hard for the man who was the sole income-earner in his family to support his family and save some money for retirement at the same time.

I also said, and I am sure that in my riding of Charlevoix, from Petite-Rivière-Saint-François to Baie-Comeau, some seniors have enough money to survive, but many more were farmers, worked for minimum wage, or had to leave the region, while the mother had to raise the children on her own.

Of course, as the hon. member for Matane said, the committee we want to set up could look at family trusts, for instance, and also look at the additional corporate revenues the government does not want to tax, preferring to tax capital.

We have our work cut out for us. We have been elected for the next four years and I think we in the Bloc Quebecois must not be prevented from doing our job. Liberal members opposite often accuse us of criticizing government actions. I hope they do not want to prevent us from doing our job.

I am convinced that the silent majority is not here in this House but in people's living rooms; they may be watching us on TV and when they see us on the street, in stores or in other places, they congratulate us and tell us they agree with our comments in this House.

I did not complete extensive studies in accounting and I am not a tax expert either. I am a construction worker like most people in my riding and that of Matane. I am pleased to represent them and be able to address them as equals.

So, Mr. Speaker, I think I have taken enough time to respond to my colleague from Matane—Matapédia and I will let others take part in the debate.

[*English*]

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, I am pleased to have this opportunity to speak to hon. members on a subject that is close if not always dear to the hearts of Canadians.

[*Translation*]

Taxes mean jobs for the unemployed, hospital beds for the sick, better schools for our children. They affect the quality of life of our seniors and the protection and support of Canadians in need.

They affect modern transportation and communication systems, investment and competition. They concern workers' compensation, pension plans, health and safety, environmental and labour standards.

[*English*]

Taxation gives governments the resources needed to provide Canadians with the social and economic programs that they need and demand. Ultimately, the discussion of taxation is a discussion about our prosperity as a society.

Taxation has traditionally been a contract between citizens and governments to deliver these programs in exchange for the moneys that Canadians give as a result of their hard work and based on their financial ability.

In recent years we have seen the viability of that contract renegotiated as reflected in the phenomenon of the underground economy and also in smuggling. Faith in that contract and the trust that is needed to maintain it will dissolve unless governments give Canadians the best possible value for their tax dollars.

[*Translation*]

The government is determined to act in such way that Canadians again trust their government. Without that trust, we will be unable to provide the necessary programs, to reduce the deficit and eventually to lower the tax burden of Canadians.

• (1545)

[*English*]

We must let the public know what is going on, what the choices are, and why we are making those choices.

As revenue minister my commitment is to ensure at all times the integrity of our voluntary tax system. I recognize public confidence in our tax system is something that we have to earn. I and all members of the Department of National Revenue work every day to do just that.

We are working to reduce the burden of compliance, to ensure Canadians get real value from the revenue administration, and to guarantee fairness throughout the tax system.

Revenue Canada has come a long way in its efforts to improve administration.

[*Translation*]

We believe that we must be attentive to the needs of individuals and companies. We must adapt to a constantly changing society and to the business community.

[*English*]

We must be fair and equitable and I believe we are. We must be transparent and we are. We must listen to Canadians and we do.

Specifically we have a problem resolution program to help find solutions for taxpayers with difficulties. We have a voluntary disclosure policy for those with special problems, particularly problems of non-compliance. We have a declaration of taxpayers' rights to ensure equity in the system.

We listen on an ongoing basis and we consult with the provinces, the small business advisory committee, the large business advisory committee, the charities consultative committee, the seniors advisory committee, and the members of Parliament who act quite properly on behalf of their constituents in bringing problems or difficulties to my attention.

Tomorrow marks six months, the half-year of my time as Minister of National Revenue. In that period 1,165 letters have come to me from elected officials. Virtually they have been exclusively from members of the House and senators, although occasionally I get letters from members of provincial legislatures, mayors and city councillors.

I repeat that it is quite right and proper for representations to be made to the Minister of National Revenue by members of Parliament. I assure members of the House in all parties, all of which have sent me correspondence about concerns of their constituents, that all such letters are treated by us as fast as we can and as thoroughly as we can. The reviews we give to the cases are as fair as possible. I should add that in every case the decision ultimately rendered is entirely in accordance with taxation laws.

We have introduced in Revenue Canada a very successful E-file program that processes returns more quickly and gets the money owed to Canadians back to them faster than ever before. At the present time returns or refund cheques on E-file run about 11, 12 or 13 days. Of course that is an average. In some cases we get cheques out to people within the week.

Through the administrative consolidation of customs and excise and taxation we have created opportunities for significant administrative savings for taxpayers. This one measure alone, Bill C-2, the first substantive bill introduced in the House after the new government took office, has already resulted in a saving of approximately $30 million through improved administration.

[*Translation*]

We are working with the provinces to tackle the underground economy through co-operation and increased exchange of information. I must add that Quebec was the first province to conclude an agreement with the federal government on this subject.

• (1550)

[*English*]

The solutions of today require co-operation among all Canadians, individuals, businesses and governments, because the totality of the three levels of government represents the real tax burden on Canadians. There may be three levels of government, but it is certainly true there is only one level of taxpayer.

Federal, provincial and local governments must adopt a harmonized approach to ensure a fair and integrated tax system based on the principles of equity, efficiency and effectiveness, words that are in this motion.

If all three levels of government work together—and that has certainly been the cry of witness after witness before the finance committee—we can have in the future the possibility of reducing the tax burden on Canadians.

[*Translation*]

The department and I as revenue minister regularly meet with representatives of the provinces and we will continue to do so in order to obtain tax administration improvements quickly.

Canadians want solutions to tax problems when these arise. Canadians want reform but not disruption.

[*English*]

That is what we are doing. We are implementing reforms on a constant, ongoing basis, always with a strong sense that Canadians whether as individuals or in their businesses have invested a great deal of time and effort in understanding the existing tax system.

When we reform various elements of the system we need to give everyone the time to understand and accommodate the changes, the time to build on the knowledge they already have, rather than throw everything out and start again.

The motion we are debating today seeks equity, efficiency and effectiveness in the tax system. The government, the Minister of Finance and myself in particular are seeking to give substance to those principles with a pragmatic approach in which the benefits of change are constantly being weighed against the cost of disruption. We are also trying to do so with a high degree of sensitivity to the reality that these principles must be balanced.

Equity sometimes comes at a cost in terms of efficiency, for example. It is fine to pursue lofty goals, but when the lofty goals conflict one has to recognize there is a need for compromise and understanding. That spirit has motivated our approach to reform in taxation so far. However I should add we are under no illusion that balancing these forces and these reforms certainly does not preclude action.

Let me just read the titles of some bills which we have had in the House since Parliament began in January of this year. The first bill, Bill C-2, an act to amend the Department of National Revenue. It is the one I mentioned earlier. It is the consolidation of the administration of customs, excise and taxation in one department.

Bill C-5, an act to amend the customs tariff, to which royal assent was given on March 24 of this year. This extended the general preferential tariff for certain countries to June 30, 2004 unless an earlier date is fixed by order in council.

Bill C-9, an act to amend the Income Tax Act. Bill C-11, an act to amend the Excise Act, the Customs Act and the Tobacco Sales to Young Persons Act. Bill C-13, an act to amend the Excise Tax Act. Bill C-15, an act to amend certain income tax law amendments.

These are the acts relating to improving revenue administration in Canada which have been introduced in the House since January. We all know the number of acts that have been introduced is not extensive. We are relatively new in this Parliament but let us think about how many acts have related to the revenue portfolio and to the concept of improving and refining the tax system. We have had a veritable torrent of bills that all have as their objective improving the tax system.

• (1555)

I believe the record of reform the motion seeks is already here. I can promise the House and members who have spoken that there will be more. However as we do it, I wish to add, we will continue to be very sensitive because in our view there is a baby in this particular bath that we need to take care of very carefully. The reason I cannot support the motion is that in essence it would throw out the baby with the bath water, would throw out the bathtub and in essence gut the House as well.

The approach of the motion would not achieve the equity, efficiency and effectiveness that I believe we all seek. It would only serve to create confusion, resentment, fear and costs, all of which we in government—and I am sure members of the opposition—should seek to avoid in the tax system.

Canadians are sensible people. They do not want change just for the sake of change. They want improvements with the minimum disruption that can be had to achieve those improvements. That message is coming through loud and clear in the hearings of the finance committee dealing with replacement of the goods and services tax.

We in government have heard that message. We heard it before the election. We heard it from our constituents after the election and specifically in the finance committee on the GST, again an area of reform of the tax system I did not mention in my listing of the bills. We have heard it there time after time after time.

The government will continue to change the tax system in areas where the benefit clearly outweighs the cost. We will continue to seek to improve the operation of the tax system and the efficiency of the department that administers it, namely the Department of National Revenue. We will continue to consult and discuss with other governments, with individuals, with experts, with academics, and with businesses. We will continue to enforce the law as it is written until it is changed by a vote in Parliament.

Our effectiveness in this regard is essential to securing the one true essential of an equitable, efficient and effective tax system: the long term confidence Canadians have in the tax system and in the value of the services they receive from the government. When we act against tax cheaters and smugglers we are acting to support that confidence. It is not fair at all that jobs are lost because of tax cheating or smuggling. It is not fair when revenue is lost because some people are dishonest, when the deficit grows and when legitimate business is forced to compete unfairly against those who evade their taxes.

[*Translation*]

Because of individuals who do not pay their fair share of tax, it is difficult, if not impossible, for governments at any level to satisfy Canadians' demands for economic growth, lower deficits and meaningful jobs for the unemployed.

Canada is a wonderful, successful country, the envy of the world. But I ask members of this House and all Canadians the following question.

[*English*]

Can we afford to have one sick child turned away from a hospital because lost revenue has created a lack of beds? Can we allow honest and productive Canadians not to enjoy retirement in reasonable comfort and happiness because tax cheating has destroyed the value of their pensions? Can we tolerate a single business to close and lay off hardworking Canadians because we cannot guarantee a level playing field with their competitors who do not pay their taxes as they should? Clearly the answer is no.

We seek the objectives of equity, efficiency and effectiveness for the tax system. We believe we can achieve that, as I trust I have shown in this speech today, by constantly striving to improve the system. I support, and I am sure all members of this House support, equity, efficiency and effectiveness. But the method of completely throwing out the present system, completely throwing it out to change, is not in my view in the interest of this country or the Canadian taxpayer.

• (1600)

Mr. Darrel Stinson (Okanagan—Shuswap): Mr. Speaker, I listened to the hon. member's speech. He touched on a few areas. One was the underground economy. There are a few questions that I would like to ask the hon. member.

He talked of a new tax to take the place of the GST. People are a little bit apprehensive about this. Everyone wants to see the GST cleaned up, me especially, but people are starting to worry that maybe this new tax might include all consumption of food and so forth. They worry about the startup costs on this. Are we looking at another startup cost along the lines of the GST?

There is another thing I would like to ask the hon. member. When I started to work I enjoyed working two shifts. It paid me to work two shifts. Today workers sit down and they figure out right to the hour when it no longer pays them to work because taxes now take over. I see this as a lost revenue because the jobs do not get done. In many cases they get put over to be done the next year. Small outfits that hire people in the bush and so forth make up to a certain amount of capital and then when the tax bite becomes too big they lay the people off to go on unemployment insurance. I wonder if the minister has looked into this area at all.

Mr. Anderson: Mr. Speaker, I thank the hon. member for the series of questions which he has asked.

He talked first of the replacement for the goods and services tax, the GST. On that I think we are generally aware in this House that the committee, members of the Reform Party, members of the Bloc and members of the government party are at the present time sequestered writing a report and suggesting alternatives to the GST. To suggest whether the tax that they might be writing, of which indeed I do not know what they may be writing, would affect food or some other product not currently taxed is difficult, indeed impossible for me to answer directly as I am sure the hon. member recognizes.

He talked correctly of the apprehensiveness of people when faced with a new tax. I suggest to the hon. member that in fact was very much the theme of what I said this afternoon. People want to have certainty with the tax system as far as it is possible as well as having improvements here and there.

This is why I stressed that this incremental approach to improving the tax system is probably the best way because it reduces apprehension. You are able to deal with one section here, another section there. You are not saying: "Look, we are throwing the whole tax system out the window and starting afresh". That would be a point where perhaps the apprehension which the hon. member has correctly identified would come closer to panic.

That is why I believe it is very important in a resolution such as this to make sure that we recognize the importance of that incremental approach. That is why I listed all those bills that have been brought before this House, plus the reference to the finance committee of the GST. All that work has been going on in the last four months by members of Parliament of all parties as they discuss these bills to show Canadians that we are trying to improve the tax system, trying to get better results and more efficiency.

I think his concern over apprehension of it by taxpayers is something which I completely share and was indeed very fundamental in what I said this afternoon.

He also mentioned startup costs, if I may just continue on that. Once again that is a very important consideration. A lot of time and effort is invested in any tax system. There were many millions of person hours spent studying it, working on it, preparing it. Tens of hundreds of thousands, probably millions of person hours were devoted over the last three or four weeks as people in Canada prepared their tax returns.

• (1605)

It is important for governments not to get carried away by bland ideas and great principles and ignore the practicality of making changes to the tax system.

I thank the hon. member for his questions.

[*Translation*]

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, I welcome this opportunity to put my question to the Minister of National Revenue who said earlier that Canadians were responsible people, and I am sure Quebecers are as well, in particular the people of my riding.

On the other hand, I wonder if the minister himself is acting responsibly because while over $10 billion is devoted to unemployment, while funding for the business assistance program is frozen, employment centres in my riding are telling me they are out of money. Self-employment assistance, the SEA, is frozen and enormous amounts are paid in UI benefits, but people who want to start up a business cannot get any assistance. When the BDC in our ridings cannot manage directly the capital stock, then it is not clear; you must become profitable. The BDC is almost turning into a credit union or a bank.

Here is my question to the minister: Is this what he calls being reasonable, practical? If he is serious about helping the people in my riding, in Quebec and in Canada, should the way to go not be these programs that can help the small and medium-sized businesses and self-employed workers put their businesses in order? All that my constituents and those in other ridings as well

want is to create jobs for themselves. They do not want UI benefits. They are proud people, very proud people indeed.

Mr. Anderson: Mr. Speaker, I agree that what we want and what Canadians want are jobs. I agree with the hon. member—and I congratulate him on his remarks—that the problem we are facing today is job shortage combined with difficulties starting up new businesses. I agree that this makes for a very difficult situation.

I must add that it is very difficult for a government with a $500 billion plus debt to ignore the national debt, to ignore the deficit and to create jobs to help businesses. Not all programs are frozen. There is the unemployment insurance program and other programs he mentioned. That is why it is very important to get a report on this, a report that the Minister of Human Resources Development and member for Winnipeg—South Centre is presently working on. We must try and change the system and help the unemployed find work instead of providing assistance directly to them in the form of money.

I know that there will be differences of opinion in this House between parties, between members from either side of this House. Differences could even be expressed between members from the same party. I must say however that, like the hon. member who just spoke, I am convinced there is a need to provide jobs for Canadians who are presently out of work.

The only thing I can say to finish answering his question is that I wish I could come before this House and announce that we have money to do this or that or a new program to implement. I really wish I could. Unfortunately, there is this debt, this absolutely enormous debt we have, and a deficit which is much too high. Given this burden we have inherited from the previous government, this burden which has become huge, especially with this problem, we cannot do all we would want to do. What we are trying to do is to plan structural changes such as those the Minister of Human Resources Development will submit to this House in the coming months and try to spend the money available as wisely and efficiently as possible.

• (1610)

I do hope the hon. minister and myself, as well as other hon. members and ministers, will have the chance to discuss the best way to use what little money we can devote to this task.

[*English*]

The Acting Speaker (Mr. Kilger): Order. As agreed yesterday, the time provided for the consideration of the opposition motion will be extended by 20 minutes due to the recorded vote taken earlier this day. Therefore, Private Members' Business will start at 5.50 p.m.

Resuming debate. I wonder if the hon. member for North Vancouver could give the Chair some indication as to whether he will be taking up the full complement of 20 minutes or if in fact he will be sharing his time with a colleague.

Mr. Ted White (North Vancouver): Mr. Speaker, members of the Reform will be sharing their time.

At election time there are always promises from politicians that they will change the tax system to make it fair and equitable.

Election after election they make these promises. Despite these promises being made election after election, it seems that a large group of taxpayers have decided in the last couple of years to take things into their own hands.

What I am talking about here is that most taxpayers have now reached the tax saturation point. They have started acting in ways both legal and illegal to avoid the amount of tax they have been paying. For example, Department of Finance figures list tax revenues for September 1992 at $11.07 billion and a year later in September 1993 at $10.17 billion. That is down 8.13 per cent.

Total revenue for April to October 1992 was $64.94 billion and a year later April to October 1993 $61.22 billion, a reduction of almost 5.75 per cent.

While these direct tax revenues were dropping and making it impossible for the government to meet its deficit targets the major indirect tax, the GST, was also down slightly year over year from about $15.2 billion to $15 billion. These drops in revenue seems to point toward the possibility that the tax saturation point has indeed been reached. It could well be that any further attempts by this government to increase the tax burden will result in further reductions in revenues.

Taxpayers have decided as I mentioned earlier that the system is unfair and that they will not pay any more of their earnings into the black hole of federal government spending. As I also said earlier reductions in the amount of taxes paid is being achieved through both legal and illegal means. Legally, by leaving a job where taxes are deducted at source and starting a little home-based business, a lot of taxpayers are discovering that they can deduct many expenses that they could not before.

We know also that there is an underground economy that avoids the GST by negotiating cash deals for services. This in turn leads to lower income declarations by the people providing those services. The end result is that income tax revenues are lower as well.

Of course there is much argument about the size of the underground economy. Most people if they were honest would say that they do know somebody who has paid cash for the GST discount on jobs around their home. People are not afraid to

admit this because they know that it is widespread. The feeling in the community is that the government already gets too much money and they are not giving it any more to waste.

We often hear in the emotional rhetoric of groups like the National Labour Congress that corporations are not paying their fair share of the taxes. The proof is in the fact that the percentage of total tax revenues being paid by corporations has dropped.

Anyone who does even a little bit of research can see that this is a silly argument. Corporations on average have been making less money. Many of them have had large losses over the last few years. Clearly, if they do not make any money or have a loss they will not pay any taxes. Of course their percentage of contribution to the tax take has dropped. This does not mean that corporations are not paying their fair share. In fact the tax rate for corporations has increased over the last five years.

I have heard from time to time members on the government side advocating higher corporate taxes and even implying that if we could just get these evil corporations to pay more taxes the deficit would be solved.

• (1615)

To those who would try to increase taxes on corporations, I would like to say the following. Corporations are no different to people in the way that they react to overtaxation and the reason that they are no different to people is that they are people.

A corporation no more pays taxes than a tractor pays taxes or a lap top computer pays taxes. It is the people who own the shares in the company who pay the taxes.

I never sat behind a corporation in school or rode on a bus with a corporation or spoke on the phone to a corporation. Yet corporations are faced with income taxes, payroll taxes, property taxes, T-1s, T-4s, T-5s, AMTs, T-778s, TCTBs and in fact they are tee'd off, as my colleague from Calgary Centre mentioned yesterday.

The owners of small corporations are usually a few members of the same family or partnership of friends. The ownership of large corporations is their shareholders, often the pension funds of these very same unions that complain that the corporations are not paying enough taxes.

The number one cost to business these days is taxes and those costs have to be passed on to the consumer just like any other cost the business faces. Those same groups who demand that property taxes should be higher for those greedy landlords then complain when the tax increases are passed on in the form of increased rents.

I repeat again that anyone who thinks that a corporation is going to act any differently to an individual is dreaming. A corporation is formed in the first place by an individual or group of individuals who get together and use their tax paid money to form that corporation.

The corporation will then cross-border shop. It will use all the available tax deductions and it will even move to another country if it perceives that the conditions in Canada are unfair. The excessive government taxation levels of today have led to corporate tax saturation as well as personal tax saturation. The loss of thousands of jobs as companies move to locations where the tax burden is lower is a disgrace.

I have mentioned in this House before that my New Zealand background has made me very familiar with the debt crisis experienced in New Zealand in 1984. As a result of that crisis, the New Zealand government learned that New Zealanders had reached tax saturation point and that the government would have to spend less and tax less.

Ten years later according to an analysis released by the Toronto-Dominion Bank on April 25, 1994, just this last week, there are some dramatic comparisons that can be made between the Canadian and New Zealand economies. Two years ago, for instance, it cost New Zealand 90 basis points more to issue 10-year money than it did for Canada.

Now it costs New Zealand 150 basis points less than it costs Canada. In that same time New Zealand's unemployment rate has dropped from above 13 per cent down to 9 per cent and the real GDP has risen to 5 per cent. There is a budget surplus expected this year of almost $1 billion. This massive improvement is a direct result of the New Zealand government's decision to spend less and tax less. The Canadian government could do well to learn from that lesson.

The Toronto-Dominion Bank's outlook for the Canadian dollar continues to be bearish because of the failure of this government to recognize the seriousness of its taxation and spending problems.

In closing, I would urge the government to recognize that we have indeed reached tax saturation point and that it should first develop a plan to get control of federal spending and second, to work toward a simplified, single tax system in keeping with the spirit of the motion before us.

Mr. Mike Scott (Skeena): Mr. Speaker, I rise to speak on the motion before the House today. I would like to begin by talking about the role of government in a free society.

The cornerstone of freedom and justice requires acknowledgement of at least one fundamental principle: each person owns him or herself. We in Canada accept this principle and indeed embrace it because the antithesis of self-ownership is of course slavery which western democracies have condemned. I do not believe anyone in this country would ever knowingly endorse slavery.

• (1620)

An operational definition of slavery is that a person toils while having no ownership rights to the fruits of his toil. They are owned and/or controlled by someone else. Therefore, private or collective theft is an attack on the principle of self-ownership; a person works hard to produce tangible benefits, for example a car or a television, a house or money, and the theft of this violates the principle of self-ownership. Murder, kidnapping, assault and other acts of violence are also an attack on the principle of self-ownership and therefore must be prohibited.

Self-ownership also implies that two or more individuals should be free to engage in peaceable voluntary exchange without interference by third parties.

The protection of these rights, called natural law by philosopher John Locke and others, constitutes the proper role of a moral government. In other words, the role of government is to protect people from domestic aggression, protect the nation from foreign attack and, through a judiciary system, resolve disputes arising among its citizens.

Contrast this ideal with what has happened in Canada over the past three decades. There has been a concerted attack on the principle of self-ownership through the tax system. The federal government has gradually increased taxation levels to a point at which today the average Canadian has to work for more than half a year just to pay his or her tax bill.

We like to consider Canada a free country, but just how free are we when we are forced to give up half of everything we produce? In my view we have all become, to a large extent, slaves to Revenue Canada.

I ask the House if this is not in fact the case. Furthermore I ask just because our tax system has the force of law behind it, does that make it morally right?

South Africa had a system of apartheid for many years. That was also backed by the force of law, enforced by the state. Did the fact that apartheid was state sanctioned make it morally right? What about slavery in the United States in the last century? Was slavery morally right just because the government decreed it was law?—of course not.

In fact, apartheid and slavery represent the ultimate abuse of the principle of self-ownership. With the rise of the welfare state or state socialism all governments, including Canada, have in varying degrees made significant departures from moral government functions. The welfare state is immoral because it violates one of the basic foundations of self-ownership, the right to own what one produces.

State socialism is a political process whereby property that rightfully belongs to one person is confiscated and given to another to whom it does not belong.

The primary justification for this attack on self-ownership, at least that led by otherwise decent people, can be found in people's desire to do good things like help the poor, care for the elderly, help the sick, or create a fair income distribution.

While these may be commendable objectives, the fact of the matter is that government does not have any resources of its very own. Acknowledgement that government does not have any resources of its own forces us to recognize that the only way governments can give one citizen a dollar is to first, through intimidation, threats and coercion, confiscate that dollar from some other citizen.

If you do not believe that Revenue Canada uses intimidation, threats and coercion, just try not paying your taxes and see what happens.

In a moral society voluntary exchange should be maximized and involuntary exchange minimized. A society which maximizes voluntary exchange can be described as embracing free enterprise or a market driven economy. The opposite of a market economy is, of course, a command economy. There is ample empirical evidence as we approach the end of the 20th century that command economies do not work. The former Soviet Union is a graphic example of this.

It is no coincidence that individual freedom and liberty are virtually non-existent in a command economy because governments which maximize involuntary exchange must rely on the force of law and the force of a police state to achieve their aims.

Command economies by their very nature are immoral and in fact evil. The elite political apparatus uses the power of the state to coerce citizens to accept their economic dictates.

• (1625)

What I find disconcerting is the extent to which Canada, which prides itself on being a free country, has moved toward involuntary exchange.

Consider that the average Canadian must work until sometime in July to become free of his tax burden. The first six months of each year are spent producing wealth which is confiscated against his will through taxation. This money is then spent on a variety of government initiatives and programs that the taxpayer in many cases would not support on a voluntary basis.

Walter Williams, the renowned professor of economics at George Mason University, characterizes this as economic rape. In a free market business cannot get a dollar from me unless I voluntarily give it first. If a special interest group wants my money it will have to come to me first and convince me that it truly does represent my interest before I choose to give it the money.

Consider Canada today. Canadian businesses and special interest groups can get my money from me whether I choose to give it to them or not. They only have to come to Ottawa to get permission.

For example, when the directors of Massey–Ferguson, International Harvester or Bombardier want my money, when representatives of the National Action Committee on the Status of Women or the arts community needs some dough they could come knocking on my door and ask me but they know that I would probably tell them to get lost. They know that and so they come to Ottawa to secure the assistance of the government to force me to give them my money.

Thomas Paine warned that government, even in its best state, is but a necessary evil; in its worst state, an intolerable one.

We are all aware that government needs money to operate, to perform its legitimate role. This money has to be obtained through taxes which of course constitutes coercion. However, if government limits itself to its moral functions coercion is minimized.

The federal government has strayed from this ideal, far from this ideal. When we see billions of dollars shovelled out to Canadian business and industry, to special interest groups, to subsidize money losing crown corporations and in direct transfers to Canadian families that already have incomes of over $100,000 a year we know the taxpayer has been had.

There is no justification for which this is acceptable. This is a perversion of government, a direct assault on the individual liberty of our citizens and a serious violation of the principle of self–ownership. I would argue that since we work more than half of the year to pay our taxes we are more than one–half slaves to the dictates of this federal government.

The most disturbing news is that with our massive debt and ongoing $40 billion deficit Canadians are destined to continue as slaves to a greater and greater degree.

Until government reduces spending in a meaningful way this will not change. Therefore, while changes to income tax could surely make the system fairer and more user friendly the government must couple this with serious spending reductions, with the idea that Canadians have a right to self–ownership and will make better economic decisions on a voluntary basis than this government ever will through its top down, command management.

People in countries with larger amounts of economic freedom are far richer and have greater human rights protections than people who live in countries where state socialism prevails.

The free market with its supporting institutions of private ownership of property and voluntary exchange not only advances the human condition but promotes a more moral relationship among people. The most important case for free markets is its consistency with and promotion of fundamental moral principles and respect for human rights.

Our tax system, more particularly the level of taxation in Canada, stands in dark contrast to the ideals of freedom, liberty and self–ownership.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I was astounded to hear the hon. member's speech. I thought I was listening to something in 1790. This is 1994, I should remind the hon. member. We are in the 1990s. It has been 200 years since the people he quoted wrote what they wrote. I think he quoted Locke and Paine. Old Tom Paine has been dead about 200 years as I recall, the hon. member can correct me. What he wrote was relevant in his day, but surely to goodness this is grossly antiquated at this point in time. Things have changed.

When I was a student of politics I remember reading Tom Paine and some of Locke's stuff. It was regarded as dated then and that was 25 or 30 years ago. I think the hon. member really ought to update his authorities and come up with something of the late 20th century in which we now live. To go back and quote these people as a basis for saying that we are now half slaves is frankly unbelievable and unacceptable.

• (1630)

I noted the hon. member in his speech did not mention a thing about the benefits we get with the taxes we pay. This is something that members of the Reform Party seem to forget with monotonous regularity. They harp about government programs that are wasteful. He referred to grants to artists and to the National Action Committee on the Status of Women as examples of grants he thought were wastes of money. However he never told us where the cuts were going to come. If we cut those grants, whether it be the grants to artists or grants to the national action committee, we would not save very much money and he knows that.

What he really is talking about is cutting off the poorest of the poor at the bottom of our social ladder and telling them: "You people will have to make do on your own. We are going back to 17th century living where the poor get their money from a church or some other charitable organization and nothing whatever from the government".

Ms. Clancy: The deserving poor.

Mr. Milliken: The deserving poor, as the hon. member for Halifax says. If that is what the hon. member is saying, let him and his colleagues stand up and say it. Let them tell the House where the cuts are going to come because he knows all the government programs alone make up a very small percentage of the total federal budget. If the government was eliminated tomorrow there would still be a deficit on the books of the

Government of Canada. He knows that to administer all the other programs there is a cost.

I ask him to come clean with Canadians and tell us which programs he is going to cut. Is it medicare? Is it old age pensions? Is it the Canada pension plan or what? It has to be one of those and he knows it.

Mr. Scott (Skeena): Mr. Speaker, I thank the hon. member for his comments. I would like to say that the first cut we proposed was to the MPs' pension plan, for which we did not get any support from the other side of the House.

I would like to say further that just because the words of Aristotle and Plato and Jesus Christ were said 2000 years ago, does that make them any less relevant today? Is the truth not the truth? Is right not right and wrong not wrong? Does right become wrong or wrong become right just because 200 years have gone by?

I ask the hon. member to consider that the reason these people are quoted is because they spoke the truth. They had a fundamental understanding of the way society could best construct itself to operate in a manner that allowed personal freedom and liberty to exist. The hon. member laughs but he is not listening to the words.

Furthermore, the cuts the Reform Party proposed during the election campaign were very detailed. Obviously the hon. member has never looked at them but it is there for all to see. It is very comprehensive. It is probably a little outdated now because the cuts are going to have to be even more severe based on the deficits we are running. We made that plan on a deficit that has since ballooned significantly.

I will close by saying that the information is there. If the hon. member would like I will make sure he gets a copy of that.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I was just driven to my feet by the riveting speech of the member opposite. I too could not quite believe what I heard but it was entertaining. It was a bit of comic relief in the Chamber which we do not often get.

I would just like to follow up on the comments of my colleague from Kingston. It is easy enough to sit down and be critical. It is easy to tell the Canadian public that you can solve all of the ills that afflict government and their personal situations. It is easy to say that you can solve the deficit situation overnight. It is called cutting, cutting and cutting. But when you cut, cut, cut you create another problem. You inflict pain on the people who can least afford to have that pain inflicted.

During the election campaign members of the Reform Party were quite good at going around talking about how they were going to control the deficit. Each and every time they were asked tough questions such as: How would you deal with the national defence budget? Would you cut Canada's standing forces by 40 per cent? "Oh no," they said. "We do not want to talk about that right now. We would just cut".

When you ask them about Canada's health care system and whether or not the proposals they were putting forward would jeopardize the integrity of the Canadian health care system and how those cuts would affect it, they did not want to answer.

Therefore, I want to ask the member this question. He mentioned during his speech that Canadians are slaves to the government and that they do not choose every expenditure that the government makes on their behalf. I think that is true. Since he is in a condemning mood today about all the programs that past governments have spent money on, does he believe the taxpayers in Canada were consulted before they started paying for his leader's suits and car?

• (1635)

Mr. Scott (Skeena): Mr. Speaker, I would like to address the last comment first. The taxpayers of Canada are not paying for that. That is coming from party funds.

Some hon. members: Oh, oh.

Mr. Scott (Skeena): Furthermore when we look at the spending program—

The Acting Speaker (Mr. Kilger): I think we would all like to hear the answer to the question. The hon. member for Skeena.

Mr. Scott (Skeena): Mr. Speaker, when we look at the spending of government over the last couple of decades and we look at the billions of dollars that have been shovelled out to grants and subsidies to Canadian business and industry, when we look at the billions of dollars that have been shovelled out to foreign aid through CIDA to countries that do not need it and where the rank and file people of those countries do not benefit but the governments do, when we look at the Auditor General's report when he talks about the massive amounts of government waste, those are the things that Canadians are keying in on.

If the hon. member on the other side thinks that Canadians are in the same mode as he is, that they support the massive government spending that is going on right now, he is in for a very rude awakening down the road.

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, I must say that I am delighted to take part in the debate today.

While we are having a plethora of quotes from great minds of the 18th century, perhaps we could get in a quote from the 20th century. I am particularly interested that the hon. member for Skeena picked out the National Action Committee on the Status of Women to suggest as being unworthy of government funding.

Is it not interesting that the hon. member would pick a women's group and I wonder if he would go so far as to extend that to other women's groups as well.

Mr. Harvard: REAL Women.

Ms. Clancy: Yes, indeed, thank you to the hon. member for Winnipeg St. James.

I would tell him that there is a very famous quote with regard to where women fit in our society. I would quote that well known 20th century philosopher, Chairman Mao Tse-Tung, who said women hold up half the sky. It might be interesting if the hon. member looked into that just a bit. The quotations of Chairman Mao in his little red book are almost as relevant to the workings of this House as the rantings of the 18th century mind of Mr. Locke and some others. However that is a mere bagatelle and we will continue to the matter at hand.

I am particularly delighted to take part in the debate today because I think it is terribly important, as it frequently is in this Chamber, to put a human face on the work we do here. I am always delighted to be in the Chamber to hear my colleague and good friend from across Halifax harbour, the member for Dartmouth, as well my colleague and good friend, the member for Kingston and the Islands because the experiences in their own lives frequently puts a human face on the work that we do here.

We talk about cuts. I say this with the greatest of respect, because it is a long tradition in the House that we do not impute motive and that each one of us as parliamentarians understands that every other one of us as parliamentarians, is here to do the best job he or she can do according to his or her lights. We are here to represent our constituents and to do the best we can as well for all the people of Canada. We represent very different views, but the reason for us being here is the highest. Consequently I want to talk about some of those groups that exist on government largess, those groups that my friend from the other side perhaps in his lack of comprehension or just in his lack of experience thinks are not worthy of government attention.

Let me talk about women's groups in particular. Let me talk about transition houses. Let me talk about women's centres. Let me talk about women's health centres. Let me talk about shelters for young people. Let me talk about shelters for women who have recently been released from prison. Although coming under the specifics of provincial funding, all of these receive grants in varying amounts from either the women's program under human resources or under Employment Canada or under other government programs.

• (1640)

Let me tell members how important these are. I believe that the hon. member in his own soul knows that these things are important too. He says he does not. Okay, he asked for it. Let me tell him about the women who are driven from their homes in the middle of the night in fear of violence, in fear of their own lives, in fear of the lives of their children.

Let me tell him about the women who are attempting to reconstruct lives after serving a prison term, after being helped through a group, for example, like Stepping Stone in Halifax which helps prostitutes get off the street and get back into normal society.

Let me talk about women who desperately seek to improve their level of education so they can break the cycle of welfare. Let me talk about people in general, but mostly women because the vast majority of those people suffering under the yoke of poverty in this country are women.

Let me say what would happen to them if the kind of federal funding that the hon. member in his pardonable but perhaps frightening level of knowledge wants to remove from the federal budget. Let me tell the member what would happen to them.

Places like Byrony House, a transition House in Halifax would be shut down. Places like Phoenix House, a shelter for young people would be shut down. Places like the St. Leonard's Society which assist people who come out of prison and who are trying to make a new start would be shut down.

We have already seen what happens when cutbacks meant that a great number of people suffering from various kinds of mental illnesses have had to be released on to the street. We have seen in the last 10 years, the years of the Mulroney government—the hon. member should pay attention, he may learn something—what has happened when a lack of compassion has contributed to an ignorance level and people do not see what is happening to the big picture.

Go to the streets of any major city in this country. Go to my city of Halifax, a small city, and see the number of young people who are on the streets. See the number of people with various kinds of mental disorders who are on the streets because there is no place for them and because the funding is not there.

Go to Montreal and Toronto and Vancouver and Winnipeg and Calgary and Edmonton and you will see them. Is this what you want in your country? Is this what you want to be the legacy of your children? Is this what you want the world to say Canada stands for and Canada means?

If it is, I have to say that it is not what I want and it is not what anybody on this side of the House wants from the hon. member for Saint-Maurice who is the Prime Minister to the latest elected backbencher on the government side.

On this side of the House, we have a history and a tradition that says that you can do two things. Yes, on that side of the House too, as my hon. friend from Ontario reminds me, along with the rump as well. We have a history and a tradition in the Liberal Party that says the two things that drive the engine of government are not incompatible and those two things are compassion and fiscal responsibility. People who believe that the two do not go hand in hand with the greatest of respect, just do not understand the way government works.

• (1645)

We on this side of the House have a great tradition of reform in the best sense of the word. This is the party of Joseph Howe. This is the party of Wilfrid Laurier. This is the party of Lester Pearson. And thank God, this is the party of Pierre Elliott Trudeau and the party of Jean Chrétien.

The question of reform has always been near and dear to the hearts of Liberals because it is reform with a compassionate face. It is reform to ensure that Canadians have a standard of living that is second to none.

My hon. colleague from Dartmouth asked the learned members on the other side where they would cut. I can remember, and I know the hon. member from Dartmouth remembers this as well, five or six years ago the hon. member for Dartmouth, the hon. member for Willowdale, who is currently the chair of the finance committee, and I went out for supper after a committee meeting. We talked about the jewel in the crown of Canadian social programs, and that is medicare.

The hon. member for Dartmouth's history is in a small coal mining town on Cape Breton Island. I came from not too far from there myself, but was brought up in a larger city. The hon. member for Willowdale was brought up in the city of London, Ontario.

We discovered that each one of us had the experience in our early childhood of seeing members of our families seriously ill and prevented from getting the kind of medical care needed. Actually, in my case it was not prevented. My father had an illness for three weeks. When he died, my mother was cleaned out. There was no money left. Everything was gone because this was pre-medicare. The hon. member for Dartmouth's father suffered an industrial accident which devastated his family financially. The hon. member for Willowdale had a similar experience.

The three of us talked about this. I remember it so well. It impressed me so deeply that the three of us, coming from our different experiences were utterly committed to the fact that never in this country should Canadians have to worry about medical care. Never in this country should Canadians have to think that they could not get treatment or medical services that are life sustaining without a complete and utter danger of bankruptcy within their family.

I was seven years old when my father died. I remember the devastation of his death, obviously. But I also remember what clearly was a fear in my mother's heart because she was left a widow with no resources. My father had been a pretty successful businessman. But there was no medicare and three weeks in a hospital cleaned out everything they had managed to save and compile in 10 years.

That is unacceptable. That is not even something which should be allowed to be contemplated. When hon. members from the Reform Party talk about cuts, when they talk about user pay which with the greatest respect is absolutely one of the dumbest theories I have ever heard of but I leave that for another debate, when they talk about these things I wonder if they have truly investigated and looked at the situation.

I would advise the hon. members to go into the Library of Parliament and look at an all-party report, a unanimous report done by the health and welfare committee in the first two years of the last Parliament.

The report talked about the kinds of changes that would deal well with medicare. Unfortunately that report has never been given the kind of light it needs. It talks about preventive medicine. It talks about the kinds of things for example that the province of Quebec is particularly good at. I forget the name and I do not know if any of my colleagues here can help me, but there is a name for medical centres in the province of Quebec—

Mr. Boudria: CLSC.

Ms. Clancy: I thank the hon. member for Glengarry—Prescott—Russell. Yes, CLSC.

There is something similar in my own riding, the North End Community clinic in Halifax. A particular form of community based medicine can save us a lot of money. This is clearly the way we are going to have to go and not to what I call band-aid, short sighted remedies like user pay.

• (1650)

This government and the red book that is the basis of this government's policy in this Parliament has a commitment to the people of Canada in the creation of jobs, in the creation of dignity, and in the absolute commitment to the fact that all Canadians are equal in the area of opportunity.

You are not somehow a second class citizen because you live in one part of the country as opposed to another part, or a second class citizen because your family tradition is to go down to the sea and fish rather than get a university degree, or rather than go to the farm and plough, or whatever. Canadians have an equality of opportunity and a right to have those opportunities and the services of their government from sea to sea to sea.

It is not something you will be more entitled to if you live in an urban riding. It is not something you will be more entitled to if you live in Ontario. It is not something you will be less entitled to if you live in the Northwest Territories.

It certainly is not something you will be less entitled to if you happen to be franco-Canadian—if I can say that, French Canadian—or if you happen to be a member of an ethnocultural group that did not necessarily get here 400 years ago.

The point is that we in this government are committed totally to the marriage of compassion and responsibility. As well, the point is that in spite of the meanderings I hear from time to time from our learned colleagues on the other side—

An hon. member: Diatribes.

Ms. Clancy: That, too. Diatribes. At any rate, the meanderings and diatribes from the other side.

There is something I have wanted to talk about for some time and this appears to be a good time. One hundred and seventy-six ridings in this country sent Liberals to the House of Commons. Out of 295 ridings that makes—

Miss Grey: A majority.

Ms. Clancy: A majority. Exactly. I am delighted to see that the hon. member from Beaver River understands that.

The hon. member for Beaver River has been here for a little while. Maybe she has a better grasp of it because some of her colleagues seem to think that the policy bus is driven by the opposition. We are here to say that the policy bus is not driven by the opposition; the policy bus is driven by the government. And the gas in the policy bus on this side goes back—

Mr. Stinson: What happens to the people?

Ms. Clancy: The people are on the policy bus with their 176 MPs.

Mr. Stinson: Then why do you make them push?

Ms. Clancy: They do not have to push because they know where the wheels are.

Hon. members on the other side do not seem to realize that all they have to do in actual fact is look at the most recent polls. Call me naive, but it looks like people are relatively happy with what is happening on this side of the House. Not just in Atlantic Canada where they are more than happy, but it looks like right across the country the approval rating for the Prime Minister and for this government is fairly high.

Now that cannot last forever and those of us who have a little experience in politics understand that. But the point is that you do not cut your cloth in policy on the government side of the House according to prevailing winds. You cut it according to what is best for Canadians, what is a tried and true policy, what is something that has been proven to work, and what is done in the judgment of a Prime Minister who has 30 years experience in this House of Commons and in every major portfolio in the Government of Canada.

That is the kind of policy and the kind of work and the kind of government Canadians want, deserve and have asked for. That is the kind of thing a number of the hon. members on the other side could certainly benefit from listening to. But again—

Mr. Grubel: Regardless of cost.

Ms. Clancy: Somebody is yelling over there. I do wish he would keep quiet.

At any rate when I conclude my remarks I promise the hon. member I will give ear to any comments he wishes to make, at least briefly.

• (1655)

The motion today in somewhat florid language states that this House implore the government. The government does not need to be implored. I do not think there has been a government in the history of Canada that has gone further in consultation with Canadians.

In case hon. members across the way have forgotten, the Minister of Finance met with Canadians from all walks of life in five major centres across this country. I happen to remember the minister at the meeting in Halifax saying: "Tell me where to cut. Where do you want me to cut?" I remember him listening and I remember him reacting.

The hon. member across the way says he did not listen. I trust the hon. member got a few letters for example from the doctors and a few other people in this country. The hon. minister did listen.

What this government does best and will continue to do is it listens. This government with its majority, put here by the vast majority of Canadians, will continue to listen. It will continue to remember that the most important thing for government is to remember compassion, to remember humanity, to remember equality and to remember who put us here.

Miss Deborah Grey (Beaver River): Mr. Speaker, I appreciate the comments of the hon. member. I was amused. I appreciated the spelling. That was wonderful, but I think the *Hansard* people do quite well.

Let us remember another party that was here recently. It had a majority of approximately 170 as well and we know where it ended up. Let us remember you can go from great heights to great depths here. If we are going to brag about how we have done, the increase in this party was not half bad either going from one member to 52. Mathematics is not my strongest point but our percentage increase was pretty marvellous.

Nonetheless, let us get on to more serious things rather than spelling particular words and meandering and diatribing, if I can make that a verb.

The hon. member talked about compassion and responsibility. We agree with that on this side of the House. What we need to

realize is the best thing we could do is to show and exercise compassion to the people in this country who truly need it.

I appreciate the hon. member's comments about women's shelters and transition homes. They are necessary. The only way we will be able to preserve those and to make sure that medicare stays strong and solid in this country is to get a grasp on the deficit. That will make sure those programs remain strong. We cannot just continue to spend our way into oblivion and then say we are committing ourselves 100 per cent to this. The debt will destroy it. My friend knows this. The debt will destroy those programs faster than anything else.

Let me talk about the National Action Committee on the Status of Women. As a woman I may have more right or responsibility or whatever than my friend from Skeena to say I believe that many of these groups which are funded by government should be funded by the people who believe they exist for a particular reason. They are the ones who should be looking after them. Let us make sure we are not always coming to government begging for money to perform the tasks we think are important. If I believe groups are worthwhile, I will fund them.

The most responsible and compassionate thing government could do would be to eliminate and lower tax loads and frustration levels for people in this country who are feeling totally overburdened. As a citizen I should be able to see the light at the end of the tunnel. I should be able to relieve my tax burden so that I can turn around and exercise compassion humanly, individually to fund some of those groups I think are important.

I would like the hon. member to prove to us that raising debt loads, raising deficits and raising taxation levels in this country are compassionate.

How is the government ever going to be able to exercise true compassion by spending the legacy of the children she talks about? What about the legacy to our children? To whom are we leaving this exorbitant debt? You cannot go on one side and then the other. The hon. member talks about the legacy of children. What about the legacy this government is leaving to children, which is the enormous debt that it will never pay off?

• (1700)

Ms. Clancy: Mr. Speaker, I thank the hon. member for Beaver River for her comments. I must have missed something which I suppose is possible but unlikely. However I have just a couple of points in case the hon. member has missed something.

The government has not raised taxes and the government has not raised the debt. Indeed the government is lowering both. Perhaps if the member paid attention to the comments of the Minister of Finance she would realize that.

I listened, I listened hard, and the member for Brant said to me as she went across to her seat: "Have they said where they are going to cut?" I did not hear them say where they were going to cut. They said they were going to cut the National Action Committee on the Status of Women, a favour whipping post, I might add. May I say that on occasion the national action committee and I have not always seen eye to eye on process although our goals are very similar. It may come as a raving shock to members on the other side that according to most statistics and most polls over 90 per cent of Canadian women, whether they call themselves feminists or not, happen to hold the same goals as the national action committee.

Probably what the hon. member does not know is that some groups belonging to the National Action Committee on the Status of Women such as women's institutes, the United Church Women of Canada and the YWCA of Canada, mainstream women's groups, hold very strong views and are part and parcel of the group. I do not want to cut the funding to them.

Perhaps the hon. member, not having a whole lot of experience in the area of feminism and gender equality, would not know that women making 60 cents for every dollar that men make have to do fairly basic things like pay the rent, feed their children and a few other important things. They do not have a lot of money to give away. Governments are important in this regard. We are not going to cut off our noses to spite our faces which appears to be the kind of thing the hon. member is advocating.

Mr. Mike Scott (Skeena): Mr. Speaker, I would like to make the observation that while I chose to quote Paine and Locke, the hon. member chose to quote Chairman Mao. Chairman Mao, aside from having a very small mind, was responsible for one of the most atrocious, unspeakable genocides committed under his leadership in China. If she chooses to hold him up as a model, I guess that is for Canadians to see.

The hon. member imputed that my party was against supporting people in Canada who genuinely require support. That is totally false. I made that very clear in my points. I do not know how the hon. member can equate the National Action Committee on the Status of Women to people out on the streets or in Canada who really need assistance from the government.

Third, she is quite right. They are driving the policy bus. I am glad I am not on it because that policy bus is careening down the street right now at the rate of $100 million a day. There is a dead end coming up pretty shortly. They are the ones who will be responsible because they are in the driver's seat.

Ms. Clancy: Mr. Speaker, I am glad the hon. member for Skeena got up because I wanted to make a comment. I am not particularly going to deal with the meanderings of the hon. member in his last comment, but he did talk earlier about

something very dear to my heart. I happen to know it is dear to the heart of the member for Rosedale sitting over there as well, not to mention a few other members in the House, and that is the whole question of arts funding.

Along with the compassionate face of government and the kind of funding that we in the Liberal Party with our 150-year history in the country will continue, may I say the country that does not funds its artists, the country that does not make representation on behalf of its own culture, is the country that has no soul. The country that has no soul will wither on the vine. If the hon. member would like to see the country wither on the vine, I am sure one the fastest ways to do it is to say that we as a federal government should not be funding the arts.

I can also say I would be very interested to see how many hon. members on the other side would be prepared within their own communities to stand and deny the kind of general small group funding they were probably working on. I saw a number of reports in the newspaper about how they worked on their SEED grants. Did they cut in their ridings all those SEED grants to all the groups they mentioned? I doubt it. If they did, I think that getting off the plane when they get home, even after flying economy class, would be a bit more difficult than they heretofore encountered.

• (1705)

The Acting Speaker (Mr. Kilger): There is only a very brief period of time left for questions or comments so we will keep it short.

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, I rise because I am shocked and dismayed. I listened to two colleagues on my side deliver their speeches. I was awaiting a rebuttal from the other side because my colleague suggested there was no tax relief in sight for Canadian companies. I was awaiting the plan that I know exists on the other side but we never got it.

When the hon. member for Halifax stood I thought we are going to get it. This is not a sharp shooter. This is a Gatling gun. I thought she would mow down that false notion but she did not do so either. I feel compelled now to inform the House what the Liberal plan is.

The Liberal plan is to raise the taxes of Canadian companies. If the Liberals raise those taxes a notch higher, those companies will then qualify for tax exemptions as non-profit organizations. That is the Liberal plan. I am surprised they did not share it with us.

The Acting Speaker (Mr. Kilger): A closing comment from the parliamentary secretary.

Ms. Clancy: Mr. Speaker, I am going to say on the advice of the hon. member for Glengarry—Prescott—Russell very slowly that we did not raise taxes.

The Acting Speaker (Mr. Kilger): It is my duty, pursuant to Standing Order 38, to inform the House that questions to be raised tonight at the time of adjournment are as follows: the hon. member for Mercier—Social programs; the hon. member for Richelieu—Hibernia project; the hon. member for Winnipeg Transcona—VIA Rail; the hon. member for Anjou—Rivière-des-Prairies—Hibernia project; the hon. member for Kamouraska—Rivière-du-Loup—Unemployment insurance.

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, it is a pleasure to switch gears a bit and talk in a non-partisan way about some matters which I think are extremely important for the country.

The debate I just witnessed, the shouting, the unpleasantness that took place here and the emptiness of the political rhetoric are the kinds of things that have turned so many people against politics. It is a sad thing to observe, sitting in the Chamber.

I would like to talk about the fact that the underground economy is widely discussed in Canada these days. In these discussions the need for lower taxes and the reform of the taxation system are regularly linked. In my remarks I will expand on these subjects drawing heavily on information which I have obtained as a member of the Standing Committee on Finance on possible changes to the GST and during a recent Fraser Institute conference on the growth of the underground economy in Vancouver.

During the recent hearings of the finance committee many witnesses noted their concern that the GST had been a major cause of the growth of the underground economy, the loss of government revenue, and the precarious state of the government's fiscal condition. These witnesses reflected their own experiences as well as those shared by researchers and the general public. There is widespread agreement that the underground economy was encouraged by the introduction of the GST. This tax induced evasion because it is visible and imposed on every consumer purchase.

Evasion is encouraged additionally by the fact that consumers do not face any penalties for non-payment of the tax. Evasion is particularly high among small firms that supply services with a high labour content. In these industries honest owners are forced by competition from just a few bad apples into operating outside the law.

The GST is not the only determinant of the underground economy. High marginal tax rates on personal income provide incentives that often reinforce the reward of evading the GST. If you are hanged you might as well be hanged for a sheep as for a lamb. Onerous regulations of business and large surcharges on labour costs mandated by the government also encourage firms and workers to operate outside the regular economy.

There are strong incentives for persons receiving unemployment insurance or welfare benefits to work in their own households as well as in the underground economy without reporting their incomes. These social security systems penalize beneficiaries with 100 per cent tax rate on reported income above only a very small amount.

• (1710)

Many people are particularly concerned about the growth of the underground economy because it appears to be accompanied by a change in public attitude about the morality of tax evasion. In a recent survey 71 per cent of Canadians indicated that "most people would cheat on their taxes if they knew they could get away with it". Seventy-nine per cent agreed that people who pay all the taxes they should are fools. Can we believe that? Thirty-two per cent considered acceptable the evasion of the GST by other people.

Some analysts believe that social capital in the form of honesty, which in the past has made Canadians among the most compliant in the world in the voluntary filing of their income taxes, may have been lost irretrievably.

However it is important that the government at least try to get Canadians to return to their traditional honesty by tax reforms that simplify compliance and reduce incentives to cheat by the lowering of both marginal and average tax rates. Unfortunately the lowering of tax rates under any taxation system cannot take place until spending is cut and increased revenue due to economic growth has eliminated the deficit.

Government success in this challenging task is likely to increase further the public's incentive to evade taxes because the level of real government services per dollar of taxes collected will be falling and ultimately reach a rather low level. This phenomenon is due to the fact that in the absence of debt payment a balanced budget provides the people of Canada with a dollar's worth of government services. However in a few years the debt payments of the federal government are likely to be about $50 billion annually.

If by that time program spending remains at its present level of $125 billion and economic growth under the present tax structure yields $175 billion the budget will be balanced. At that time each dollar of taxes will provide for less than 70 cents of traditional government services. Taxpayers will have little trouble rationalizing evasion on the grounds that taxes are not providing value for their money.

During the finance committee hearings and in the public media it is often suggested that the government's financial crisis could be eliminated if only somehow it were possible to tax the underground economy. The validity of this proposition depends decisively on the size of the underground economy and the possibility of forcing it into the open.

The Fraser Institute conference saw some academics present estimates of the underground economy as high as 15 per cent of national income. On the other hand government statisticians and economists suggested that it represent 5 per cent of national income at the most and that it is probably more like 3 per cent. The difference between these two estimates is due to the use of different methods for the estimation of a phenomenon that by its very nature is not known and attempts to remain hidden.

The academics use strong assumptions about the demand for money by the public to finance regular and underground economic business. Some have found the demand for cash is higher, the higher our tax rate. In fact the amount of cash used by the public is much larger than can legitimately be used in the regular economy. The excess amount is believed to be used to finance underground activities.

Analysts in the employ of the government use sophisticated accounting data to check for the growth of discrepancies in balances which if measured completely and accurately should be zero. They also engage in sensitivity analyses of data which show the academic estimates imply phenomena that simply are not observed in the real world by any standard of measurement.

Some part of the observed differences in the estimates are due to definitions of the underground economy. Government estimates focus on the amount of income that goes unreported to the tax collectors on the one hand and is unrecorded by Statistics Canada on the other. The academic estimates include illegal activities which may be as much as 1 per cent to 2 per cent of the national income.

• (1715)

Some academics know of the professional bias of government analysts who prefer not to be reporting that they have done their job poorly and that they tend to make continuous adjustments to their data to avoid the development of the kind of large errors the academics claim to have discovered.

While this criticism is probably unfair, there was the astounding revelation that the U.S. Internal Revenue Service has doubled its official estimate of the amount of tax evasion after a new head had been appointed. He is alleged to have decided that the estimate of 5 per cent evasion, twice that given by his predecessor, would strengthen with congress his case for more tax collectors. The IRS is now investigating its own internal auditors. Some academics noted that official positions on the issue now imply that Canadians are 10 times as honest as Americans in filing their income tax returns.

Dr. Don Drummond, deputy minister of finance for fiscal affairs, put much credence in the maximum of 5 per cent figure for the underground economy. Importantly, he noted that this figure represents a serious problem. It equals about $35 billion and, at $17 of federal revenue per $100 of national income, it amounts to about $6 billion of foregone taxes. This is not

enough to eliminate last year's regular deficit of $42 billion but enough to help significantly the fight for a balanced budget.

However, it is unlikely that the full 5 per cent of the more or less officially admitted maximum underground economy can ever be brought into the open and made taxable. Yet I would argue that the lowering of taxes might make for more tax revenue than the $6 billion suggested by the government representatives.

For one, returns from after tax legal income would rise relative to the returns from illegal activities. More important, there would be reduced incentives to produce in the informal unmeasured household sector. This effect will be enlarged considerably when the economy recovers and the number of persons on welfare and UIC is reduced.

It is believed that persons on social assistance use much of their free time to work in this unmeasured sector which is not included in the official estimates of the underground economy. They would do less of this kind of work, hire others to do it and pay with income from their own formal work. Many economists believe that this tendency would be strengthened even more if the pending redesign of social programs makes it more difficult and less rewarding to remain on social and UIC assistance.

Let me conclude by summarizing my argument. The underground economy in Canada is large and policies that result in shrinking it would result in significant increases in tax revenue. The federal government has the opportunity to achieve this outcome by the lowering of average and marginal tax rates, the elimination and simplification of regulations and the reform of the social programs.

The issues and opportunities are clear. It is time to act on them.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, first I want to thank the hon. member for Capilano—Howe Sound for his representation. I thought you spoke very well. It was anything but an inflammatory speech, quite unlike some of the speeches made earlier by your colleagues from the Reform Party. You began your speech by complaining—

The Acting Speaker (Mr. Kilger): Order. I remind all members to direct their statements, questions and comments through the Chair, please.

Mr. Harvard: Mr. Speaker, I will try to follow your admonition.

I wanted to remind the hon. member from Capilano—Howe Sound that he should not have to look any further than his own colleagues to find the source for the partisan debate that has taken place in the last hour. The members of the Reform Party have done very well painting supporters of this government as the terrible oppressors of the taxpayers.

There is naturally a very legitimate debate over what is right and proper about taxes.

• (1720)

I suspect that there is not a Canadian anywhere who does not have at least some partial legitimate complaint about taxes. I find that acceptable. Too many of the speeches from the Reform Party members this afternoon have been monuments to greed and selfishness.

The parliamentary secretary made the comment this afternoon that the Reform Party members do not know anything about the way government works. I suspect that she is wrong on that point. I think they know very well how government works, and very often government gets in the way of their greed and their selfishness. All I hear from them is: "I don't want to share. I want to pay less. How can I get out of my responsibilities?"

They talk over and over about their rights, but never once do they talk about their responsibilities. We do have responsibilities to each other. The member from Skeena even invoked the name of Jesus Christ. I think he has nerve to use that name in this particular debate because his entire intervention was about greed and selfishness: "How can I get out of my responsibilities? Give me more as an individual but allow me to pay less. Allow me to contribute less to Canadian society."

These speakers contribute to this victimization syndrome that besets this country. We hear it from these people all the time: Politicians are rotten, leaders are rotten, Parliament is rotten, every governmental institution is rotten, you are the victim and you must cry out because those people in Ottawa and other capitals around the country are the oppressors. You do not have any responsibilities whatsoever. You are supposed to be on the take. You take everything for yourself. You do not contribute anything to your community. I think that is very irresponsible.

I have a question for the most recent Reform speaker. Tell me about your responsibilities. Where do your rights end and your responsibilities begin?

Mr. Grubel: Mr. Speaker, I appreciate this opportunity after this almost ranting and raving question to respond to challenges about my motives and the motives of my colleagues.

I know my friends here now very closely. They are as compassionate and concerned about the future of Canada and the welfare of individuals at least I would argue as some of the members on the other side. Obviously there is no merit in us having a dispute, an argument, over who is more compassionate. What a rational debate in government and in society should be about is how do we carry it out, how do we do it?

The reason why I have left a comfortable life as a professor, short of retirement, is because I am so worried that the future of our social programs is in jeopardy. We are very, very close to losing it all. This would not be the first industrial country of the world where this has happened.

I am more compassionate, I assert strongly to the member opposite. Let us have an argument on who is more compassionate. I am more compassionate. On top of that, I have a brain, a brain which says to me that it is not just a heart or a stomach with which I have to make policy. I have to look at the world around me. As I look around at the world I see this government predicting an extra $100 billion deficit in the next three years.

• (1725)

At a 6 per cent average that means $6 billion more spending just to serve the interest on the part of the debt they have created in six years. Do you know how much we can spend on social welfare with $6 billion? That does not count all the higher interest we owe on the already existing $500 billion. We are on a treadmill with the spending cuts we are making. The increases in revenue—

The Acting Speaker (Mr. Kilger): Order, please. I regret the hon. member's time has lapsed.

Mr. Stephen Harper (Calgary West): Mr. Speaker, I am rising today to speak to this motion by the hon. member for Calgary Centre on reforming, simplifying and making more equitable our income tax and other tax systems in Canada.

I originally had planned today to speak primarily on the issues of fiscal federalism in the few minutes that I have. In this country right now we are undergoing a series of studies and serious examinations of a number of policy areas that include social policy, not just transfers to individuals but transfers to provinces, and we have a budget that is impacting on a number of transfer programs to provinces, both this year and in future years.

All of those things are really proceeding in a number of different ways. There are intergovernmental negotiations going on. We do not have any details about that but we know it is happening. We have a social policy review. Of course we have budgetary policy and a review of the GST.

There is a wide number of studies into issues of fiscal federalism but there is no overall integrated approach to making the tax system fairer and more efficient between levels of government. That is the primary point I want to address today, some of the things that some organizations are putting out that could be done, some of the things that our various academics have proposed.

I have been sidetracked somewhat by an issue that I got into last week. It came up on the floor of the House yesterday. I want to digress and spend most of my time on that because it seemed after what was said yesterday in the House that it was a perfect opportunity to address this particular issue because it is really so relevant to the way taxes and the tax system are functioning in our country today.

I am referring to the mini controversy we have over the federal overseas tax credit. This is a tax credit that is available to Canadian workers who are working overseas for six months or more of the year, enduring hardship and separation from their families and work related expenses in that capacity. There have been recent stories, one in particular in *Alberta Report*, that draws attention to the fact that the federal revenue department is basically considering retroactively disallowing the use of the overseas tax credit by certain Canadian workers, much to their detriment.

This story appeared and has been on the scene. I know members of Parliament, not just myself but other members have been making inquiries into this particular matter for some time because this has been on the public record now for a couple of months. They are not getting very far with Revenue Canada I understand.

I am not a tax expert and I am not a lawyer. I would never claim to be for obvious political reasons. By implication neither am I a tax lawyer. But I did find this story quite interesting. Given the government's current unwillingness to address the issue I decided to raise it in the Commons in statements.

Yesterday in response to one of these gratuitous set up questions we have periodically, the Minister of National Revenue said I had erred in my statement and provided the House with some incorrect information and that there were in fact no legislative changes involved in this area.

What is wrong with that statement is that it has nothing to do with what I in fact said to the House or what the problem is here. Mr. Speaker, you may have seen the movie last year, *The Firm*. It was one of my favourite movies last year. In one particular scene—it is about tax lawyers—Gene Hackman plays Avery Tolar speaking to Tom Cruise who is playing Mitchell McDeer. He is teasing him about his upcoming tax law exam. He has a multiple choice question for the young upstart. He says: "What is the difference between tax avoidance and tax evasion? Is it: (a) what the IRS says it is? (b) A good tax lawyer? (c) Five years in jail? (d) All of the above?".

• (1730)

Just to Canadianize that we will substitute Revenue Canada for the IRS, the Internal Revenue Service in the United States, and I think the same applies here. The point I am making is that whether there have been legislative changes is too often irrelevant. Tax law in this country rarely has much to do with legislation.

We recently have been passing in this House tax changes that were brought in by the previous government, well over a year before its defeat in some cases. We have been passing those things. We have been agreeing to them on this side. We have no choice. They have been implemented for some period of time. Legislation has little to do with it and little to do with the question I raised.

The question I was raising was not a question of legal technicality or of the latest version of Revenue Canada tax rules. It has to do with the administration of the tax system in the country and the application of tax law which often leads to the second point I was raising, the far more important point, the whole issue of tax fairness and in particular issues of scope and timing.

Timing in this case is the whole issue of retroactivity of administrative and application changes in terms of the administration of the law. Scope is in terms of the application of this particular provision to some workers and not others, in particular this one provision that depending on how interpreted or how applied affects workers of foreign parented companies differently than workers of Canadian parented companies whether or not those workers are Canadian.

These are very important questions and I do not profess, nor did I in my statement, to know the right answer or what the correct policy should be. I do not know and I can understand that there are certainly legitimate costs involved in these kinds of working arrangements.

My point is that if we are going to administer a sensible, fair and improved tax system in this country it is important that we take these kinds of issues seriously and listen carefully. Neither of those things was reflected in the kind of answer that the minister gave in the House to this dilemma yesterday.

Specifically, whether or not one agrees with the overseas tax credit it is not difficult to understand the concept that fairness and retroactivity of application are two entirely different things. We should be very careful in retroactivity of either legislation or application especially when it involves substantive tax penalties for some people.

Second, it is also not hard to understand in terms of fairness that all Canadian workers should be treated as equally and as equitably as possible. I happen to believe that in the kind of new economy we are moving into capital, with the porous international borders we have and with the technical evolution we have and with many of the well run countries in the world, will do a pretty good job in the long haul of taking care of itself. I do not think it needs protectionist measures such as this.

I noticed that the revenue minister rationalized this measure as effectively a protectionist support for Canadian based companies. However, Canadian labour in the future is going to need not necessarily our help in the old sense of giving handouts but help in the sense of ensuring its full participation in this dynamic, capital driven economy. This kind of tax measure is a perfect example of one that is driven by needs, old kinds of protectionist, nationalist needs that are not consistent with the needs of Canadian workers.

• (1735)

Whether this particular tax credit is essential or well structured or not, I do not know. I do know that if a Canadian worker is participating in his economy, whether here or abroad, surely the application of that should not be based on the status of his employer. Canadian workers and Canadian labour should be the focus of those kinds of measures.

I see, Mr. Speaker, you are asking me to wind up. I did want to spend my time on that. I hope the government is listening and I hope it takes not just the big concerns that we have about the tax system but some of these smaller day to day tax problems that Canadians have much more seriously in the future.

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, I note that the motion was moved by the member for Calgary Centre and the speaker who just spoke is from Calgary West. Somehow I find it to be a more reasonable combination from the members of the Reform Party.

I have two questions for the member. Earlier in the debate the member for Dartmouth posed a question to the member for Skeena on the issue of the expenditures by the leader of the Reform Party in terms of cars, suits, money that was supplied by the Reform Party coffers. The member for Dartmouth said that was funded by taxpayers' money. The member for Skeena jumped up and said that was not the case.

Could the member for Calgary West tell us how Reform Party funds are subsidized by the taxpayers through the tax credit system.

The next question is I am sure most members of this House and members of the Reform Party would agree that part of the problem is that economics is trying to do a balancing of demands and we have demands coming from various sides. Obviously we ended up with a deficit that was greater than was predicted beforehand, so the government does not have the option. We have to deal with the reality as it is handed to us.

The Reform Party keeps referring to our program, that we are going to increase the size of the debt which I guess we are and that is well known. We also are committed to bringing down the deficit. The Reform Party even in its budget would have increased the debt. In light of the new expenditures I am sure it would have increased even more.

I wonder if the Reform Party does not believe that by forever trying to say that there is a fiscal crisis in the country it is hurting the situation in the financial markets just as the Bloc is hurting

the financial situation in the markets when it says that the country is going to break up.

I would like to have answers to those questions.

Mr. Harper (Calgary West): Mr. Speaker, I do not know if I have enough time to answer both of those, but let me try.

The hon. member raised a couple of issues in terms of the recent expenditures of the Reform Party executive. It is a well known fact that I had indicated I was not happy with the structure of those particular expenditures and I had recommended to the council that it go about receipting any legitimate expenditures that our leader incurs. The executive council of the party I understand has in fact endorsed that kind of a policy.

The reason I said that was that we are here in the House of Commons, the Reform caucus, trying to get our current non-taxable, non-receiptable expense allowance that we all enjoy of $21,300 a year receipted. This is one particular expenditure. This type of expenditure should not occur. It should not occur in the Reform Party and it should not occur in this House of Commons where in addition to being non-receiptable it is also non-taxable.

• (1740)

I would hope that having gone though that particular controversy and kept our policy consistent as we did that we now have the support for the hon. member for the scrapping of that particular kind of non-tax allowance that we as members of Parliament all enjoy. I would expect to get that support.

The member also asked me more specifically whether Reform Party funds have a subsidy component. The answer in my view is that they do because of course they are funnelled through a tax credit system that all political parties enjoy.

We have urged that this government bring forward legislation to end that kind of special tax credit status for political parties in a number of areas. We have urged that we do this for all political parties. If the members of the government feel so strongly on that particular issue I would urge them to take action on it as soon as possible.

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I rise today to speak about important issues relating to this motion, two issues that are currently eroding the very fabric of Canadian society. The issues are the underground economy and smuggling.

They are issues that are eroding fairness and equity in this country. The underground economy and smuggling are national problems. They are complex problems without simple answers or simple solutions and they are wearing away the respect that Canadians have for law and for the fairness of our tax system.

There are some in our society who feel that evading taxes and smuggling goods are acceptable activities. These people believe that no one is hurt. The fact is people do get hurt.

Underground activity and smuggling are not victimless crimes. They hurt the law-abiding majority of Canadians who obey the law. They are putting honest business men and women out of business. Legitimate business is forced to operate against competition that is not contributing its fair share to the economy.

Honest companies have trouble being competitive both at home and abroad and are forced to charge higher prices to compensate for their own honesty. Jobs are lost. The deficit grows and honest taxpayers carry an unfair load. The playing field is not level.

The greater the illegal activity, the less tax revenue available to governments for essential services and social economic programs. Governments have less revenue to maintain the current high quality of our health care system and our social safety net.

As a result all government programs, including pensions, education, development of the infrastructure, will in due course be at risk.

In 1993 smuggling cost the federal treasury over $1 billion in lost revenue. It cost provincial treasuries another $1 billion. Depending on the estimate, the underground economy ranges from 2.5 per cent to 3 per cent of GDP to over 20 per cent. This means that $20 billion to $140 billion is going untaxed each year. That is billions of tax dollars that the federal and provincial governments do not have to reduce the deficit and finance health, employment and social services.

Because of underground activity it becomes difficult if not almost impossible for governments to meet Canadians' demands for economic growth, deficit reduction and meaningful jobs.

It is clear to me that those who enjoy society's benefits while refusing to contribute to its maintenance are taking advantage of others. They are taking advantage of their honest friends and neighbours. These people whether they realize it or not are expecting others to pay their way. They are expecting their friends and neighbours to pay for the general services they enjoy, including roads, hospitals, schools, fire and police services, while they improve their own personal financial situations. To be extremely blunt, they are freeloaders.

• (1745)

We cannot allow this kind of selfishness to continue. The integrity and the future of our tax system depends on bringing

these people back into the legitimate economy. Canadians have to know that everyone is paying his or her fair share. Canadians need to have confidence and trust in government and in the way their governments handle their money.

As the Minister of National Revenue has publicly stated, tax evasion is not a game. It is a serious issue with serious consequences. It burdens honest taxpayers and hurts businesses throughout the country through unfair competition. While everyone wants the benefit of lower taxes, it must be achieved in line with the law and not by breaking it.

We want tax evaders to voluntarily rejoin the legitimate economy. However we must also continue to send the message that if they continue to deliberately evade taxes we will do all we can to identify and convict them.

I appreciate the opportunity the parties opposite have provided to send this message again today. Tax evaders and smugglers should know that we intend to put a halt to what they are doing. I also appreciate the opportunity to send a strong and clear message to honest Canadians. The law-abiding majority of Canadians need to know that we recognize the fact that they are carrying an unfair share of the burden because of tax evaders and that we are taking action to lift it.

The opposition asked that we sit down with the provinces and with ordinary Canadians to consult on these issues. That is something we do all the time, every single day.

For example, the government recently joined forces with the province of Quebec to combat the underground economy, tax evasion and smuggling, and to improve the way we are using the resources allocated to addressing these issues. Under the new arrangement Revenue Canada and Revenue Quebec have strengthened their relationship in all areas of enforcement with the goal of identifying cases of fraud, non-filers, non-registrants, to sharing access to electronic audit selection systems, co-ordinating audit investigation and collection activities, sharing the results of enforcement measures, sharing the results of research into the causes and symptoms of tax evasion and non-compliance with tax law.

Additional measures under this arrangement include developing complementary audit strategies, putting together joint audit teams to conduct joint audits and investigations, and exchanging the results of these activities.

Furthermore, the government is working closely with the other provinces on these issues as well. Together these measures will allow us to better target our audit activities and improve the ability of both levels of government to co-ordinate their investigation and collection programs. It will also further strengthen the initiatives to combat non-compliance that the Minister of National Revenue announced on November 24, 1993.

Under these latter initiatives Revenue Canada set up special audit teams to focus on business sectors that demonstrate high levels of non-compliance. Targeted sectors include the construction, jewellery, hospitality, home renovations, car repairs and other service sectors.

Revenue Canada also reassigned more resources to auditing, increased the number of joint GST-income tax audits that it conducts and began cross referencing the GST and income tax data bases in order to improve the identification of those not reporting income.

Between 1991-92 and 1992-93 the department added 245 income tax auditors to its field operations, increased the number of income tax audits by 10,000 and raised $200 million in additional taxes. In addition, the amount of corporate income tax collected per auditor rose approximately 280 per cent between 1985-86 and 1993-94.

In short, we have and we are continuing to take action to ensure that the majority of Canadians do not suffer because of those who purposely evade and cheat. We simply cannot allow a minority of individuals to avoid the law.

Everyone must pay their fair share, no more, no less. We owe it to the law-abiding majority of our citizens to ensure that they no longer have to shoulder an unfair burden. It is unacceptable that others who refused to meet their tax obligations can still take advantage of the same services and benefits.

We must continue to enforce the law to its fullest extent to ensure fairness to honest taxpayers. We must be prepared to take all necessary steps to weed out those participating in smuggling and tax evasion. If we are going to maintain the integrity and fairness of our tax system we must send a strong message that participating in the underground economy and engaging in smuggling activity will be a very risky and costly decision.

The Acting Speaker (Mr. Kilger): It being 5.50 p.m., it is my duty to inform the House that pursuant to Standing Order 81(19) proceedings on the motion have expired.

It being 5.50 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

The Acting Speaker (Mr. Kilger): Before proceeding I have a notice concerning tomorrow's business. I have received written notice from the hon. member for Yukon that she is unable to move her motion during private members' hour on Wednesday, May 4, 1994.

It has not been possible to arrange an exchange of positions in the order of precedence pursuant to Standing Order 94(2)(a).

Accordingly, I am directing the table officers to drop that item of business to the bottom of the order of precedence.

Pursuant to Standing Order 94(2)(b) private members' hour will thus be suspended and the House will continue with the business before it prior to private members' hour.

* * *

[*Translation*]

AUDITOR GENERAL ACT

The House resumed from March 25, consideration of the motion that Bill C-207, An Act to amend the Auditor General Act (reports), be now read a second time and referred to a committee.

Mr. Richard Bélisle (La Prairie): Mr. Speaker, if Bill C-207, which is a private member's bill tabled by the hon. member for Ottawa—Vanier, is passed, it will allow the Auditor General to report to the House as often as he deems necessary.

Moreover, the Auditor General will be able to table a report to the House as soon as that report is completed. This procedure is already in effect in the British Parliament in London, where the Auditor General routinely tables some 40 reports every year.

In early 1993, the Association des diplômés de l'École des Hautes Études Commerciales de Montréal presented a brief to the Committee on the Budget and Administration, which had been asked by Quebec's National Assembly to review public services financing. In its brief, the Association recommended that government programs be automatically reviewed at regular intervals, and that effectiveness studies of government initiatives be released as soon as they are available.

If the federal government allowed the Auditor General to report to the House as often as he deems necessary and table any report as soon as it is completed, it would comply with these two recommendations of the Association des diplômés de l'École des Hautes Études Commerciales de Montréal.

Right now, the Auditor General publishes a report once a year, in which he mentions cases of mismanagement, inadequate financial commitments and tax losses. In the two weeks following the report's release, the media draw public attention to the Auditor General's findings. Some cases described as real horror stories are then forgotten until the next report is published, a year later.

• (1755)

The tabling of reports throughout the year would help maintain taxpayers' interest regarding the way their country is managed. Government management would become more transparent. After all, transparency is what the Prime Minister promised us during the election campaign.

In its twelfth report, tabled in the House on May 28, 1986, the public accounts committee said that, sometimes, comprehensive audits are completed several months before the tabling of the report. The committee added that since these audits can take up to two years, some of the findings may no longer apply once the report is sent to the committee.

The benefits of tabling several periodic reports have already been demonstrated in a number of parliamentary regimes, including England, Holland, Germany, Sweden, Australia and New Zealand. Canada should be quick to follow the example of these countries. The public accounts committee would be better able to fulfill its role as Parliament's auditing committee responsible for the sound management of public funds. The federal government would save hundreds of millions, even billions, if reports were tabled sooner. The Public Accounts committee would be able to look at the Auditor General's recommendations in a timely fashion, and ask that appropriate remedial action be taken as soon as possible after an audit.

Several periodic reports would also help the Auditor General to plan his office's work for the year more astutely. The resulting savings in resources could lead to a greater number of audits conducted with identical resources at a time when the Auditor General's budget is being cut, like those of several other departments.

Given the government's annual budget of over $160 billion, is this not reason enough to give the Auditor General more latitude in his auditing operations? The public accounts committee would have more recent reports available and would be able to expedite its work while the officials being evaluated were still in office. As Chairman of the public accounts committee, I have too often heard deputy ministers and heads of agencies, when plied with questions by members, give one of the following answers: "I was not there at the time" or "That happened under the previous administration".

This bill, the purpose of which is to allow the Auditor General more latitude and room to manoeuvre, has been introduced in the House on several occasions in the past, but without any success. I will come back to that a little later.

The Bloc Quebecois supports this bill, as does the Reform Party. When in opposition during the previous administration, the Liberals also supported this bill. Why then, now that they are in power, are the Liberals reluctant to support the efforts of their colleague from Ottawa—Vanier to ensure greater transparency and to allow the machinery of government a faster response time by allowing the Auditor General to report as often as he deems necessary and to report studies to the House immediately upon their completion?

I wish to congratulate the member who sponsored this bill and assure him that I will vote in favour of Bill C-207. What I find deplorable, Mr. Speaker, is the lack of strong support for this bill from the government and the Liberal caucus. If the government

supported the member for Ottawa—Vanier, we would be dealing with a government bill. We have been told that the Liberal caucus is divided on this issue and that the government is being pressured by senior officials.

This is an example of a double standard. Now that it is in power, the government is keeping mum and letting a member take the initiative, hoping that the bill will die on the *Order Paper*, as was the case with Bill C-262 given second reading on October 19, 1987 and Bill C-288 given second reading on July 18, 1988.

Inaction has become this government's trademark. Let us leave things as they are for fear that in two or three years' time, too high a profile on the part of the Auditor General or his too frequent reports on very specific or timely issues will alert taxpayers to the mismanagement on the part of this Liberal government, or worse, to its inability to take the required action to contain the debt.

As I said earlier, I support Bill C-207 introduced by the hon. member for Ottawa—Vanier and I also agree with his statement to the effect that, and I quote: "Let us not have the bureaucracy tell us what we should be doing in this House".

Bill C-207 which was introduced on January 20, 1994 was the sixteenth initiative presented to Parliament since July 18, 1980 calling for the Auditor General Act to be amended.

• (1800)

We had the first and fifth reports of the public accounts committee tabled in the 32nd Parliament. There was also a question to the House from the chairwoman of the committee during that same Parliament. In 1985, we had Bill C-250 and in 1987, Bill C-262; then the report of the Senate Committee on National Finances; Bill C-288, introduced in this House in 1988; Bill C-228 in 1989 and finally Bill C-344 introduced in 1992 by the hon. member for Ottawa—Vanier, as well as Bill C-207 we are debating today.

What has happened since July 18, 1980? Liberals lost power in 1984 and came back in 1993 and today, the sixteenth try for such a bill, it is still in the making. It is high time to act. If there was not so much resistance from the government machine, this bill would have been passed a long time ago.

The present mandate of the Auditor General and the procedures he uses, including the mandatory tabling of an annual report, go back to 1977, the year the Auditor General Act was passed by this House.

Since then, the flow of information has been multiplied by ten, information systems have evolved, public finances have deteriorated, managers have been made accountable to Parliament, and the Auditor General's office must be able to keep up with new procedures in the area of public account auditing. The Auditor General himself, in his note of March 22, 1994, to the hon. member for Ottawa—Vanier, was saying and I quote: "— it seems fairly safe to say that periodic reporting is becoming the norm around the world. In our view, this would be a good time for Canada to join the trend".

[*English*]

Ms. Judy Bethel (Edmonton East): Mr. Speaker, I am pleased to speak in support of Bill C-207. I contribute to this debate from my own experience with an effective relationship between elected persons and an auditor general.

The city of Edmonton was one of the first municipalities to appoint an independent auditor general. The experience has been beneficial to both the council and local taxpayers. The focus of the auditor general's work has gradually shifted from financial accounting to evaluating value received for tax dollars spent.

Independent audits play an important role in finding the most cost effective way to deliver public services. That is what we need in Canada today to help restore public confidence in public services. In keeping with the shift to value for money auditing, the auditor general provides information to elected representatives in a timely fashion so elected people can prevent waste, not just point fingers after the damage is done.

Each year city council and the auditor general develop a work plan including a timeframe for the completion and discussion of specific audits. Special audits are considered when they are completed. The auditor also tables an annual report with general recommendations and progress reports on individual departments. In this way the audit function and the corresponding focus on value for money in public service is a continuing focus and not a once a year bad news report.

A problem solving approach by the auditor has helped build good working relationships with both department officials and elected representatives.

Based on this experience I support the direction of Bill C-207 to provide more timely information to Parliament and prevent waste through the consideration of individual audits once they are completed. I believe it will assist in meeting public expectation and ensure that taxpayers receive good value for every tax dollar in Canada.

Mr. John Williams (St. Albert): Mr. Speaker, I rise to speak on Bill C-207 which is the act to amend the Auditor General Act. The bill has been introduced by the hon. member for Ottawa—Vanier. It is noteworthy that the member is a former chairman of the public accounts committee and now sits on the government side and is introducing this particular bill.

• (1805)

The first thing we should note is that this bill is not a partisan bill but is what I call a good government bill. It is long overdue and therefore my sincere thanks to the member for Ottawa—Vanier for introducing the bill.

The bill basically has two major provisions. One of course is to allow the Auditor General to report to this House more often than once a year. We all know that once a year there is a feeding frenzy by the media to read through that voluminous report which is 600 to 700 pages of all the problems, mismanagement and waste of taxpayers' dollars he has found.

Since he is basically restricted to reporting only once a year, quite often the information we receive is a year old by the time the Auditor General is finished with it. He may have conducted his audit some months before but it sits on his desk for a whole year until such time as he produces his annual report.

The report is then referred to the public accounts committee which may take another six months or so before it gets around to dealing with the points the Auditor General has raised. It is not inconceivable, in fact it is more than likely the information being discussed and acted upon in the public accounts committee could be 18 months old, if not closer to two years old before it is dealt with effectively and responses and remedial action taken. Quite often the civil servants involved may have moved on to new positions.

It therefore becomes quite difficult for the public accounts committee to act as effectively as it perhaps could if the Auditor General were allowed to report more frequently.

I would hope if the Auditor General is given the authority that he would report to this House on a frequent basis, after every audit upon the completion of the audit. In that way the information can be referred to the public accounts committee and it can act swiftly and timely on the information provided.

For example, right now the public accounts committee is dealing with an issue where $1.1 billion of revenue was lost through a problem in finance, justice and national revenue. That is $1.1 billion of taxpayers' money. We are now going back to find out what has caused the problem. The Auditor General knew about this a long time ago but because of the current restrictions on his ability to report, he was unable to do so until January of this particular year. The information is old.

Let us make sure that we as the people responsible to the constituents of this country can make a serious and real difference.

We also have the opportunity of the Auditor General being more responsive to directions from this House. For example, the standing committees may require information from the Auditor General. They would ask him to conduct certain audits if it comes to their attention there is mismanagement, waste, or something going on in any particular department, crown agency, and so on.

These things have to be looked at seriously in light of today's situation where we are $500 billion to $550 billion in debt and that amount is growing every day. Anything that can be done in the light of good government to ensure the taxpayers' money is spent honestly and responsibly can only be good for this country.

I have talked to the Reform caucus. The bill is endorsed by the Reform Party as a whole. I certainly wish the hon. member for Ottawa—Vanier success in shepherding this bill through its various stages to ensure it becomes law in this land.

As a member of the public accounts committee I think it is going to be beneficial to the public accounts committee, to the Government of Canada and to the taxpayers. I can support the bill wholeheartedly.

• (1810)

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, I rise today to speak in favour of the act to amend the Auditor General Act with regard to reporting.

Make no mistake about it. Canadians are going to hold this House responsible for every red cent the government spends. They see it as a duty of Parliament to ensure the highest standard of responsibility in government. It is the duty of this House to ensure that tax dollars entrusted to us are used prudently and for the purpose which Parliament allocated them.

I have concerns for the ability of the members in this place to fulfil their duty without sufficient information provided in a timely fashion. We have at our disposal an excellent instrument to ensure sound management, the Office of the Auditor General of Canada.

Annually, the Auditor General submits a report to this House in which he reviews the manner in which the nation's business is carried out by the various departments, agencies and crown corporations. He takes into consideration not only purely fiscal concerns but also the performance and mandate of the organizations he is reviewing.

The Auditor General also makes recommendations for improving operations from time to time. Indeed the Auditor General's reports are thorough. The latest ran to some 700 pages. They are deserving of the fullest consideration by members of this House. Over the years a massive amount of waste and poor administration spending in government has been brought to light by the Auditor General.

Earlier this year he reported on the National Arts Centre, a crown corporation. He found serious deficiencies in the manner in which the corporation was managing its finances. With an annual budget of $40 million a year and a staff of about 300, the

Auditor General found serious deficiencies. This is a cause for serious concern to all Canadians.

Surely good stewardship of public money is not too much to ask. In fact, the Auditor General's annual report has been almost bursting with recommendations for improved management, for better performance of mandates as well as dire warnings regarding the practices of the federal government at times.

Indeed this report is probably the taxpayers' greatest friend. It is unfortunate then that more time is not available for members to give every topic in the report their fullest attention when the report is presented. Time however does not permit such a full debate. Unfortunately by the time the estimates find their way through committee much of the good work has been forgotten.

Government needs to spend a little more time discovering whether all those tax dollars we squeezed from our constituents are being spent to good effect.

At one point, being a brand new member in this House full of ideas and questions, I decided I would take on the task of trying to discover how effective various government job creation programs had been over the years. I discovered that no one had taken the time to follow up on these programs in any scientific way over a long period of time. Just think of all the billions of dollars that have been poured in this direction and we cannot even prove it even created one real long term job.

The work of the Auditor General is monitoring the activities of government in a very real, very necessary way indeed.

The private sector I would submit has its own controls on efficiency and productivity. It is called competition. Government has no such control. The best control the taxpayers have is full disclosure of the fiscal management of the government and accountability for it.

I will use a word that I hear often on the other side of the House, transparency. It is a word that we hear often. The Auditor General's office provides such transparency, that window into the workings of the government operations.

• (1815)

This transparency will be enhanced by the provisions of this bill that we are considering here today, allowing the Auditor General to report when he considers the matter to be timely. This will make his recommendations that much more effective. Rather than allowing the problems to run unchecked until the annual report is tabled, urgent concerns can be dealt with when they are uncovered and should be dealt with that way.

Over the years several auditors general have called repeatedly for parliamentarians to be supplied with adequate information in a timely fashion related to the management of government agencies and crown corporations to ensure the achievement of those organizations' objectives. In the task force report on crown corporations' accountability prepared by the Canadian Council of Public Accounts Committee in July 1992 it was stated: "Legislators are generally not supplied with adequate information related to the achievement of crown corporation objectives".

What is troubling about these observations is they have been noted time and time again. The litany of waste continues unabated no matter how often we talk about it in this House.

It seems to me that part of the problem lies in the House getting its information in one large, somewhat indigestible serving at the start of the year. Maybe if we took it in bite sized portions we would be able to deal with these matters easier.

The massive document tabled in this place contains a wealth of information, but little time is allowed to analyse, discuss, debate or act on it. In some cases the problems revealed are very old problems and rarely ever come back to this House to be dealt with.

On page 23 of the current report the Auditor General states: "Parliament is not being provided with the information that would enable us to assess the desirability and affordability of sustaining programs at their current levels within the context of their commitments". He goes on to call for cyclical reviews of all statutory spending programs such as unemployment insurance, international aid and income support. This would be more possible within the framework of the bill under discussion here today.

Further in the report he comments on the current program evaluation. He says: "Based on the office's government wide findings, I am forced to report that the evaluation regime is not working as intended". He also underlines the necessity for objective reporting. "Evaluations for example of crown corporations which originate from within the organizations themselves are unlikely to treat objectivity with the problems encountered".

There are in fact several concerns here which I share with the Auditor General and which I suspect are shared by many members of this House. The issue comes back again to accountability.

In the bill before us we see measures which permit the Auditor General to do his work more effectively and thus permit this House to do its work more efficiently. It is also my belief that no crown corporation should fall outside the mandate of the Audi-

tor General's scrutiny and thus the scrutiny of these members to ensure the performance of their mandates and good fiscal management.

It seems to me that in this Parliament we have a dedication to accountability which has been endorsed by all sides of the House. The government on page 12 of its red book states: "Whether it is in health care or regional development we think that it is important to measure the long term outcomes and consequences of our policies and programs and that is why we have placed so much emphasis on evaluation, innovation and finding the best practices".

Similarly the Bloc Quebecois has had its calls repeatedly for accountability in government. So we are all in accord on this. In fact if we examine the record going back over many years, we have the recommendations of the public accounts committee, the auditors general committee and many members of this House, including the member for Ottawa—Vanier, supporting the changes included in this bill.

• (1820)

I call on all the members of this House to support Bill C-207. It is time to make these changes, changes which will strengthen the ability of Parliament to manage the nation's business with the care with which Canadians demand that we do it.

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

Some hon. members: Question.

The Acting Speaker (Mr. Kilger): The question is on the motion of Mr. Gauthier. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: On division.

(Motion agreed to, bill read the second time and referred to a committee.)

Mr. Boudria: Mr. Speaker, I wish to seek unanimous consent of the House to suspend until 6.50 p.m. for the Adjournment Debate or at the call of the Chair, whichever comes first, for the benefit of hon. members. If we have succeeded in recognizing that all members present for the Adjournment Debate have returned to the Chamber earlier than 6.50, we could perhaps proceed earlier. That is why I chose to make the request for 6.50 which is the scheduled time for the adjournment today or at the call of the Chair whichever comes first.

The Acting Speaker (Mr. Kilger): I thank the hon. member for his intervention.

The House has heard the suggestion of the hon. member. Is it agreed?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): The House will stand suspended to the call of the Chair or 6.50 p.m.

[*Translation*]

Maybe I can help the House. I believe that the government deputy whip's intention was to give members who must answer for the government the chance to arrive in the House.

That was the reason for his intervention. The House will now stand adjourned to the call of the Chair or 6.50 p.m.

The member for Richelieu on a point of order.

Mr. Plamondon: Mr. Speaker, I rise on a point of order. Is there consent from the members opposite for the members who are present to make their four-minute statements now; they could get their answer from the parliamentary secretaries later on, in order, when they get here? We could start right away.

[*English*]

Mr. Boudria: Mr. Speaker, events are overtaking us. One parliamentary secretary arrived in the interval and we are ready to proceed with at least two of the adjournment debates now. I understand another one is in the lobby. That is three out of the total number. Therefore we could start.

The only thing is that the Chair may need to redo the order of them in order to accommodate the members that are present. That being said, yes, perhaps we could proceed now if the House is agreeable. If that is the case then we could call it immediately as 6.50 p.m.

ADJOURNMENT PROCEEDINGS

• (1825)

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

SOCIAL PROGRAMS

Mrs. Francine Lalonde (Mercier): Mr. Speaker, on March 22 last, I put a question to the Minister of Human Resources Development which read as follows: "Does the minister not agree that the first phase of consultations on social programs was a sham?" The Committee on Human Resources Development was rushed and forced to submit a report under nearly unacceptable conditions which explains why the opposition presented its own minority report.

At the same time as the committee was rushing through its hearings, the minister had asked other groups to carry on consultations and, then, without consulting either the Committee on Human Resources Development or the House, the minister embarked on a series of pilot projects that give an idea of the true colour of his reform for which he has not presented a draft yet.

I asked the minister to put his plan on the table as soon as possible so there could be a real debate, instead of proceeding piecemeal with pilot projects which are not just for a few months but which, in the case of New Brunswick and fishermen and fisheries workers in the Atlantic provinces, will go on for five years.

I find this approach rather disturbing. I may add that recently, when the minister appeared before the Committee on Human Resources Development, he suggested that phase 2 consultations, which are to take place as soon as his plan is tabled, should not start until mid-August, and the committee will have no choice but to ask for a postponement.

That being the case, would the minister agree that he intends to use pilot projects, and especially those that include such aspects as a guaranteed minimum income and employability measures as a first step towards introducing a guaranteed minimum income program throughout Canada and then forcing reluctant provinces to follow suit?

We must not forget that the budget says specifically that after 1996, there will be no more negotiations on the Canada Assistance Plan. The government has announced that as far it is concerned, it may end the co-operation on social assistance by Canada and the provinces, so that the government could use the funds to set up a new Canada-wide program, and of course a federal cheque would be very convenient as part of a project or platform in a pre-referendum campaign.

That being said, we think the minister should put his action plan on the table as soon as possible so Canadians will be able to see this ambitious proposal for themselves. We must not forget that the provinces, and especially Quebec, have every reason to be concerned, since these consultations on the reform of social programs will apparently cover the following topics: education, social assistance, job training, the disabled and family policies, all of which come under provincial jurisdiction with the exception of unemployment insurance.

• (1830)

We can conclude that phase one was a sham. Let the minister put his plan on the table and show us that these pilot projects are part of a policy we can talk about, because it will be out in the open.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I am surprised that the hon. member, who I think is a member of the human resources committee, would ask such a question and give such a speech.

[*English*]

The hon. member knows full well that the consultation process on which the minister has embarked is a great success. It has worked extremely well so far and I will provide details in the course of my answer.

[*Translation*]

On January 31, the Minister of Human Resources Development announced a reform process that would introduce legislative changes to social security programs before the end of the year. The government is now proceeding with an open and transparent reform of social security that will be the subject of consultations.

The government is thus showing its conviction that reform is only possible if based on a wide consensus favouring an approach to social security that is comprehensive and focused on people. The government is developing an action plan that will be the basis for change and for public discussions on the issue of social security. It will identify the main thrusts of reform and clearly define the issues to facilitate debate and help to make better choices among the proposed options.

The standing committee plays an important role in the reform process. Since the beginning, it has held hearings on social security—and the hon. member was there—during which committee members received over 250 briefs and presentations from organizations and individuals across the country. The committee's report tabled on March 25 confirms the willingness of Canadians to redesign our social safety net, especially with regard to children and families, young people, the unemployed and underemployed adults.

After the government publishes its action plan, the committee will hold a second, more extensive round of consultations. Every Canadian will have the opportunity to participate in the revamping of our social safety net in the course of this year. During this process, unions, the business community, the provincial and territorial governments, social program clients, community groups and the entire Canadian population will be invited to express their opinions. And the hon. member will be there as a member of the committee.

We must be optimistic in preparing for our collective future. The government and this House will show the leadership needed to initiate a national debate in order to improve social programs. I salute the work of the standing committee and I encourage other members to act as catalysts in their communities to bring the social security reform process to a successful conclusion.

I hope the hon. member herself will participate in the process.

[*English*]

VIA RAIL

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, recently I asked a question of the Minister of Transport with respect to reports that a proposal had been made by Railex Inc., an American transport corporation, to VIA to buy everything of VIA west of Winnipeg on the condition that everyone who works for VIA west of Winnipeg be laid off and that the company be able to rehire only those it wished to rehire.

I asked the Minister of Transport what the government's attitude was toward this proposal and he was fairly unequivocal in his answer and I was grateful for that. He said that the government was not considering that particular proposal. That is the good news. The bad news is that in the course of my question I also asked him about the report which I understand is now on his desk or in the department somewhere; the report made as a result of the task force conducted in Manitoba by the member for St. Boniface and the member for Churchill with respect to the future of VIA in Manitoba.

• (1835)

I did not like the way the minister talked about the fact that these particular hearings were not mandated by the government but they were a useful opportunity for constituents to voice their concerns and I sort of got the feeling that this was not a high priority for the minister in terms of making a decision with respect to the future of VIA.

I see that perhaps it will be the member for St. Boniface who will be answering the question so he might want to shed some light on this. Certainly people in Manitoba and people who appeared at the hearings as I did had the impression that they were not just engaging in a public relations exercise or just hearing people, they also had been given some kind of mandate by the minister for human resources, the minister from Manitoba, to arrive at recommendations that would in some way be heeded by the government.

I would certainly like some clarification on that because a lot of people came forward, particularly in northern Manitoba, to express their views. At the same time I would like to repeat briefly what I said at those hearings and what I continue to believe ever since I came into this House.

In my maiden speech I spoke about the necessity of revitalizing passenger rail service in this country, 15 years ago, and I continue to believe that it is a major failing on the part of successive governments not to have invested in passenger rail infrastructure, new passenger rail infrastructure and equipment so that passenger rail could be a thing of the future rather than something which is increasingly regarded as a thing of the past or a thing only to be marketed to affluent tourists coming to Canada for land cruises or various other experiences of the Canadian Rockies, but not a service available to ordinary Canadians at reasonable prices.

I think for environmental reasons if for no other reason we have to revive passenger rail and I would hope that at some point we will get a statement from the government as to its policy on this.

I have another concern. I heard the minister on a couple of occasions talking about the negotiations that are going on between VIA Rail and its workforce. One gets the impression, and I hope I am wrong, that the minister in particular is trying to set up the workers at VIA, saying he would have liked to have done this but because VIA Rail workers were not willing to give up X, Y and Z that they have achieved over the years through collective bargaining, they are now going to have to do A, B and C.

I think that would be unfair in the extreme. If the government has the imagination to embrace passenger rail, it should be willing to put policies in place that do not ask the workers there now to give up things that they have won over the years in terms of job benefits, et cetera.

[*Translation*]

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, I want to thank my colleague for his question about Railex. I am grateful for this opportunity to provide him with an answer.

[*English*]

You will perhaps recall, Mr. Speaker, that Railex's proposal was unsolicited and it was a proposal concerning VIA Rail.

I simply want to reiterate the Minister of Transport's response wherein he indicated that the government is not looking at this particular proposal. As it was presented it is not acceptable.

I want to stress once again that Railex's letter was an unsolicited proposal. I should add that realistic proposals for the betterment of government operations, whether they be VIA Rail or other, are always welcome.

The member made mention of several initiatives under way at VIA Rail. Indeed there are several before VIA Rail at this point. One of the most significant and perhaps the first one is the negotiations to which he has referred currently under way with the unions. It has been said many times that VIA needs to know what its financial commitments are so that it can develop and present a plan to the government for consideration.

• (1840)

In no way is the minister or the government trying to influence those negotiations. The plan that will be submitted by VIA Rail must recognize the financial reality facing both this country and VIA Rail.

Right now there is very little that I can add, but let me make one more point. There was reference to the task force that was co-chaired by my colleague, the member of Parliament for Churchill, and myself. Indeed we have completed that report and we are in the process of sending it to the minister. I do not say that to answer the point that was raised, that is, where it is at this time. It will soon reach the minister's desk. I do not know exactly where it is at this point but the member can rest assured that it is completed and it has been sent out.

I should also point out that I am encouraged by the minister's response wherein he indicated that he will look at it very seriously.

The taxpayers who support VIA and its customers all want the same thing; namely, a national, sustainable, affordable and efficient passenger transportation system.

[*Translation*]

My colleagues and I will do everything we can to reach that goal.

HIBERNIA PROJECT

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I asked the Minister of Natural Resources a question about the Hibernia project and the answer was extremely disappointing. That is why I would like to use what is commonly called the "late show" to obtain some clarifications from the parliamentary secretary, and I hope that the clarifications or commitments will be more specific than what the minister said.

You must realize that Canadians have invested $3.5 billion in subsidies, contributions or loan guarantees in this project. Add to that what the companies in the consortium received as exceptional tax credits, since all their investments or losses are tax creditable. Earlier, the Bloc Quebecois, when we had only eight members here, had proposed that the project have 60 per cent Canadian content, but that amendment was rejected. Now the material comes from Norway or other European countries duty-free. All this means that the cost is now about $5.5 billion and we are told that construction might cost another $1 billion over budget. Must we stop the hemorrhage?

When the project was born some time between 1975 and 1980, it was estimated that the world cost of oil when Hibernia came into production would be about $60 to $70 a barrel. Now it is $12. The cost of producing a barrel of Hibernia oil will be about $25, and Canada is committed to paying the consortium the difference between the cost of $25 and $12. For every barrel produced, $13 of taxpayers' money will be paid to those multi-billion-dollar companies to compensate them for the difference between the world price and their cost of production. We are headed for an unacceptable financial abyss.

I quote Claude Picher, a specialist in economics who writes regularly in *La Presse*. He said this: "When the project began or even when it was first discussed, the world was concerned about running out of oil. Then came cars with better gas mileage, energy efficiency in offices, factories and homes, less energy-consuming production methods, alternative sources of energy, hydro-electric and nuclear development and decreasing dependence on OPEC".

Based on that, it is clear that this project should have died. When you have a natural resource, is it right to pay people to come and take it? Normally, when you have a gold mine or a major natural resource project, people pay you to get the resource. Here, we are paying to give away our resource. That is unacceptable.

• (1845)

The first partner that realized that this was futile is Gulf. It lost an incredible amount of money but decided to stop this massive drain of capital. Today, Gulf is laughing up its sleeve. Since the government was not able to find another partner, it poured another $400 million, as partner itself, is spite of having promised to give a subsidy and a secured loan, but not to be part of the consortium. Indeed, the government is now the fourth partner in the consortium, and it has invested $400 million. But there is worse still. Mr. Picher, the economist, says: "Since oil companies do not want to take risks, the government made a commitment to absorb 40 per cent of cost overruns".

The minister mentioned the figure of eight per cent. It is on that eight per cent that I want a clear explanation and answer, because the government will in fact absorb 40 per cent of cost overruns. This is not normal and I will conclude by quoting again Mr. Picher who says: "The tragedy regarding the sickening Hibernia issue is that these companies would never have undertaken such a project without the generous help of the federal government. That help allowed them to go ahead with a minimum of risks. In this episode, it is Ottawa, and not Mobil, which is taking the big risk. The government is completely broke. Taxpayers are being bled white. We have to cut in social programs. Yet, at the same time, over $5 billion in public monies have been wasted in this senseless dream. This is raving madness".

We have to put a stop to that. Will the government understand, as it did in the case of the helicopter contract? It seemed easier to make a decision when it affected Quebec. Does the government understand, as it did in the case of the helicopter contract, that we can no longer afford a frivolous expenditure of $4 to $5 billion? Will the government put an end to this waste?

[*English*]

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources): Mr. Speaker, I thank the hon. member for Richelieu for raising the matter of Hibernia and cost overruns.

In her response the minister informed him that the government and its partners were awaiting a report to identify the extent of potential cost overruns and that the government's share was 8.5 per cent. This has not changed. The only problem we have is that we still do not know the full potential cost overruns, but we do know that from the government's point of view we will be responsible for 8.5 per cent of those overruns. Once we have the detailed report we will be able to share it with the members so they will have a better idea of exactly what is going on.

The owners and the project managers are continuously looking for cost efficiencies and improvements to the design to ensure that the profits to be produced by this project will be maximized. We will not take any precipitous action on the basis of a few headlines without thinking through the implications.

There will continue to be changes in the project schedules and costs reflecting changing circumstances, alternative designs and other factors. Until such time as it is in the Canadian interest to alter its participation in the project we will continue to meet our commitments.

I would also like to point out that we are working with our partners, and it is the private sector which is largely involved in this project, to ensure that industrial and employment benefits will flow to Canada during the construction phase and keep those benefits enhanced.

I should say to the member opposite that Quebec based companies, by way of their proximity to the industrial base and their competitive position, have managed to win a significant share of the contracts derived from the project. Of almost $3 billion in contracts awarded to the end of March this year Quebec was second only to Newfoundland in terms of the value of the contracts awarded.

The federal government on behalf of all Canadians holds an equity position of 8.5 per cent in the Hibernia project. We will have that share in the eventual profits from the development; the economic, industrial, and employment benefits that are derived during construction.

I see my time is finished, so I will wait for the next question and finish off on the other points.

[*Translation*]

HIBERNIA PROJECT

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies): Mr. Speaker, I would like to ask questions on the very same subject.

Indeed, as my colleague the hon. member for Richelieu remarked, last week, both the English and the French newspapers reported that over and above the amounts already spent, the Hibernia megaproject was expected to have a $1 billion cost overrun. That figure was given by Petro-Canada.

• (1850)

Of course, as the Minister told us then, the government of Canada is going to be responsible for 8.5 per cent of any cost overruns, that is an amount of $85 million.

In addition, there is another commitment to a $1,7 billion loan guarantee that had already been made, which represents an additional amount of $175 million. For the benefit of the viewers, I would like to remind them that $1 billion is worth $1,000 million. If that billion of dollars were to be paid in income tax, to give a rough idea, it would take 250,000 families paying an annual income tax bill of $4,000 to pay out that billion of dollars. Megaprojects involve astronomical costs.

Following up on those media reports opposition members, particularly the hon. member for Richelieu and myself, asked a few questions. I asked the minister how she could still suggest that the project would be profitable when the deficit is already huge, apparently, and only half of the project has been completed.

The answer by the minister was inadequate because she more or less told us that she was relatively confident that the project would be profitable 10 or 15 years from now. When you take a look at that project, you soon realize that, right from the start, nothing seemed to work properly.

First of all, huge amounts of money were spent. In his 1992 report, the Auditor General wrote that he had examined the project and found a lack of control over costs, poor monitoring of spin-offs, an insufficient rate of return, an inadequate analysis. He also said that there was no link between the money invested by the government in this kind of project and the return companies must have.

So it was, legally speaking, if you will, disguised subsidies. As for the benefits from building the Hibernia project, one would have expected that they would try to get the very most from them. But, as my colleague, the member for Richelieu, said, many materials which were used in building Hibernia were bought elsewhere, often tax-free.

As for the economic reasons which gave birth to this project, we can very seriously question them today. Everything, of course, was based on an analysis of oil prices ten or fifteen years ahead. It was based, for example, on the value of the Canadian dollar, which is not guaranteed for the next ten or fifteen years, on an average inflation rate of 5 per cent until 2017, which is absolutely unpredictable for the moment, on high oil prices and on keeping to a strict schedule and strict budgets.

We already see that the schedule will not be adhered to and that budgets have already being exceeded. Under these conditions, I ask the following question to the department again: Is it possible to have the exact figures showing that this project is profitable? That is the question.

[*English*]

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources): Mr. Speaker, I will just highlight a few other factors for my friend opposite. What this project will do for Canada and for all Canadians is move us closer to a situation of energy security and so we have to take some chances.

When we first got involved in the oil industry 40 or 50 years ago we took chances then. We are taking a chance on energy security now with Hibernia. We also are giving an opportunity to Newfoundland, and I find it somewhat passing strange that members from Quebec would be opposed to Newfoundland achieving the possibility of energy security and an opportunity to diversify their economy, particularly considering the economic hardships that they are now facing with the crisis in the fisheries industry.

Hibernia will generate 5,300 jobs over this period of time, many of them in Quebec. The private sector is involved by roughly 90 per cent. It is not government that is fuelling and running this project, it is the private sector.

The report on the overruns has not been delivered yet as it is too early to say what the overrun might be. Why jump the gun? Let us wait to see exactly what is going on before we make a move.

• (1855)

The leader of the Reform Party crystallized the issue very quickly. It will cost more to get out than to complete now. In the interest of taxpayers' dollars we are wiser to go forward for a number of reasons.

The first one is that it is a good project. The second is that it will be beneficial to Newfoundland. It will also be beneficial to Canada for energy security. During the process jobs will be created in Newfoundland, elsewhere in Atlantic Canada, and in Quebec.

[*Translation*]

UNEMPLOYMENT INSURANCE

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, on April 15, 1994, in answer to one of my questions, the Minister of Human Resources Development mentioned that the unemployment insurance changes would throw, and I quote, "only 19,000 people" on to the welfare rolls. That is the kind of callous answer one would expect from an official, "only 19,000 people", because, to me, 19,000 individuals is a lot of people. Every time a government program puts people on welfare, it is unacceptable.

That answer is an example of the negative signs the Minister of Human Resources Development has been giving concerning the upcoming social program reform. When you are about to undertake such an important review as the social program reform, you must give out some positive signs to ensure that the people are willing to embark upon such projects. But we are only getting negative signs from the government. First, it decided to increase the number of working weeks needed to be eligible to UI benefits. Then, it decreased the number of weeks of benefits. The government will reduce the employer contribution, but only in 1995. Finally, there is the whole issue of old age pensions, which will now be taxed if the pensioner has an income of over $25,000.

What do you think people who will be affected by the social program reform are expecting? They are looking at a reform which is a charade and a sham, while the benefits people deserve or to which they are entitled in the difficult economic circumstances we have today are being reduced. In the case of the elderly, they stand to lose some of their hard-earned savings.

They could have taken a far more positive approach, and I would like to ask the government whether it could not have designed some models for success instead of just giving negative examples. Could it not have approached specific groups in the forestry sector, for instance, where people from the Lower St. Lawrence area came with a proposal for the minister at a press conference? Members of Rural Dignity submitted a project that would use unemployment insurance funding to create jobs in the forestry sector.

If we consider technicians and engineers, how about launching the high speed train program, because now even the president of VIA Rail says it is a viable project? The Young Liberals of Quebec who represent the Quebec Liberal Party, which is a federalist party, say it is viable. The HST is a good project for everyone, but apparently, the federal government is dragging its feet for some unknown reason.

My question is this: Could the government, instead of repeatedly taking negative action to deal with a sluggish economic recovery and initiate its reform of social programs, give us instead some positive signs that will produce concrete results?

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, the hon. member knows full well that the signals sent by the government are not always negative; in fact, they are almost always positive. On that subject, he also knows that the government has proposed changes to the UI program which were well received almost everywhere in Canada because, in spite of adjustment difficulties, the people can see that the government's objective is to create jobs in Canada.

The UI changes cannot be seen in isolation. This government has indicated before that the changes represent a first, but interim, step in giving Canadians a sense of new direction. The hon. member knows that full well.

If, in the redesigning of the social security system, we find out that different changes are needed, we will make them.

[*English*]

The changes made to the UI program were designed to put people back to work. The UI premium rate reduction that is proposed for January 1 next year will provide significant financial relief to businesses. By 1996 there will be 40,000 more jobs in the economy than if budget changes had not been made. The hon. member forgets this point.

The government has also ensured the changes that are being made are sensitive to those with the greatest need. Accordingly the government decided to look at the needs of individuals with low incomes and with dependants and to provide more adequate coverage for those Canadians. These individuals will receive a 60 per cent benefit rate; others will receive a 55 per cent benefit rate. Of course the hon. member neglected to mention that in his presentation.

Our proposals for the unemployment insurance program will encourage job creation, work and opportunities while discouraging dependency and non-productivity. I am certain Canadians will agree we need to start a process of change that will lead to a future of hope, opportunity and prosperity.

The government is committed to working with the provinces to initiate new programs targeted at the most chronically unemployed Canadians. The government has dedicated $800 million over the next two years for strategic initiatives to test out new approaches to social security.

The federal government has also taken initiatives to stimulate Canada's growth in the global economy. Two examples include an increased emphasis on technology and innovation and improved access to capital for small business.

[*Translation*]

A strategy for job creation requires a multi-faceted approach including many elements such as social security and labour market adjustment policies, learning policies, policies affecting how work is distributed, industrial, trade and technology policies, infrastructure development, and tax policies.

[*English*]

The Acting Speaker (Mr. Kilger): It being 7 p.m. the House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 7 p.m.)

HOUSE OF COMMONS

Wednesday, May 4, 1994

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*English*]

STU SHOULDICE

Mr. John Finlay (Oxford): Mr. Speaker, I would like to congratulate today a gentleman from the riding of Oxford for doing his part to protect mother earth.

Mr. Stu Shouldice from Woodstock was recently inducted into the Recycling Council of Ontario's Waste Reduction Hall of Fame. Mr. Shouldice and his family regularly recycle 95 per cent of their household waste.

Mr. Shouldice was reported to have said that increased recycling by all levels of government depends on the will of the people and how badly we want a pollution free world for our children.

I congratulate this gentleman on behalf of this House and on behalf of all those who can learn from the example he has set.

* * *

[*Translation*]

GARDA FAMILY

Mr. Maurice Godin (Châteauguay): Mr. Speaker, on April 6 last, Citizenship and Immigration Canada served the Garda family with a departure notice taking effect in a few days.

Today, I learned from the office of the Minister of Citizenship and Immigration that the minister will not intervene in favour of the Garda family. This is extremely disappointing. The minister must spare the Garda family the humiliating torments suffered by the Maraloï family. He must defer the notification of deportation as long as it has not been proven that the Garda family does not have to fear for its life, should it return to its country.

Since the beginning of this whole process, several years have gone by and the Garda family is now well integrated in my riding of Châteauguay, and we will do everything we can to keep it.

* * *

[*English*]

GOVERNMENT SPENDING

Mr. Mike Scott (Skeena): Mr. Speaker, I recently received a copy of a letter sent to Revenue Canada by Mr. Barrie Carter, a constituent of mine from Smithers, British Columbia. It reads:

> Please find enclosed two post-dated cheques to cover taxes owing. However, I think it only reasonable that the minister of revenue assure me that my money will not be spent on golfing trips by government officials on government jets.
>
> Like all Canadians, I do not object to paying my share of taxes providing the money is spent in a reasonable manner. Therefore the minister should have no trouble making that assurance to me before the cheque dates become due.

This letter underlines the hostility that is generated when Canadians see their hard earned tax dollars spent in a frivolous or cavalier manner.

* * *

CONTRAVENTIONS ACT

Mr. Andy Mitchell (Parry Sound—Muskoka): Mr. Speaker, as we head toward Victoria Day weekend and the beginning of the traditional tourist season I would like to share with the House public concern over Bill C-46, the Contraventions Act.

The Contraventions Act received royal assent October 15, 1992 but to the disappointment of many Canadians it has not yet been proclaimed.

The act sets out a ticketing procedure for dealing with minor federal offences. The act will allow enforcement officers to properly police Canada's inland waterways and ensure that residents and tourists can enjoy summer water activities in a safe and secure manner.

The reason given for this delay has been the need to co-ordinate the bill's implementation among the provinces. I have been told that this process which has already taken 18 months will take at least another 12. This delay of two and a half years means that more of my constituents will be at risk on the waterways. It is unacceptable and I urge the Minister of Justice to expedite the process.

S. O. 31

NATIONAL NURSING WEEK

Ms. Shaughnessy Cohen (Windsor—St. Clair): Mr. Speaker, I rise in support of National Nursing Week, May 9–15, 1994.

The theme this year, "Nurses Make the Difference", catches the essence of the great contribution that this profession makes to the health care of all Canadians.

Since the time of the first nurse in Canada, Jeanne Mance, nurses have remained the keystone of the Canadian health care system.

I commend all nurses in Canada for their high levels of commitment, skill, dedication and caring service to our people.

* * *

BOSNIA

Mr. David Iftody (Provencher): Mr. Speaker, I wish to address once again the horrific circumstances that children in Bosnia live with day after terrible day. I have been asked by the children in my riding of Provencher what we can do to help them.

During World War II Canadians helped to evacuate children from danger zones for their safekeeping. Currently a number of European nations are actually helping to evacuate children of the Balkans. Canada has yet to take this step.

This is indeed one way we can help the children of Bosnia. It is my greatest hope the government will take the steps necessary to help preserve those most innocent in the Balkans during this, the year of the family.

* * *

[*Translation*]

HUMAN RIGHTS

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, on March 24 last, in Tunisia, Dr. Marzouki was arrested and jailed after declaring that he would run for president.

• (1405)

His arrest can only be explained by the fact that he had denounced certain undemocratic electoral rules and given interviews to western newspapers.

Dr. Marzouki, who is a former president of the Tunisian Human Rights League, is well known in Quebec for his many conferences and publications on human rights and democratic development. It is therefore extremely shocking to learn that his fundamental freedoms have been violated.

Consequently, the Bloc Quebecois demands that the federal government put immediate pressure on the Tunisian government to free Dr. Marzouki.

* * *

[*English*]

CAPITAL PUNISHMENT

Mr. Garry Breitkreuz (Yorkton—Melville): On Sunday, May 1 in the Ottawa *Sun* the Canadian Police Association accused the Minister of Justice of using selective use of statistics and disputed his claims that there was no law and order crisis in Canada.

Statistics Canada figures show that in 1961 just before we stopped imposing the death penalty, there were 233 murders for a murder rate of 1.2 murders per 100,000 population. In 1992 there were 732 murders for a rate of 2.6 per 100,000.

Canadians know this is a massive increase in the number of murders despite the justice minister's reassurances to the contrary.

Over 90 per cent of my constituents are telling me they believe in capital punishment. If Canada is a true democracy then our laws should reflect what the majority of Canadians want. I ask this government for a binding referendum on the death penalty.

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HAMILTON WEST QUESTIONNAIRE

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I would like to thank the constituents of Hamilton West for responding so quickly and vigorously to the questionnaire in my spring householder. In less than two weeks I have received nearly 2,000 responses and they are still coming in.

In addition to providing detailed comments and opinions on a number of important issues such as doctor assisted suicide and peacekeeping, many people seemed to appreciate the fact that someone was actually listening and interested in what they had to say. These are people like Norma who wrote: "I just want to say I appreciate your efforts at getting feedback from Canadians and I feel like there is someone in Ottawa who is actually listening to us".

With all the chirping that is going on about direct democracy from the members over there in the third party, and in this day and age of laptop computers, voice mailboxes, megabehemoth information superhighways, is it ever comforting to know that so far good old–fashioned pen to paper seems to work best.

I would like to point out that this form of direct democracy is available to each and every one of us. I encourage all members of this House to use it.

GOVERNMENT PUBLICATIONS

Mrs. Carolyn Parrish (Mississauga West): Mr. Speaker, I rise in the House today to draw attention to a Tory legacy of waste and gross excess in government publications.

We are all accumulating dozens of annual reports from crown corporations and government agencies for the 1993 fiscal year. Each attempts to outdo the other in flash, ostentation and wanton waste.

One of many flagrant examples of excess is the 1993 report of the Royal Canadian Mint. At only 26 pages it is over one–quarter inch thick on glossy card stock with four colour pictures of management and partial clear coating on select sections. The cover is richly embossed in gold foil. It is impossible to recycle and literally must have broken the mint to produce.

CMHC whose purpose is to maximize housing assistance for Canadians in need produced an annual report that is outrageous with exotic half–page die cuts, expensive graphics and heavy coloured stock.

We must denounce this type of waste. We must encourage simple economical reports that set the tone of this new government and reflect the frugality and practicality that all Canadians are expecting of us.

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[*Translation*]

NATIONAL FOREST WEEK

Mr. Patrick Gagnon (Bonaventure—Îles–de–la–Madeleine): Mr. Speaker, this is National Forest Week. The aim of this national event, which is celebrated each year across Canada, is to heighten public awareness of the importance of our forest resources.

Our forests are a key part of our country's economy. No one knows the value of our forests better than the residents of Quebec's rural areas. I am thinking here, of course, about the residents of the Gaspé region. For generations, sawmill operators, Canadian forestry workers and their families have earned their living from our forests.

Throughout our history, an entire people has benefitted from the use of this great Canadian natural resource. Efforts to develop and regenerate our forests must continue.

• (1410)

Therefore, I call on Canadians to reflect upon the importance of our forests, Canada's treasured heritage.

S. O. 31

MEMBER FOR YORK SOUTH—WESTON

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, the Liberal member for York South—Weston declared yesterday that the Canadian Security Intelligence Service should investigate the activities of the Bloc Quebecois and the Parti Quebecois.

Such a declaration is totally unacceptable. It seems the requirements of democracy are too much of a burden for some members who would like the federal government to illegally interfere once again in the major decision Quebec is about to make.

Quebecers remember. They remember the arrests without warrants, the wiretapping, the break and enter searches which occurred during the days when the federal government readily mistook, some would say deliberately, legitimate and democratic aspirations for illegal actions.

I truly hope that the member for York South—Weston is the only one in this House to wish for Quebec and Canada to relive such a dark period of their history.

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[*English*]

GOVERNMENT SPENDING

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, Canadians are astonished that the Department of Canadian Heritage is giving away 70,000 tax dollars for a study of riddles.

Student tuition fees are increasing steadily. Workers are forced to take wage cuts. Someone with a brain tumour can wait over a month just to get a CAT scan.

Why, when we face such serious problems, would any government minister allow such a senseless waste of our tax dollars? Is there not anyone in charge who cares that we are losing ground on health care, education and financial stability?

This government seems to think that Canadians are cash cows to be milked to fund every silly program that comes along.

The only riddle this government should study is why the finance minister seems unable to understand that frivolous spending hurts job creation and funding for health care and education.

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INTERNATIONAL LABOUR CODE

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, as we celebrate with South Africans the birth of a new democratic South Africa, Canadians are proud of the role we played in maintaining economic sanctions against the old South Africa.

That pride is called into question by some of the things that have been said recently by the Prime Minister and the Minister for International Trade in which the linking of trade to human and political rights has been seriously downplayed.

At the Marrakesh meeting to sign the new GATT agreement, which brought the World Trade Organization into existence, the minister was quoted in the *Financial Post* of April 9 as saying that he was reluctant to follow the American proposal for an international labour code.

Without such a code, the world's multinationals will be allowed to prey even on the child labourers of the developing world and the process of globalization will certainly continue on its present race to the bottom.

I call on the Minister for International Trade to overcome his conservative inhibitions, to see labour as a trade issue and to take the lead in designing an effective social and labour code under the World Trade Organization.

Globalization without global community and global standards is nothing other than moral anarchy.

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INFRASTRUCTURE PROGRAM

Mrs. Jane Stewart (Brant): Mr. Speaker, yesterday in my riding of Brant I had the privilege of announcing that the city of Brantford would be the first Ontario municipality to receive funding under the Canada–Ontario infrastructure works program.

With 15 per cent unemployment, one can imagine the open arms with which the announcement that $12 million would be spent locally in our community to restore our infrastructure and get our people back to work was received.

Brantford is not the only municipality that feels so strongly about this program. Fully 630 municipalities in our province have made applications for funding.

I would like to congratulate our government for working so expeditiously with the province and with the municipalities to get this program up and running. I would like to say to the Prime Minister how honoured I was to make the announcement, effectively an announcement that makes good his promise to help get Canadians back to work.

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SOUTH AFRICAN ELECTIONS

Ms. Jean Augustine (Etobicoke—Lakeshore): Mr. Speaker, I am pleased to report to this House that I have just returned from South Africa where I was a member of the Canadian observer mission to witness the election that took place last week.

Our team was dispersed in different parts of the country. I observed in seven areas of the eastern cape around East London, Transkei and Ciskei, including the second largest black township in the country. We visited polling stations in hospitals, prisons, nursing homes, churches, schoolrooms, as well as city halls. We witnessed voter registration and saw evidence of voter education.

From our observations we determined the elections to be fair and free of intimidation and violence. A majority of the electorate was in a position to vote and did so. Logistical, administrative and inadequate distribution of materials were challenges which did not daunt the voters' enthusiasm to cast their ballots.

• (1415)

The South African people are to be congratulated for their tremendous achievement toward the goal of democracy.

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CARMAN LEMCKE

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, millions of Canadians during the 1950s and 1960s watched the television series "The Andy Griffith Show".

Just recently I had the pleasure to honour the retirement of Carman Lemcke, police chief of Shelburne, a town in my riding. During Mr. Lemcke's 37–year career he never wore a gun. Carman is the longest serving police chief in the province of Ontario and possibly Canada.

One humorous story is the tale of hands–up–Harry. Two bank robbers tried to make a withdrawal while Carm was working in his front yard. Mr. Lemcke went to the local hardware store, borrowed a rifle and set out on foot to capture the two robbers. The getaway car left early leaving hands–up–Harry to become a story regularly told in Shelburne.

On behalf of myself and the people of Wellington—Grey—Dufferin—Simcoe I would like to wish Carman and Rose a happy, healthy and long retirement.

ORAL QUESTION PERIOD

[*Translation*]

RESTORATION OF DEMOCRACY IN HAITI

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. This week, the UN is to consider a draft resolution proposed by the U.S. to issue a 15–day ultimatum to the Haitian military junta and reinforce the trade embargo. At the same time, President Clinton took a tougher stand by clearly evoking the possibility of armed intervention to depose the military rulers he rightly accuses of killing innocent civilians.

My question is for the Minister of Foreign Affairs, who has just arrived. Can the minister give an update on the negotiations at the UN concerning the ultimatum proposed by the American president and can he indicate whether Canada supports this proposal?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, naturally, we hope that a solution will finally be found to the long–lasting impasse in Haiti. We are making every effort to support the elected president, Mr. Aristide; we think he should return to his country. We think, as the American president said, that General Cédras and the chief of police of the city of Port–au–Prince must resign. We continue to believe that a total embargo is the only effective way to subdue the military.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, we know that the Canadian policy is to suggest and try to convince the allies to impose a tougher military embargo. So far, however, the American president had not clearly stated his position, in particular on increasing the pressure he wants to exert on Haiti, since he is now hinting at armed intervention.

I ask the minister whether the Canadian government endorses the idea of armed intervention as proposed by President Clinton in case the Haitian military rulers refuse to comply with the proposed ultimatum.

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, in response to questions, the U.S. president stated that he was not ruling out any option, any alternative. I must say that Canada did not contemplate the possibility of armed intervention, whether multilateral or unilateral, as we are convinced that stiffer economic sanctions would overcome the military junta and that it is appropriate to impose effective sanctions, which involves the participation and co–operation of the Dominican Republic in particular. We think it is still possible to make the military rulers resign without having to resort to armed intervention.

• (1420)

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, according to the dispatch I read, President Clinton went further than what the minister said. He did not simply say that he was not ruling out any option, he specifically said that he was not ruling out the option of armed intervention, which is an important distinction when a U.S. president makes statements on such vital issues.

I therefore ask the Minister of Foreign Affairs whether he can tell us today if his government received assurances that the proposed reinforcement of trade sanctions will not lead to an increase in black–market activities controlled by the military junta and the Haitian police.

[*English*]

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, there is no doubt that Canada supports the return of President Aristide to Haiti.

We believe that a total embargo could bring about the withdrawal of the military people who are holding a suffering population hostage.

If the Americans and a number of other countries through the United Nations pass a resolution to bring a total embargo against Haiti, it is possible the embargo will not be a very long one. It will become very clear to the military people that they cannot stay there and they will resign in the following hours.

It is time to show unequivocally the military people there that they cannot perpetrate the denial of the vast majority of Haitians who voted freely for President Aristide.

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[*Translation*]

TAX FAIRNESS

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, in a decision handed down yesterday, a court ruled that alimony received for child support should not be taxable. In fiscal terms, this is a decision with major financial implications. Yesterday in the House, the Minister of Finance was rather vague as to what his government intended to do about this decision, stating, and I quote:

> —our biggest concern is financial support for children and tax fairness.

Can the Minister of National Revenue clarify what the Minister of Finance means by concern for tax fairness? Are we to understand that the government plans on making child support payments no longer taxable?

[*English*]

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, as the member rightly points out, the decision yesterday is perhaps one of the more important decisions in the equation dealing with child support payments.

Under the Canadian judicial system we have 90 days to consider the decision and what actions the Government of Canada with the assistance of the Minister of National Revenue and the Minister of Justice will take. The Minister of Finance will be revealing that decision and will speak to the House at the earliest possible convenience.

[*Translation*]

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, my supplementary question is for the Minister of National Revenue. Will the minister undertake to review the Income Tax Act to ensure, in real terms, greater fairness in the tax treatment of families, with tax fairness being a central concern in the context of the International Year of the Family?

[*English*]

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this issue is foremost in tax fairness. As the House knows, it has in front of it motion M–14 from the member for Nepean on the issue of child support. It is a votable motion and the minister and the government look forward to hearing the wishes of the House on this issue.

The minister and other members of the government are quite happy to meet with members of the whole House to talk about this issue. There is also a federal–provincial–territorial task force on the question of child support. We consider this input to be also very important in our consideration.

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● (1425)

HEALTH CARE

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

As the Prime Minister is aware there is increasing evidence that Canada's health care system is in trouble: hospitals being closed, long lines waiting for surgery, provinces rationing services. At the root of the problems are inadequate arrangements for financing health care.

Does the government acknowledge that health care financing needs to be completely reformed and that Canadians are now prepared to accept substantive amendments to the Canada Health Act?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, in the absence of the Minister of Health and on behalf of the Government of Canada I would like to commit the government to our full support for the Canada Health Act. It is a very important instrument in ensuring that every Canadian has access to health care, not because of the size of their wallets but because of the size of their health problems.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I gather that the government and the Deputy Prime Minister will not concede that Canadians would rather have major changes in health care financing than to suffer further cuts in services.

For example, a Compas opinion survey on this subject is being released in Toronto today. It reveals that 58 per cent of Canadians are prepared to accept health care financing mechanisms not permitted by the Canada Health Act, even including user fees, in order to save health care.

Does the Deputy Prime Minister accept that the Canada Health Act should be amended to permit the provinces greater flexibility in health care financing?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I think the member is on very dangerous ground when he chooses to pursue policies because of polls.

I have a copy of another poll done by Insight Canada Research. This poll is from last month and states that only 16 per cent of Canadians support user fees.

I would suggest to the member that he take a look at the red book commitments of the Liberal government. We will be meeting with our provincial counterparts in June to examine the whole issue of how we can better deliver health care, but we do not see user fees as a solution to the problems of Canada's health care system.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, we could argue all day about the validity of polls.

I suggest to the ministers that if they contrast alternative financing mechanisms with the alternative of losing the service, a majority of Canadians favour the alternative financing mechanism.

I ask the Deputy Prime Minister this simple question. If the choice is between further cuts in health care service or changing the financing provisions of the Canada Health Act, which alternative does the government prefer?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, it is a false choice.

If we look at one area of health which is of great concern to women, it is in the whole area of birthing. Anyone who has gone through the process knows that birthing is a natural part of life. It is not necessarily a medical problem. Provinces across the country increasingly are looking to alternative birthing methods, including the use of midwives. It has recently been embraced by the province of Ontario, including les services de sages–femmes dans la province de Québec.

It is a creative way of delivering a service to healthy women to have babies in a healthy fashion. This creative way actually saves money for the system.

That is what my counterpart, the Minister of Health, is going to be examining with her provincial colleagues when she meets with them in June.

The Speaker: Colleagues, I permitted the last question but I would prefer in future if questions were not hypothetical and a little more direct. If that could be the case we would do better.

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[*Translation*]

REPRODUCTIVE TECHNOLOGIES

Mrs. Pauline Picard (Drummond): Mr. Speaker, my question is for the Minister of Justice.

Yesterday at the annual meeting of the World Health Organization in Geneva, the Minister of Health said that the misuse of reproductive technologies like cloning and genetic engineering to choose a child's sex must stop.

• (1430)

Does the Minister of Justice agree with his colleague, the Minister of Health, who at that prestigious forum emphasized the importance of criminalizing some reproductive technologies such as genetic engineering and cloning?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, as I said as recently as last week in this House, the Department of Justice is working with the ministry of health examining the 300 recommendations that came from the royal commission on reproductive technologies in February. Very few of them actually deal with the justice system to the extent to which they recommend changes, for example, in the Criminal Code.

Representatives of justice and health are preparing recommendations for cabinet arising from the royal commission and touching upon all of the issues in relation to reproductive technologies.

Rather than deal piecemeal with this or that part of the proposals, my approach to date has been to await the completion of the work of those officials and bring forward to cabinet policies that we believe are in the public interest and that act upon the recommendations of the commission which spent a long time looking at these complex questions.

In response to the hon. member, I say that rather than identifying policies a bit at a time we are looking at the recommendations as a whole. We will be coming forward through cabinet with the government policy probably in the fall of this year.

[*Translation*]

Mrs. Pauline Picard (Drummond): Mr. Speaker, does the minister realize that the government's slowness in acting to regulate and control new reproductive technologies proves that this issue is not a priority for the government, despite the minister's statement in Geneva, and that its inaction will have a major impact on ethics and research?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I do not believe that conclusion follows.

First, it is a matter of priority. For example, we have designed topics and background materials for the meeting of deputy ministers in mid–June. Deputy ministers of health across the country will be meeting. We will be consulting them with respect to their views and the provincial and territorial perspective on some of these issues. We will be preparing discussion papers over the summer to elicit the views of the research community on some approaches we can take to the recommendations of the royal commission.

It is a matter of priority. It is not something we are going to act upon next week. We are going to consult. We take the issue very seriously. We will come forward with policies probably late in 1994 to deal with these issues. They are matters of concern and of substance, but we are going to deal with them methodically.

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HEALTH CARE

Mr. Keith Martin (Esquimalt—Juan de Fuca): Mr. Speaker, in the absence of the Minister of Health I would like to direct this question to the Prime Minister.

The Speaker: As was mentioned before in Question Periods, it would be preferable if the matter of whether members are here or not is not mentioned. Would the hon. member please put his question.

Mr. Martin (Esquimalt—Juan de Fuca): Mr. Speaker, let us talk about women's health.

A recent Halifax *Chronicle–Herald* article detailed the case of Mary, a single mother who was waiting for orthopaedic surgery. During this time she has been unable to work because of severe pain. In Mary's words: "They are all talking about prevention but the fact that I have not had surgery is an example of not using prevention".

If this government is serious about prevention as a means of solving our current health care crisis, why does it continue to rely on rationing of essential health care with its huge cost in human suffering to shackle Canadians to an obsolete Canada Health Act?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the fact is that the Liberal government is strongly committed to the establishment and accessibility of health care across the country.

If we actually followed the member's advice and torpedoed the Canada Health Act, the difficult situation that patients are facing now across the country would be exacerbated because what we would end up with would be one system where if people had money they could get the operation and another system for those people with no money. We will not support that system.

Mr. Keith Martin (Esquimalt—Juan de Fuca): Mr. Speaker, we are not talking about torpedoing any act. We just want to make it better so that Canadians will have better health care for always. The system is broken. To fix the system we need innovative, cost effective and compassionate solutions.

• (1435)

We cannot do this under the current act. Does this government care more about the Canada Health Act or the health of Canadians? What solutions does this government offer today? We want answers, not rhetoric.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, one of the principles of the Canada Health Act is universality. One of the things that is banned by the Canada Health Act is user fees.

When the member talks about rhetoric, he suggests that we make the Canada Health Act better. The fact is that the five principles upon which the Canada Health Act is based are the very principles which have many countries around the world looking to Canada as one place where you can get care no matter what the size of your pocketbook.

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[*Translation*]

INDIAN AFFAIRS

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, my question is for the Prime Minister. In a letter to the Prime Minister, dated April 26, 1994, the chairman of the Kanesatake Chamber of Commerce blames the carelessness of the federal government particularly for the collapse of native businesses and for the alleged misappropriation of federal subsidies by the band council, in an unstable situation where public security is concerned.

Since the chairman of the Chamber of Commerce is accusing the Kanesatake Band Council of misappropriating federal subsidies, would the Prime Minister make public any information he might have on these allegations?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, perhaps after Question Period my good friend can show me the letter, we can talk quietly and I can give him whatever information I have.

[*Translation*]

Mr. Claude Bachand (Saint–Jean): Mr. Speaker, I hope I have better luck with my next question, which deals with business.

What real measures does the Prime Minister intend to take in order to alleviate the alarming financial difficulties Kanesatake businesses are faced with, given the unstable public security situation caused essentially by the carelessness the federal government has shown in matters under its jurisdiction?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, I might remind the hon. member that it was not this government that brought the army out. It was not this government that would not negotiate.

This government is bringing the Mohawk people here to Ottawa and dealing with them. The government of Quebec is bringing the Mohawk people to Quebec City and dealing with them. We will deal with the reeves, we will deal with the mayors and we will deal with the people. We do not create problems, we solve them.

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ABORIGINAL SELF–GOVERNMENT

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

Yesterday the minister said that rank and file aboriginal people in Manitoba want self–government. What I am hearing from more and more aboriginal people is that they have serious concerns about the accountability of self–government. However, many of these people feel too intimidated to publicly speak out.

Can the minister explain how he was able to determine the view of rank and file aboriginal people and how they are directly involved in the negotiation process?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, dealing with the specific question, how do I know I am dealing with the rank and file? At the meeting where this was discussed two weeks ago there were 60 chiefs all elected by the rank and file. There were 400 people, all from Manitoba, all accountable to the rank and file. They almost unanimously after getting their direction from the chiefs, from the rank and file, want self–government. They have been waiting 150 years for it and they are ready to move on it.

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, it has been reported that many aboriginal people are afraid of self–government because they do not know if or how their individual rights will be protected.

With regard to the self–government agreement now being negotiated in Manitoba, can the minister explain if and how these individual rights will be protected and how aboriginal leaders will be held accountable by the people they purport to represent?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member suggests that the aboriginal people are not ready for self–government. Might I remind the hon. member that they have been held under the Indian Act in a situation of paternalism and assimilation since 1850, acts that we passed here in Canada.

• (1440)

It is our doing, incorrectly, in bringing in the Indian Act that has caused this paternalism and this fear. We are trying to break that because we have created it. In the four years that I hope we are here and I am in this ministry that Indian Act that was passed is going to be gone.

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[*Translation*]

MIL DAVIE SHIPYARD

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, my question is for the Minister of Transport.

Yesterday, the Quebec Minister of Industry and Commerce had a secret meeting with the federal ministers of Industry and Transport. According to the daily *Le Droit*, the review of drug patent legislation, the high–speed train issue and the construction of the Magdalen Islands ferry were on the agenda.

Can the Minister of Transport tell us if, during that meeting, he gave a positive reply to the Quebec Minister of Industry regarding the awarding to MIL Davie of the contract for the construction of the Magdalen Islands ferry and the multipurpose smart ship?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, during the meeting with the Quebec Minister of Industry, we discussed of course the need to provide an adequate ship for the transport of people, goods, trucks and cars from Prince Edward Island to the Magdalen Islands. We informed the Quebec Minister of Industry that the government of Canada intends to ensure the safety of people making that trip, and we hope to soon be able to make a decision, in co–operation with the Quebec government, as to how we can best help these people who urgently need adequate and safe services.

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, this answer is exactly the one I was given last January 18.

Now that the Minister of Transport is in possession of MIL Davie's business plan, as the Minister of Industry said Monday in this House, will he recognize that the two contracts for the "smart ship" and the ferry are essential to MIL Davie's survival, and when can we hope to get an answer regarding these two issues?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, first, the hon. member will certainly realize that the Department of Transport is not responsible for the smart ship issue. However, those who are familiar with MIL Davie's history understand how important that industry is for workers.

As regards the ferry between Prince Edward Island and the Magdalen Islands, the priority for the Department of Transport and the government of Canada is to ensure the safety of Magdalen Islanders and others who use the ferry.

Obviously, the decision as to whether MIL Davie's recovery plan will work must be made by the Quebec government and the company itself, which is trying its best to solve its problems. There is no doubt that discussions will continue. I want to assure the hon. member that the issue of safety for people who currently travel on a ship which is causing enormous problems, the *Lucy Maud Montgomery*, must be settled and this is something we want to do as quickly as possible. The link with the future of MIL Davie makes things more complicated, but we try to be as understanding as possible.

* * *

[*English*]

RWANDA

Hon. Charles Caccia (Davenport): Mr. Speaker, as you know it is increasingly difficult to remain indifferent to the situation in Rwanda. Yesterday the UN Secretary–General, Boutros Boutros–Ghali, asked the Security Council to reconsider its decision to reduce UN forces in Rwanda.

My question which follows that of the hon. member for Rosedale and other interested members in this House is this: Is the minister willing to support the Secretary–General, take the lead of the Security Council and ensure an adequate world response to this immense tragedy?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I thank the hon. member for his question. I want to assure him that Canada is certainly actively pursuing various avenues with other members of the UN to try to help the people in Rwanda.

• (1445)

Brigadier General Dallaire, a Canadian, is in charge of the UN forces there. He is certainly pursuing all avenues to try to bring the factions to their senses and to stop them killing each other.

We do not belong to the security council. Therefore it would be difficult for us to lead the discussion there. I take the recommendation of the member in good spirit. Certainly Canada, through some members of the security council, could pursue initiatives to try to lead to a greater presence of UN forces there.

More important, when the factions have stopped this terrible slaughter, Canada will be ready to move in with humanitarian assistance to help rebuild that country.

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NATIONAL PAROLE BOARD

Mr. Myron Thompson (Wild Rose): Mr. Speaker, my question is for the Solicitor General.

Yesterday the chairman of the National Parole Board confirmed that the vice–chairman of the board's prairie region was involved in five decisions to release convicts who, once released, went on to murder seven people.

Given the minister's comments that his first priority is to achieve safe homes and safe streets for Canadians, could he please tell Canadians what action he is to take in this regard?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the information in question is something that concerns me greatly.

I am proceeding to get all the facts surrounding the individual's participation in these decisions. Once I have these facts I will be discussing the matter further with cabinet colleagues.

I want to add, as I have informed members of the House, that it is my intention on behalf of the government to bring forward before too long legislation to create an accountability system for members of the parole board.

Mr. Myron Thompson (Wild Rose): Mr. Speaker, I am pleased to hear that. While we are waiting for that system of accountability, while we are waiting for this amendment, and since we obviously have parole board members presently releasing dangerous offenders into the community, is the minister prepared to put a moratorium on paroling dangerous offenders before other innocent victims die?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the cases the hon. member has been referring to took place, if I am not mistaken, three to five years ago. I am very concerned about these cases. I want to work and I am working to try to ensure that these kinds of cases are not repeated.

The parole board is an independent judicial tribunal, something akin to a court, operating under legislation passed by the House. I want to see what authority I have to make sure that the parole board functions properly.

However I think the hon. member should rethink his suggestion because it implies a course of action that may impede the protection of the public in the long run rather than help it.

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[*Translation*]

INTERGOVERNMENTAL AFFAIRS

Mr. Jean Landry (Lotbinière): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs. The October 26, 1992 referendum was held in Quebec according to the Quebec legislation on referendums and paid for solely by the Quebec government. However, through its taxes, Quebec paid for part of the federal government's expenses, and the previous government had promised to reimburse this sum which amounts to $26 million.

My question is this: In all fairness for Quebec, has the minister decided to grant this request which has been presented several times to the federal government, and more precisely in this House, on January 28 last?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, as far as I know, the previous government had not come to a final decision regarding the reimbursement of referendum expenses incurred in Quebec, and neither have we.

* * *

• (1450)

[*English*]

CANADA PENSION PLAN

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, I have a question for the Minister of Human Resources Development.

Last week, in response to a question on the future viability of the Canada Pension Plan, the minister stated: "It is certainly actuarially sound and has sufficient contingency funds within it". Yet according to a recent OECD study on public pension plans we in Canada would have to dramatically increase contributions or increase the pensionable age by 16 years to age 81 to make our plan actuarially sound.

Could the minister explain the huge discrepancy between his statement and the OECD report?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, when I made the statement last week we were talking about a report that pertained to the immediate situation of the fund which is actuarially sound. It is in full reserve and there is no contemplated need for major changes.

The OECD study he refers to is one that projects a substantial change in the population of Canada over the next 20 years when there will be a much larger proportion of people at retirement age. It is for that reason the Minister of Finance announced in his budget that we would be establishing a major white paper, green paper or task force to look at a number of options that have to be considered in relation to those changes in population.

I hope the hon. member will have something constructive to offer when that paper is put forward.

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, there are two reports now including the one he referred to last week that suggest we need big changes in the Canada pension plan if it is to remain solvent.

Certainly we will be participating in any discussions on the future solvency of that plan and we would like to offer something.

I would ask the minister to make it clear, first of all, that we have a problem today with that. I would encourage him and his government to show some leadership by bringing forward a discussion on this matter as soon as possible so that Canadians could be assured something is being done about the plan and their future pensions will be safe.

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I would like to repeat if I might that in the budget of last February the Minister of Finance clearly stated that we saw a need to look at the whole question of security in retirement programs for Canadians because of changes taking place in population and other factors.

The Department of Finance, the Department of Health, and my department are presently preparing the kinds of facts and figures so that Canadians can have an honest, rational and open debate.

We would hope to table it in the fall, as soon as it is ready. At that point in time I would welcome the participation of the hon. member and all other members of the House because I think it is an important issue.

It is important for the hon. member to recognize and not to create any false sense that the system as it is presently constructed is under any kind of threat. It is a very sound system but we must prepare for the future.

* * *

[*Translation*]

INTERGOVERNMENTAL AFFAIRS

Mr. Martin Cauchon (Outremont): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs. Lately, some people have delighted in saying that relations between the provinces and the federal government, and specifically between Quebec and Ottawa, have broken down completely.

Can the minister advise us today on the status of federal–provincial relations and tell us what steps he intends to take to co–operate with the provinces and to reassure Quebecers that federalism is indeed alive and well?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, I thank the hon. member for his question because it gives me an opportunity to put a number of issues discussed over the past few weeks into perspective. Within a federation, it is natural for conflicts to arise between the federal government and the provinces. I feel that this government has been relatively successful in recent months at resolving conflicts.

For example, not only do we have the infrastructure program which has been a success across the country, and particularly in Quebec, but we also have a number of agreements such as the St. Lawrence action plan which provided an additional $191 million to the $526 million infrastructure program. This extra money will be spent in Quebec. We have also negotiated agreements on the Sainte–Marguerite River, the Montreal Botanical Garden and, most important, on equalization payments.

* * *

• (1455)

AIDS VIRUS IN PRISONS

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, my question is for the Solicitor General, and it is not a planted question. In June 1992, the Solicitor General mandated a committee of experts to make recommendations on preventing the spread of the AIDS virus in prisons. The main conclusion of the report tabled a few days ago is that the most important thing to protect inmates' health is a vigorous AIDS information campaign.

Does the Solicitor General share this conclusion and what directives does he intend to issue and what measures does he intend to take to apply them in the actual prison environment?

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, a few weeks ago, as the hon. member said, the expert committee on AIDS in prisons tabled its final report. At that time Correctional Service Canada published a detailed response. I support the conclusions in that response which among other things includes a vigorous program of information.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, since January 1992, condoms, rubber dams and lubricant have been made available to prisoners. According to the committee, the next step is to provide bleach and instructions for cleaning syringes used in tattooing.

Does the minister share this forward looking approach to prevention in a prison setting?

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, as I have said, I support the response of Correctional Service Canada which includes a pilot project in that direction.

There are certain parts of the committee report which Correctional Service has not accepted and I think for good reason. This is all set out in detail in the response of Correctional Service which, as I have said, the Minister of Health and I support.

* * *

GUN CONTROL

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, my question is for the Minister of Justice who has been musing about banning private ownership of handguns.

The 1,054,000 registered handguns in the country have a value of at least $300 million. Is the hon. minister considering compensation, or will big brother be going door to door and confiscating what is now legally owned property of Canadian citizens?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have made clear that I am going to work with my colleagues in caucus and cabinet to bring forward proposals to achieve stricter gun control in the country. I think there is broad support for more effective control, and that includes particularly handguns which are not used in hunting.

Dealing more specifically with the question the hon. member has asked on compensation, that is one of the issues we have to look at. This party and this government are coming to these questions with an open mind. We are going to be sensitive to the ownership rights the hon. member has referred to and compensation is a matter we are going to be dealing with.

I am aware of the issue. I do not have a response today because caucus has not dealt with it, nor has cabinet. However, I can assure the hon. member that the process is going to be undertaken and that we are going to develop a position on this very important issue.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, for 20 years I had an occupational permit to carry a handgun as a field geologist in the mountains of British Columbia. I rarely used it. I rarely carried it but as a free man, as a Canadian, I had the right to make that personal decision myself.

There are legitimate reasons for civilians to own these weapons. To some working people, including timber cruisers, prospectors, trappers, bank messengers and the like, they are tools, not toys.

Will the minister listen to the advice of his own backbenchers and thoughtfully reconsider his position?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have three points very briefly.

First there is no right in the country to bear arms. The ownership of firearms is a privilege which is accorded by government under certain strict circumstances.

• (1500)

I do not wish to make light of the point made by the hon. member but the fact is we are not after those persons. Let me put it this way. The object of any such measures would not be to make life more difficult for those who have legitimate reasons connected with their occupation to carry firearms. Rather, it is in recognition of the fact that the use of firearms, handguns in particular, in the commission of homicides has risen from 33 per cent to 52 per cent in the last four years.

We will be thoughtful in the development of our policies through caucus, which is going to discuss these matters, and cabinet, which will form the policies that we will bring forward to the House.

* * *

[*Translation*]

HUMAN RIGHTS

Mrs. Eleni Bakopanos (Saint-Denis): Mr. Speaker, my question is for the Minister of Foreign Affairs. Yesterday, Lebanese Canadians demonstrated on Parliament Hill against actions in Lebanon that they consider oppressive and contrary to human rights and freedoms. I would like to ask the minister what the Canadian government's position is regarding these accusations?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, we have read the Amnesty International report and asked our ambassador to raise this issue with the Lebanese officials. When I receive further information, I will gladly pass it on to this House and to the hon. member in particular.

* * *

[*English*]

PRESENCE IN GALLERY

The Speaker: I wish to draw to members' attention the presence in the gallery of the Hon. Anne Edwards, Minister of Energy, Mines and Petroleum Resources for the province of British Columbia.

Some hon. members: Hear, hear.

* * *

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. David Chatters (Athabasca): Mr. Speaker, I rise today on the same point of order I raised yesterday.

After making the request of the Speaker of the House, I consulted the recorder for *Hansard* who sits in the House during Question Period and I was assured that person heard the remark made and noted the remark on her paper. Yet it does not appear in *Hansard*. In my opinion that raises questions about the procedures of the House.

Again, I find the remarks offensive and insulting, particularly coming from the office of the Deputy Prime Minister. I would ask the Speaker again to have that member apologise and withdraw the remarks.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the member makes reference to the fact that the comments did not appear in *Hansard* and somehow draws some references to the staff of the House of Commons.

Certainly from the perspective of the government staff of the House of Commons, in particular those people who record comments, they are doing a terrific job and should in no way be under any kind of a cloud because of this kind of comment.

That being said, what I said yesterday which I will withdraw if the Speaker finds it offensive, when there were questions raised and insinuations made about the status of the role of Indian chiefs in certain provinces, accusing them of everything ranging from assault to—

Some hon. members: Oh, oh.

The Speaker: Order. I think I heard the hon. Deputy Prime Minister say at the beginning that if the statements were made she would withdraw the statements. Is that correct?

Ms. Copps: Mr. Speaker, what I said was that the questions involved were racist. If the Speaker finds offence at my characterization of a question I will so withdraw any comment.

The Speaker: The withdrawal of course is accepted categorically as it was said.

I wish to assure the hon. member that the procedures of the House were followed to a T. I informed myself of this. I would like to go to the next matter.

* * *

LIBRARY OF PARLIAMENT

The Speaker: I have the honour to lay upon the table the report of the parliamentary librarian for the fiscal year ended March 31, 1993.

ROUTINE PROCEEDINGS

• (1505)

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to five petitions.

[*Translation*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to present the 20th report of the Standing Committee on Procedure and House Affairs relating to the list of members of committees.

With leave of the House I intend to move for concurrence in this 20th report later this day.

* * *

NATIONAL LIBRARY ACT

Hon. Michel Dupuy (Minister of Canadian Heritage) moved for leave to introduce Bill C–26, an act to amend the National Library Act.

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

* * *

[*English*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I believe I am moving with the unanimous consent of the House, seconded by the Parliamentary Secretary to the Solicitor General, that the 20th report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

(Motion agreed to.)

* * *

PETITIONS

IMMIGRATION

Mrs. Elsie Wayne (Saint John): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present a petition that has been signed by over 100 residents of Saint John.

The petitioners pray and call upon the House to consider an inquiry into the time it is taking to process the applications of immediate family members who have been deported. Under the 1994 immigration plan the time required to process applications involving immediate family members has been reduced to less than six months.

Mrs. Lovella Szezendor–Grey from Saint John has undertaken the sponsorship of her husband, Antonio Grey, who was deported to Guatemala on April 21, 1993. Over a year has passed since Mrs. Szezendor–Grey started the proceedings with immigration for the return of her husband. I urge the House to look into this matter to expedite Mr. Grey's application.

This petition is presented with my concurrence.

CRIMINAL CODE

Miss Deborah Grey (Beaver River): Mr. Speaker, in accordance with Standing Order 36, I would like to present a petition signed by many people from the constituency of Beaver River.

The undersigned residents of the province of Alberta draw the attention of the House of Commons to that whereas under section 745 of the Criminal Code of Canada convicted murderers sentenced to life imprisonment without chance of parole for 25 years are able to apply for review after only 15 years, and whereas the murder of a Canadian citizen is a most reprehensible crime, therefore your petitioners request that Parliament repeal section 745 of the Criminal Code of Canada as soon as possible.

[*Translation*]

POSTAL SERVICE

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, I rise today to submit a petition on behalf of citizens of Saint–Louis–du–Ha! Ha! who want cuts in postal services to stop. These petitioners ask that postal services be restored to past levels.

• (1510)

PLIGHT OF THE ELDERLY

Mr. Jean–Paul Marchand (Québec–Est): Mr. Speaker, I have the honour of submitting a petition signed by more than 600 residents from my riding of Québec–Est and the surrounding region.

The petitioners want to draw the attention of Parliament to the plight of the elderly in Quebec: 53 per cent of men and 82 per cent of women who reach the age of 65 need government assistance to make ends meet; 40 per cent of seniors aged 65 and over are entitled to the guaranteed income supplement, which merely keeps them at the poverty level. Moreover, only 5 per cent of people aged 65 and over have an annual income exceeding $50,000.

Therefore, the petitioners call upon Parliament to refrain from taking any measure to reduce any benefit, pension, social program, assistance or existing advantage for seniors, or to impose any tax or other levy having the effect of reducing their income.

I fully support this petition and I urge the government to act upon it.

[*English*]

KILLER CARDS

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister): Mr. Speaker, I have the honour to present a number of petitions from several of my constituents. These petitioners call on the House to amend the laws of Canada to prohibit the importation, distribution, sale and manufacture of killer cards and to advise producers of killer cards that their products if destined for Canada will be seized and destroyed.

TOBACCO PACKAGING

Mr. Harold Culbert (Carleton—Charlotte): Mr. Speaker, I have the pleasure to present a petition, approved by the Clerk of Petitions, from my riding of Carleton—Charlotte.

This petition, presented to me on Friday afternoon past, states: "We the undersigned, being residents of the province of New Brunswick, draw the attention of the House to the following: That the Minister of Health is proposing legislation requiring plain packaging of tobacco products consumed in Canada, action which we feel is ill–considered and likely to have detrimental effects on ourselves and our community without demonstrable benefits to Canadians. Therefore, your petitioners request that Parliament refuse to enact any legislation requiring plain packaging of tobacco products to be consumed in Canada".

ETHANOL

Mr. Rex Crawford (Kent): Mr. Speaker, I am honoured to rise in the House, pursuant to Standing Order 36, to present petitions of several hundred names from my riding of Kent requesting the continued exemption of the excise tax on ethanol fuels.

The petitioners cannot understand why the government is delaying this when in opposition it demanded the banning of MMT and the withdrawal of the excise tax on ethanol.

GUN CONTROL

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, pursuant to Standing Order 36 it is my honour to present a petition bearing 494 signatures. I understand that these signatures were collected at one point in the space of two days.

The petition states: "Whereas there is no statistical evidence that existing gun control laws have any negative effect on criminal activity; whereas existing and publicly proposed gun controls carry the potential for confiscation of lawfully owned property by law–abiding citizens; wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to turn its attention with respect to firearms control away from law–abiding citizens to the criminal element and allow the holder of a valid firearms acquisition certificate, whether or not a course or test was taken to obtain it, to renew the said certificate without the necessity of a course or test".

I concur with this petition.

YOUNG OFFENDERS

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, pursuant to Standing Order 36 I have three petitions which I wish to present today from the residents of the hamlet of Kenilworth and area.

The first petition calls upon Parliament to change the Young Offenders Act to ensure that transfers for violent offenders to adult court be improved and to increase the penalties for those convicted.

WITNESS PROTECTION

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, the second petition calls for improved witness and informant protection through the formation of a separate government agency.

KILLER CARDS

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, the third petition deals with the issue of serial killer cards.

• (1515)

SERIAL KILLER BOARD GAME

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I wish to table petitions signed by 480 people pursuant to Standing Order 36. These petitioners call upon Parliament to ban the importation into Canada of the serial killer board game. This brings the grand total of signatures I have so far tabled in this House on this issue to 109,940.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Shall all questions stand?

Some hon. members: Agreed.

* * *

[*Translation*]

MOTIONS FOR PAPERS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I ask that the notice of motion for the production of papers be allowed to stand.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

[*English*]

WAYS AND MEANS

INCOME TAX ACT

Hon. Douglas Peters (Secretary of State (International Financial Institutions)) moved that a ways and means motion to amend the Income Tax Act, the income tax application rules, the Canada Pension Plan, the Canada Business Corporations Act, the Excise Tax Act, the Unemployment Insurance Act, and certain related acts laid upon the table Friday, April 29, be concurred in.

(Motion agreed to.)

GOVERNMENT ORDERS

[*English*]

CANADA WILDLIFE ACT

Hon. Douglas Peters (for the Minister of the Environment) moved that Bill C–24, an act to amend the Canada Wildlife Act and to make a consequential amendment to another act, be read the second time and referred to a committee.

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources): Mr. Speaker, it is my pleasure and honour to be introducing today for second reading, legislation to conserve and protect Canada's wildlife, in particular amendments to the Canada Wildlife Act.

Of all the responsibilities of Environment Canada one of the most important is the stewardship of wildlife.

Canadians care very deeply about wildlife. One of the most powerful values that all Canadians share is our tremendous pride in Canada's environment and magnificent natural heritage. Canadians everywhere have a strong desire to protect and restore the various ecosystems that make up our environment. No component of our natural heritage is more precious than Canada's wildlife.

The beauty of wild plants and animals, the idea of free creatures living in nature are very appealing to all of us. We value wildlife for many other reasons as well, for example, as a source of recreation, as an important social economic resource, as an integral aspect of the lives of native people, even as a potential source of medicines as yet unknown.

This government and Environment Canada take the responsibility for wildlife very seriously. We are taking action to fulfil those responsibilities on a number of fronts.

We are modernizing and strengthening federal wildlife legislation. At this very moment the government is drafting regulations which will enable it to proclaim the wild animal and plant protection and regulation of interprovincial and international trade act. These regulations are very important and will significantly strengthen Canada's ability to protect its wild plants and

animals from poaching and smuggling and are now being developed under a consultative process that includes all stakeholders which is the way this government functions.

As members will recall, on Monday we debated amendments to strengthen the Migratory Bird Conventions Act, one of the cornerstones of wildlife protection in Canada.

In addition Canada and the United States are on convergent tracks in preparation for formal negotiation of amendments to the migratory bird convention.

• (1520)

Let me now turn to the Canada Wildlife Act. The Canada Wildlife Act was passed in 1973. It authorized the federal government to undertake research studies on wildlife and in collaboration with the provinces carry out a vast array of conservation activities to help wildlife, including the protection of species threatened with extinction.

While the act adequately responded to our needs back then, amendments are certainly required in order to reflect our needs today. To date wildlife conservation has focused on certain species or specific groups of species.

[*Translation*]

Today, we generally agree that we need a more comprehensive approach to conservation, an ecosystem approach, which takes into consideration all roles and values of ecosystems, including all animal and plant species and their needs in terms of habitat. This is indeed the recommended approach in the document "A Wildlife Policy for Canada" approved by federal and provincial ministers responsible for wildlife in 1990.

This kind of approach is the basis for the amendments proposed to strengthen and update the Canada Wildlife Act.

[*English*]

For example, the current Canada Wildlife Act defines wildlife as all non–domestic animals. The updated act will expand the definition of wildlife to include all wild organisms. The new definition is consistent with wildlife policy for Canada. It will better enable a shift in research and conservation efforts toward a true ecosystem approach. It also puts the act in line with the convention on biological diversity which was ratified by Canada in 1992.

The modernized Canada Wildlife Act will provide an extended framework to help protect all species in our ecosystem. It is important to note that with provincial agreement the new act will help preserve habitat. We found out through hard experience that it is almost impossible to save a single species of plant or animal in the wild without first preserving its habitat.

Close to my own riding of Moncton we have seen this borne out. The Western Hemisphere Shorebird Reserve has been established at Marys Point. A sister reserve in South America has been established to protect the habitat of semipalmated sandpipers among other migratory species of birds.

It is a healthy habitat that permits the survival of species. That is what the ecosystem approach is all about. You cannot talk about saving the eagle without also talking about water quality, about fish population and other habitat.

This applies to Canada's marine environment as well. Traditional wildlife protection has focused on terrestrial wildlife species and their habitats. The marine application of the present act is set out at the 12–mile territorial sea limit. Critical wildlife habitat, however, including areas important to seabirds and breeding and feeding grounds for whales extends far beyond the 12–mile limit.

The modernized Canada Wildlife Act includes provision for the establishment of marine national wildlife areas out to the limit of Canada's 200 nautical mile territory. Regulatory authorities related to activities in marine protected areas would be established.

The extension of the Canada Wildlife Act to the 200 mile limit could help us significantly in sustaining the biodiversity and other associated benefits of marine ecosystems.

No legislation can be effective if it cannot be applied and enforced effectively. Therefore the modernization of the Canada Wildlife Act will improve the administration and enforcement of the act in a number of ways. All of the administration and implementation provisions of the act are being updated, streamlined and made consistent with other federal conservation laws.

Some of the more significant of these revisions deal with enforcement. Penalties are being toughened to reflect the serious nature of crimes, such as poaching and the destruction of protected habit that threaten Canada's wildlife heritage.

• (1525)

Potential maximum penalties under the Canada Wildlife Act are being increased to a possible fine of $25,000 or a jail term of six months, or both. The act will provide more flexibility to the courts and enforcement officers in ways that will improve compliance and enforcement.

For example, revisions to the act will provide authority for the issuing of court orders and will enable conservation officers to issue tickets for certain offences. This will give more options in dealing with offences and punishment so that the best and most efficient means are available to respond to the violations.

At the same time where a violation is of a minor nature, such as a record keeping violation, a ticketable offence can be created. Rather than requiring a court appearance, an officer will be able to give a ticket so that the ticket can be paid directly. This will ensure fairness and relate to the severity of the offence.

Community service will become an option in the sentencing of convicted violators. This will encourage judges to assign penalties where they might otherwise be reluctant. If the community service relates to wildlife, as seems very likely, it will provide tangible conservation benefits as well.

It will become possible to use court orders to prohibit the continuation of activities harmful to protected areas. Persons who have damaged ecosystems in national wildlife areas could be forced to pay the cost of remediation. It is under the authority of the Canada Wildlife Act that many areas of key significance to Canada's wildlife are protected.

At present 45 national wildlife areas comprising 287,000 hectares have been set up under the act. Although many diverse species are found in them, most current wildlife areas have been established for their importance as habitat for migratory birds.

Furthermore, our national wildlife areas help Canadians meet many of their international wildlife management obligations. For example, our national wildlife areas help us meet our international commitments under the convention on wetlands of international importance, commonly known as the Ramsar convention.

Canada also has commitments under the circumpolar agreement on the conservation of Arctic flora and fauna component of the Arctic environmental protection strategy, the global convention on biodiversity and a number of bilateral and multilateral agreements to conserve wildlife and habitat.

All of these commitments would be difficult if not impossible to meet without our system of national wildlife areas and the Canada Wildlife Act. The revised act will help us and the international community to do a better job of preserving wildlife heritage.

It is particularly appropriate to be speaking about the Canada Wildlife Act today. I want to use this occasion to call the attention of the House to the fact that Canada has recently received formal notification that the Creston valley wildlife management area has been registered as Canada's 32nd wetland of international importance under the Ramsar convention.

Canada is a leading participant in this international environmental treaty that is promoting the conservation and wise use of wetlands the world over. In fact over 30 per cent of total wetland area designated under the convention is located within Canada.

Our network of important protected wetlands now spans all the provinces and territories in Canada. The Creston valley wildlife management area, the latest Canadian Ramsar site, is the first to be designated as entirely owned and managed by the province of British Columbia.

The Creston valley site covers 6,970 hectares on the floodplains of the Kootenay River. It contains fresh eutrophic lakes, ferns and lowland river delta wetlands. The Creston valley is a major feeding habitat for migrating species on the western flyway and regularly supports over 100,000 waterfowl during migrating periods.

I and this government salute British Columbia for nominating this area which is vital to a wide range of international migratory species. Environment Canada is proud to have assisted the people of British Columbia in seeking the Ramsar convention designation for the Creston valley.

Canada has committed itself to setting aside and safeguarding 12 per cent of its total land mass as protected natural space. Our national wildlife areas and the Ramsar convention sites are helping us to set aside that 12 per cent of Canada's habitat as protected areas.

• (1530)

What about the other 88 per cent of Canada? Birds are independent creatures. They fly where they want to fly and often the places that are most important to them fall outside our Ramsar sites, national wildlife areas, national or provincial parks.

We have to make room for wildlife in the other 88 per cent of Canada as well. We have to influence general land use management in such a way that we humans do not drive out the other species with whom we share our ecosystem.

In this regard initiatives such as a North American waterfowl management plan are extremely important. Under the plan three nations, Canada, the United States and Mexico, are working together to preserve populations of wildlife and their habitat. The North American waterfowl management plan is a leading global example of a concept of wiser use that is promoted by the Ramsar convention.

Under the plan, Canada has pioneered new and innovative ways to protect wildlife and habitat in the other 88 per cent. Under the plan concepts of wise use are finding their way into land areas and wetlands not under the direct control of governments.

Numerous organizations such as Ducks Unlimited, the Nature Conservancy of Canada, and Wildlife Habitat Canada are effectively promoting stewardship by private ownership. Partnerships have been forged with farmers and many other landowners to protect wildlife and the habitat in our vast food growing regions. It has been shown that many of the practices beneficial

to wildlife also benefit agriculture, both economically and in such areas as soil conservation.

In effect, the plan is exploring new ways to do business and provide leverage to federal funds. For example, every federal dollar invested in activities under the North American waterfowl management plan is matched by an additional $6 from other donors of which approximately half comes from American sources. This type of leverage is possible because diverse partners and interests can gather together under the umbrella of the North American waterfowl management plan and develop and agree upon common goals and objectives and put into effect their shared vision.

Shared interests can lead to shared objectives. Diverse people and organizations can get together and find, sometimes to their surprise, that they have things in common and can work toward the same goals. This type of bridge building, of people, organizations and governments working together is precisely the kind of co–operation envisaged by the wildlife policy for Canada and it is very important as we try to discover new and effective ways to take us toward the goal of sustainable development.

In addition to agricultural partnerships, partnerships are also being formed with other major land use sectors in Canada. For example in Nova Scotia and in Newfoundland, North American waterfowl management plan agreements are in place. Bowater–Mersey and Krueger–Cornerbrach Pulp and Paper, two large forestry companies, manage and protect tens of thousands of acres of wetlands while maintaining profitable forestry activities.

Clearly the North American waterfowl management plan exemplifies sustainable development in action.

[*Translation*]

Sustainable development is the key to long term economic and environmental health. By keeping wildlife populations in good health, we will be able to contribute to the social, cultural and economic well–being of Canada, as well as to the ecological and biological processes necessary to sustain life.

A Statistics Canada study on the importance of wildlife for Canadians reinforces this opinion. In 1991, Canadian residents, and 1.8 million American visitors attracted to Canada by its wildlife, spent a total of $9 billion on sport fishing and other wildlife related activities.

• (1535)

[*English*]

Canadians think that wildlife is important, and we engage in all sorts of wildlife related activities. In fact the popularity of these activities is at an all–time high. Over 90 per cent of Canadians participate in one or more wildlife related activities. We watch, photograph, feed, study and hunt wildlife. The billions we spend doing these things contribute significantly to national and provincial economies in the form of income and jobs.

Given these facts, given the importance of wildlife to Canadians, it comes as no surprise that Canadians are highly supportive of wildlife and habitat conservation. Given the fact that 83 per cent of Canadians feel that it is important to protect endangered species and declining wildlife populations, it comes as no surprise that Canadians are willing to work together and work hard to try to preserve our precious wildlife and its habitat.

Passage of these amendments to the Canada Wildlife Act will make the job a bit easier. I urge all members to support the bill.

[*Translation*]

Mr. Benoît Sauvageau (Terrebonne): Mr. Speaker, in the middle of the 20th century, we saw our planet from space for the first time. Historians may eventually find that this vision had a greater impact on thought than the Copernican revolution of the 16th century, which upset the human self–image by revealing that the Earth is not the center of the universe.

From space, we see a small and fragile ball dominated not by human activity and edifice but by a pattern of clouds, oceans, greenery, and soils.

Humanity's inability to fit its doings into that pattern is changing planetary systems, fundamentally. Many such changes are accompanied by life–threatening hazards. This new reality, from which there is no escape, must be recognized—and managed.

This introduction, Mr. Speaker, is taken from the very first chapter of the Brundtland report dated 1987. We must, each and every one of us, recognize its importance and never forget it.

We are here today to debate Bill C–24. This bill amends the Canada Wildlife Act, which was passed in 1973, and its purpose, as stated by the department, is, and I quote: "to permit the Government to conduct wildlife research and to undertake various activities related to wildlife conservation and interpretation". The provinces are responsible for managing wildlife, except for most species of migratory birds, fish and mammals.

This bill, in somewhat the same way as Bill C–23, is bringing existing legislation up to date. It is basically an update, with a few new provisions. Nothing indicates, upon review, this bill might infringe upon the responsibilities of Quebec or any other province in Canada. But as I said earlier, we can no longer afford nowadays to ignore the environmental question, particularly with respect to biodiversity.

We need only think of endangered species, as mentioned in chapter 6 of the very important Brundtland report, "Our Common Future". The introduction to this chapter reads as follows: "Conservation of living natural resources—plants, animals and micro–organisms, and the non–living elements of the environment on which they depend—is crucial for development. Today, the conservation of wild living resources is on the agenda of governments; nearly 4 per cent of the Earth's land area is

managed explicitly to conserve species and ecosystems, and all but a small handful of countries have national parks. The challenge facing nations today is no longer deciding whether conservation is a good idea, but rather how it can be implemented in the national interest and within the means available in each country".

All of us here in this House today are convinced of the importance of saving endangered species, as the countries which signed the Brundtland report were. The problem is how to do it.

• (1540)

It is not necessary to point out that it is vital to humanity to save these species. Just think of agriculture, medicine and industry to see the economic importance of wildlife species. A recent Statistics Canada survey indicated that spending on activities of all kinds related to fish and other wildlife species contributed $11.5 billion to GNP and created some 250,000 jobs. Protecting endangered species is vital for the whole economy, whence the recent terminology "environment and sustainable development".

Governments have come to realize that it is impossible to separate economic development issues from environmental issues. Everything is interrelated and, again, we must aim for a global vision, a global position on environmental matters.

What about hope in all this? Some people may accuse us of being idealistic and utopian, but one does not have to go very far to come up with several success stories. The decrease in infant mortality rates and the increase in life expectancy rates, in the number of adults knowing how to read and write and in the percentage of children attending school are some of the success stories allowing us to believe in the evolution and improvement of the environment. They seemed impossible to achieve but they were because of the goals set out in the bill. This bill applies to animals, wild plants and other organisms and to their habitats.

We thus want to ensure that an element of the ecosystem essential to the survival of an endangered species is protected too. That is why the term "wildlife" was substituted for the word "fauna" throughout the bill.

Extending the definition of fauna to all wildlife, in accordance with the Convention on Biodiversity ratified by Canada in 1993, makes environmental measures more consistent.

A few examples from "Our Common Future" make us realize the economic potential of maintaining and preserving our ecosystems.

First of all, there would appear to be plants containing hydrocarbons, not carbohydrates. Since some of these plants exist in regions which have become useless because of activities such as surface mining or hydrocarbon extraction, the same report says that coal, among other minerals, could be regenerated by soil cultivation of hydrocarbons. And, unlike an oil well, an oil plantation or fuel farm would never dry out. Imagine the savings, as well as the benefits from an environmental point of view.

Let us take a look at corn crops in the United States. In the early seventies, some fungus seriously damaged corn crops, causing losses of two billion dollars. Recently, a primitive kind of corn from Mexico was discovered. This wild corn is perennial, while the other kinds are annual. Crossing this corn with commercial varieties of corn would translate into savings on ploughing and seeding. The genetic qualities of this plant, which was almost extinct, would allow savings of hundreds of millions every year in the United States alone.

The preservation of wild species ensures our survival and allows us to make enormous savings.

The amendments in this bill do not concern only endangered species. Indeed, the scope of the legislation is extended to include inland waters and territorial waters—we are referring here to the 200 nautical mile limit—so that the government can create protected marine areas to ensure the survival of endangered species. However, and this is very important for us, if provincial jurisdiction is involved, the federal government will have to come to an agreement with the province concerned. Moreover, this amendment will have the effect of significantly increasing the protection of our marine ecosystems, which are important for our wild species. Protecting ecosystems in an intelligent manner contributes to the major goals of sustainable development.

• (1545)

Clause 13 of Bill C–24, which amends section 11 of the act, clearly defines the duties and powers of wildlife officers as well as their role with respect to the provinces. This provision clarifies the specific duties and functions of wildlife officers and others involved in this field.

Clause 15, on the other hand, significantly increases the amount of the fines that can be awarded. These may range from $5,000 up to a maximum of $25,000 or to imprisonment for a term not exceeding six months. Hopefully, the new fines provided for in the legislation will discourage potential lawbreakers and poachers.

Pursuant to the legislation, the minister may acquire lands for research, conservation and interpretation purposes involving migratory birds and, if it is in the national interest, other species, including endangered ones, in which case he acts in co–operation with the provinces. There are currently 45 national wildlife preserves in Canada covering a total area of 287,000 hectares.

In conclusion, I would like to draw a parallel between the Canada Wildlife Act, Bill C–24 and sustainable development. Sustainable development is defined on page 8 of the Bruntdland Report as the ability of humanity to do the following, and I quote: "to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs".

The report also stresses the following point, and I quote: "There is a growing need for effective international co–operation to manage ecological and economic interdependence. Yet at the same time, confidence in international organizations is diminishing and support for them dwindling".

Therefore, it goes without saying that we on this side of the House support this bill designed to update the existing legislation and to clarify certain roles and responsibilities. You can rest assured, Mr. Speaker, that the Bloc Quebecois will continue to support initiatives that promote the environment and sustainable development, provided they are respectful of existing jurisdictions.

[*English*]

Mr. Bill Gilmour (Comox—Alberni): Mr. Speaker, as the parliamentary secretary has stated, the purpose of Bill C–24 is to amend the existing Canada Wildlife Act.

At the outset may I say as environment critic that the Reform Party supports these long overdue amendments to the act that was first proclaimed in 1973. Since proclamation there have been a few minor amendments, but by and large the act is much the same as it was when introduced 20 years ago. Canada's wildlife legislation clearly needs modernization.

Bill C–24 is relatively simple and straightforward. However that does not mean we should just give it a rubber stamp of approval. This is the first real opportunity we have had in 20 years to sit down to review the act clause by clause and to amend the bill so that it meets the needs of the 21st century.

We must ensure the bill is all encompassing, for it is not enough simply to attempt to protect wildlife. I am pleased to see that the bill addresses a wider range of organisms. The broadening of the act to include all living organisms allows the government to protect all endangered species.

Back in 1973 when the wildlife protection bill was first passed it was said that the world was losing one species per year. Today there are 258 species on Canada's endangered species list. Only last month 20 new fish, mammals and plants were added to the endangered species list.

Some of these species include the western harvest mouse in the Okanagan and southern Alberta, the Pacific water shrew on the lower B.C. mainland, the King rail in southern Ontario, and the short–eared owl in most of Canada.

These species are largely endangered by pressures from the urban and agricultural sprawl. Habitat loss, industrial pollution and urban development contribute largely to the plight of Canada's wildlife. However the broadening of the act to include endangered species should be tempered in its use and particularly in how it is applied.

• (1550)

The United States with its endangered species act is not in my view the direction this country should be going. The amendments in Bill C–24 are appropriate as they cover measures necessary to protect endangered species without going to the extreme measures pursued in the United States. Too often the species in question, for example the spotted owl in the Pacific northwest, is simply the tool used to achieve another objective. In the case of the spotted owl the goal is forest preservation and the owl is simply used as a stepping stone to attain another goal.

In Canada we must ensure that our legislation is directed toward the endangered species in question and that the revised act cannot be used or abused to achieve other goals.

This will also require the co–operation and understanding of the provinces as there is an overlapping of jurisdiction. In protecting wildlife and wild organisms the act should be applied with care so as to avoid overstepping other jurisdictions. The wider discretionary powers granted to the minister by the bill must be exercised judiciously.

I would now like to step into the past for a moment and draw on my previous experiences to show where areas within the bill are appropriate and long overdue.

In my capacity as a forester for a large woodlands operation on Vancouver Island part of my duties included overseeing the land base of 250,000 acres. This involved dealing with many federal and provincial agencies, including fish and wildlife, and on numerous occasions dealing with wildlife offences.

In our area of operation there had been a particularly successful transplant of Roosevelt elk from northern Vancouver Island to the Nahmint Valley where a series of severe winters had virtually wiped out the local elk population.

During the mid–1980s, 13 young bull and cow elk were transported and released to join a single old bull who was the only survivor of the original herd. As an aside I want to say that old bull was delighted to see those cows coming off the back of the transport truck. Four of the cows were equipped with radio

collars in order to study the migration patterns and habits of the elk. It was truly a success story, and in four years the herd had multiplied to 24 animals from the original 14.

There was also a sense of pride and ownership in the community as many different groups including wildlife clubs, provincial agencies, forest companies and the community at large had banded together to make this happen.

Unfortunately this story has a dark side as four of the best breeding cows, three with radio collars, were shot illegally. To add further insult only the hind quarters of one animal were removed. The others were left to rot.

The individuals responsible were subsequently caught and processed through the courts, but they only received extremely light sentences. The local residents of Port Alberni were particularly upset with the light sentences. My point is that although I realize the situation I described is within provincial jurisdiction, similar instances occur in federal areas such as our national parks.

I am particularly pleased to see the bill address the areas of enforcement and punishment, for too often the penalty does not fit the crime. However the bill puts some teeth into areas that up until now have lacked strength.

The bill increases penalties to include a maximum $25,000 fine and a maximum six months in prison. It also creates indictable offences for the more serious infractions.

However there is one area that does not appear to be covered in the bill. It is the illegal possession and sale of endangered or protected species animal body parts. We are all familiar with the plight of the African rhino. Its tusk brings poachers huge profits for its final use as an aphrodisiac in Asia. What we are not as familiar with is that this type of atrocity is also going on in this country.

In my former job I have come across black bear carcasses where only particular organs were removed, the remainder of the animal abandoned. Why? It was because the sale of these animal organs in Asia brings big dollars where they are required in ancient remedies and tonics.

• (1555)

Body parts commonly being exported to Asia from Canada include: black bear gall bladders, claws, paws and teeth; seal and sea lion genitalia; beaver genitalia; deer and elk antlers in velvet; and eagle and falcon beaks and claws.

British Columbia currently has legislation directed toward possession and sale of animal parts. It is my hope that the minister will be receptive to examining those portions of the B.C. legislation that may be applicable to the bill, with the intention of further strengthening the Canada Wildlife Act to prohibit the possession and sale of animal body parts.

Another area of the bill which has been updated is that pertaining to nautical wildlife. Whereas the old act applied to the old 12–mile limit, it has now been expanded to include the 200–mile limit. This increased area of jurisdiction will play a key role in the protection of water mammals and fish stocks. Regulation making authorities related to marine protected areas have also been established in the bill, and this will allow for enforcement. Other administrative and implementation provisions such as inspection, search, seizure, custody and forfeiture are all provided for in the bill which will hopefully allow these provisions to be effectively carried out. However all these powers need to be exercised with discretion.

Other areas that deserve comment are those directed toward the recovery of costs. In light of Canada's current financial situation it is most appropriate to recover costs related to the management of public lands and protected marine areas. It will mean reduced government expenditures and a more self–sufficient system. It will allow for greater financial sustainability in policy over the long term.

In conclusion, we support the bill and look forward to examining it in detail in committee with the purpose of refining it to best deal with the wildlife concerns of the country into the next century.

Hon. Charles Caccia (Davenport): As we all know, Mr. Speaker, Canada is in many respects the envy of the world, particularly when it comes to the diversity of its ecosystems and wildlife and the geography that makes such richness possible.

However recent studies have revealed that we have 11 extirpated species under the general heading of mammal, bird, reptile, fish and plant. We have nine extinct ones under the general heading of mammal, bird and fish species. Under the general heading of at risk species we have 258 mammals, birds, amphibians, reptiles, fish and plants. This list is by no means exhaustive.

The questions we have to ask ourselves in this important debate are: Why are so many species at risk? How come we already have so many extinct and so many extirpated species? Is it due to habitat destruction caused by humans? Is it due to thoughtless trafficking in animals because of greed?

It seems habitat destruction and trafficking are the two major reasons. Whatever the combination of causes, it underlies the need to increase our efforts in protecting wildlife and ensuring that the destruction of wildlife and wildlife habitat destruction do not occur.

The act is a good measure. It is a good step in the right direction. As others have already indicated it is very timely and badly needed. It allows, for instance, the minister to purchase, acquire or lease lands for the purpose of research, conservation and interpretation in respect of migratory birds and—this is the interesting angle—in the national interest and with the support of provinces other species including endangered species. So

there is a broadening of a very important concept in relation to the acquisition of land.

• (1600)

Presently in Canada there are 45 national wildlife areas encompassing roughly 300,000 hectares, as the member for Terrebonne already indicated in his intervention. The provinces have indicated to the federal government that the existing penalties are no longer appropriate and that administrative and enforcement procedures need to be streamlined. Because of this, a number of changes have been proposed.

As the member for Comox—Alberni has already indicated, the definition is no longer limited to any non–domestic animal but includes wild organisms, animal, plant or other organisms and their habitat. The broadening of the definition encourages an ecosystem approach to conservation and brings the act far beyond the traditional approach for protection which in the past has been limited to just the higher order of animals.

Much has been said by those who spoke before me on the establishment of protected marine areas. I also welcome these, because this step has potential positive implications for areas within the 200 nautical mile limit and provides authority for the protection of marine animals and mammals.

Until now the marine ecosystem and its diversity has remained largely unprotected from the perspective of habitat protection and the application of the act has been limited just to the 12 mile limit. Therefore it has become critical that the wildlife habitat, including breeding and feeding grounds for whales and areas of significant concentration of seabirds be extended beyond the 12 mile limit. This is a very good development.

I was very interested in the comments made by the member for Comox—Alberni on enforcement. One often wonders about the effectiveness of fines and whether the right level is achieved. Certainly there is no doubt that what is being proposed in the bill is an improvement. Until this bill is passed, enforcement agencies in the field are reluctant, we are told, to charge offenders because of inappropriate penalties and the time required to follow up in court proceedings.

Hopefully the amendments will allow the wildlife officers to have broader authority in inspecting wildlife specimens, including the provisions regarding inspection, search, seizure, custody and so on. The minister will also have powers to appoint persons or a group of persons to be employed by the government as enforcement officers.

While the amendments to increase penalties are welcome and desirable, they will mean very little if the necessary resources are not allocated to enforcement. At the present time the federal jurisdiction has only 30 enforcement positions, all of which are not filled. As the member probably knows, coming from Alberta, a lot of criticism has been directed through the federal government at the fact that enforcement powers have been declining, as has the strength of the Canadian Wildlife Service.

• (1605)

The parliamentary secretary waxed eloquently at the beginning of his speech, stating: "Canadians care deeply about wildlife". He is right. The question is this: Can fewer than 30 enforcement officers do the job? All they can do is answer telephone inquiries but not much more. Therefore this aspect of implementation and enforcement requires attention.

Fines have been increased. I will not go into the details of what is being proposed but I have to ask this. What is the value of a polar bear, what is the value of a spotted owl, what is the value of a bald eagle once the species has entered the endangered category? The monetary value expressed through the fine is not adequate to express the damage caused to the totality of our culture when an endangered species is removed by one number.

I am a bit puzzled about the effectiveness of the fines proposed, whether they go far enough in becoming really preventive. There is definitely an improvement in the proposed amendments to section 13 which make a person liable for a separate offence on each day on which an offence is committed. That is good. It will allow a court to multiply fines by the number of specimens in the possession of the offender. The member for Comox—Alberni made reference to possession of wildlife that ought to be taken into account when we go through this bill clause by clause.

Section 13 allows the court to impose additional fines if the court deems that the person has made earnings from the offence. Although this will be difficult to prove it is a good step in the right direction.

Clause 15 of the bill among other things adds a new section for special orders of the court which allow the court to order those convicted to remedy the harm, pay for remediation of all activity that could lead to repeat offences, perform community services and the like. That is highly commendable.

Now we come to what is probably the heart of the bill. Section 8 deals with endangered species. Here the minister has been given permissive powers, in co–operation with one or more provincial governments, to take measures as the minister deems necessary for the protection of any species of wildlife in danger of extinction.

This terminology has good potential, but is it strong enough? Does this section provide adequate protection or do we need new legislation for the specific protection of endangered species? This is the question that ought to be addressed. I am sure it will be addressed in committee. If we do not come to grips with the question of endangered species and their protection, future generations of Canadians will not be able to enjoy them.

The International Union for the Conservation of Nature in January of this year in Argentina adopted an interesting resolution which in effect repaired a protocol under the convention on biological diversity which deals with diversity in the forest. It is a good step in the right direction.

The question is this: How does Canada rank in the international sphere? Are we doing enough to protect species that cross borders?

• (1610)

What about the Porcupine caribou in northern Alberta and in Yukon territory? That herd resides and moves between Yukon and Alaska. While the Canadian land is designated as a wildlife area, one section of the calving region is in the United States. This land is described as 1002 lands and is very important because it is the calving ground of the herd and is in danger of being destroyed because of oil exploration.

Therefore, should oil exploration be permitted on the north slope, which is this 1002 land in Alaska, or should it be, as I would of course argue in favour, banned for the protection in the centuries ahead of these particular herds which move across the border? This is a cross–border issue. We must, I submit, ensure that species and populations such as the Porcupine caribou herd are not threatened through exploration and exploitation of natural resources. Since this is an international matter I would urge the Minister of Foreign Affairs to raise it at the appropriate time in Washington.

It seems to me as we look at this bill and the overall situation in the nineties that we need international agreements on the preservation and protection of water and land wildlife. We are losing species compared to the richness of 50 or 100 years ago. In other words, there is a constant attrition and diminution in the richness of species that can be documented.

If future generations are to have any wildlife to enjoy, then we need to do much more for the species in danger of extinction and for the cross–border species in particular.

I will conclude with a thought that I am sure troubles all of us. It is more than that, it is a reflection. I wonder whether fines, enforcement, laws and regulations can do the job. It seems to me that they can only go so far.

What is needed as a complementary measure to Bill C–24 is an intensive education program. We have to have education aimed at all ages, an education aimed at all groups and promoted at all levels. Every Canadian should know what is endangered in our ecosystem, either on land or in the water, whether it is a plant, an insect, a mammal, you name it.

Every Canadian through this educational effort should be mobilized to protect wildlife. Every Canadian should be asked to help in the protection of endangered species because in a democracy the most effective instrument is education.

[*Translation*]

Mr. Jean–Guy Chrétien (Frontenac): Mr. Speaker, the bill the government is introducing this afternoon is aimed at amending the Canada Wildlife Act. Enacted in 1973, this legislation will be made more efficient by the new provisions. The environment is indeed an evolving sector in need of constant readjustment.

• (1615)

I am very happy to take part in the debate this afternoon, being the fourth member of the Standing Committee on the Environment and Sustainable Development to speak on Bill C–24, immediately following its chairman, the member for Davenport.

Over the past twenty years, this act had been left unchanged. It was intended, first, to allow the federal government to conduct wildlife research, and second, to protect wild animals, especially those on the endangered list. The amendments before us today appear to be quite justified since they are mainly aimed at giving more teeth to this piece of legislation regarding the protection of our wildlife. The proposed changes are in four areas.

First of all, the amendments extend the act to cover the internal waters and the territorial sea of Canada up to 200 miles. Before, the limit was only 12 miles. This will allow the government to create protected marine areas across a larger territory. Among other things, such areas will serve to protect endangered species. It is of the utmost importance to be able to take care of these species since they are threatened by the pollution in our waterways, even if they do not come under our jurisdiction. Naturally, endangered species have no way to protect themselves against such negative impact, and we cannot pick up their distress calls if we are not in the field to notice the devastation.

Another amendment deals with living organisms and throughout the French version of the act, the word "faune" is replaced by the expression "espèces sauvages". That way, animals, plants and other living organisms and their respective habitats, are all protected. If we care about the habitat of these wildlife species, we also make sure that all the ecosystem elements their survival requires will be protected as well. In past years, we focused on animals and only animals. From now on, this legislation will give the government all the authority it requires to protect the producers, the first links in the food chain which of course feeds the consumers. We will also deal with the decomposers to ensure perfect recycling.

Plants are the first link in the food chain which nourishes herbivores and carnivores alike and which ends with man. This reminds me of the story about Isle Royale most of us have heard. Authorities had introduced herds of moose on that island. There were no predators so the moose multiplied at an alarming rate. What happened? There were too many, the whole herd was weak and sick, individuals were aggressive with each other, vegetation was scarce, the whole island was heading towards disaster. There was overgrazing, so the animals had to dig up plant roots in order to survive.

• (1620)

Fortunately and just in time, authorities who did not want to allow hunting, reintroduced on the island the moose's natural predator, the wolf.

A pack of wolves was reestablished on the island. At the beginning, food was plentiful and there was a population explosion, while the moose population dwindled. However, after thirty years, a perfect balance was reached on Isle Royale, to everybody's relief.

This is the kind of balance that humans and the government should strive to achieve. Previously, we did not protect habitats. We could also talk about clear–cutting. When hundreds and hundreds of contiguous hectares are ruthlessly stripped of all trees, clearly habitats are being destroyed.

Animals must move out and search for a similar habitat. However, when they find one it is likely already occupied by other individuals of the same species. You know how it is, when you have a territory you try to defend it, to keep intruders at bay.

Other times we see the total disappearance of a habitat, very often crucial for endangered species. This amendment is in keeping with the Convention on Biodiversity that Canada ratified in 1993. Several members already mentioned it.

At the present time, the term used excludes domestic animals. As it becomes increasingly clear that all elements of our environment are closely interrelated, it would obviously be inefficient to protect a mammal or a bird when it cannot survive in its natural habitat.

The third amendment defines the duties and powers of wildlife officers, who will have more leeway with regard to offenders. Although the hon. member for Davenport spoke at length on this earlier, I would still like to deliver this message.

The last amendment deals with fines, which will be much higher. Provision is made for a $25,000 maximum fine or a six–month prison term or both for more serious offences.

This measure, which is intended to discourage poaching, should be proceeded with. By the way, Mr. Speaker, when I was in my riding of Frontenac on the weekend, I read in the county newspaper, the *Courrier Frontenac*, that people who had burglarized dozens of cottages and summer homes were sentenced to less than two years in prison—which is reasonable in my opinion—but since provincial jails are overcrowded, the journalist figured out that the time spent behind bars varies from 1.8 to 24 per cent of the sentence.

While listening to the hon. member for Davenport earlier, I figured out that six months in prison multiplied by 30 days a month amounts to 180 days. So 1 per cent of that would be 1.8 days, let us say two days. The bill may provide for a prison term of six months but even if the judge sentences the offender to six months, it should be a little less with good behaviour. But if the prisoner only serves 1.8 per cent, 2 per cent or 4 per cent of his sentence, it is a little disappointing for the judge, and our wildlife officers will eventually lose all motivation.

• (1625)

The Disraeli chief of police told me of the time he testified in court in Sherbrooke, some sixty kilometres away. On his way back, he stopped for a hot dog, french fries and a Coke and when he got to Disraeli, the man he had testified against and who had been convicted was already there. Maybe he spent too much time eating his hot dog! That just goes to show how sentences are not always appropriate.

The measures proposed today will protect wildlife species more efficiently and will also ensure special attention is given to endangered species. The public already knows some of these species. The beluga whale, for example, at the mouth of the Saguenay, the bald eagle, the peregrine falcon, the prairie dog, the grizzly bear, the bison which was endangered just two decades ago.

Allow me to go off on a tangent once again. I am lucky enough to live in the country. Last Sunday morning, for the first time, I saw a bald eagle on my land. I called my wife and children so they could see it and there we were, in front of the patio door with our binoculars, filled with wonder at the sight of that bald eagle. I hope it has a mate so they can reproduce on our land. All this to tell you that even if I have lived in that area for many years, last Sunday was the first time I had the opportunity to see there a bald eagle, which is the emblem of the United States.

Other species are not as lucky. The preventive measures we seek to introduce will allow us to foresee the problems and to act, rather than react after the damage is done. Instead of waiting until some species are on the verge of extinction to do something to preserve them, we will be able to take measures to maintain their numbers at a level that poses no threat to their continuing survival.

I will tell you another story. You probably know that the Government of Quebec had to legislate in order to save the beaver, the one on the reverse side of the nickel, the symbol of hard–working people. In Quebec, during the depression, beaver was actively trapped for its pelt or its meat. Times were hard, families were large and feeding them was not easy.

The government prohibited all trading in beaver pelts as well as trapping. Populations started to build up again. Maybe I have a keener eye than most but on highway 417, coming to Ottawa, about 15 kilometres from the national capital I see trees, trembling aspens, cut down by beavers. I noticed them again no later than Monday. This to say that beavers are now plentiful, they are on the outskirts of Ottawa and Hull, along the 417.

I urge hon. members using this road to be on the lookout, they will see the fallen trees. Perhaps authorities will deport the beavers, the way they deported the Acadians, if they do too much damage along highway 417.

I remind you also of the passenger pigeon which, in North America, has come to typify the devastating influence of humans on wildlife. It is now extinct. Of course it was not exactly a smart bird, it would come close to human dwellings. As I said before, people were poor and hungry. These birds were easy to catch and very good to eat.

• (1630)

Do not believe that the only purpose is to save some very rare species so that we can boast that we have rare birds in our backyard, as I was just telling you earlier about the bald eagle. Protecting their habitats lets our wildlife live in a healthy environment that is the best possible one for them.

I will draw a parallel with Bill C–23 presented in this House last Monday. One amendment made to that act on migratory birds concerns embryos, sperm and eggs.

One may question the importance of protecting these items and wonder even more what these items can be used for. If you look a little closer, you quickly see that with biotechnologies becoming more and more prevalent, it is good planning to regulate potential problems that may arise.

This bill also amends a law that might not seem very important, except that saving our wildlife depends on it. If we do not want to always be in a race against time to protect our endangered species, we must take proactive measures.

One possibly contentious aspect concerns federal and provincial jurisdictions, since they are not always clearly defined when it comes to the environment. Take the example of a non–navigable waterway, which is under provincial jurisdiction; if it were navigable, then it would be under federal jurisdiction.

It is interesting to note that, under the provisions of this legislation, if the jurisdiction of a province comes into question, the federal government—and I certainly hope it will abide by the letter and the spirit of the law—will have to reach an agreement with the province concerned.

To conclude, I think it may be worthwhile to remind this House that nature is exquisitely sensitive as well as self–contained. On this blue planet of ours, we have something called the food chain. This chain could be compared to the huge chains big contractors use on their power shovels. Every time a plant or animal species is extinghished, it is one more link being weakened. Eventually, this link will break. Naturally, it would be catastrophic if one of these links broke. That is what sustainable development is about, as my colleague from Terrebone so aptly described it earlier, based on the Bruntland report. If one of these links were to break, then our children's future and that of generations to come would be seriously jeopardized.

It is well known that a chain is only as strong as its weakest links. So, seeing that some links are getting weaker, it is high time that we all worked together to make our planet a better place to live, basically. At this stage, I can say the government can, of course, count on the Bloc Quebecois' support. As my colleague from Terrebonne said, we will always endorse policies to protect our environment and make this planet a better place for future generations.

• (1635)

We are growing old, so this will be for generations and generations to come.

I will close on this, but I must tell you, Mr. Speaker, that by the end of the day, you will have become very knowledgeable in matters of the environment. I can see you listening with great interest to all the speeches made this afternoon on Bill C–24, including the remarks of four members of the Standing Committee on the Environment who have spoken so far, with perhaps a fifth one to come.

[*English*]

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, over two decades ago Parliament passed into law the Canada Wildlife Act. This was a key piece of legislation in the effort to protect our country's wildlife. It enables the federal government to carry out wildlife research and, in co–operation with the provinces, to undertake a wide range of conservation interpretation activities for wildlife and its habitat including the protection of endangered species.

Since 1973, however, we have seen far–reaching changes in our approach to environmental issues. These changes necessitate updating of the act. We have come to see the crucial importance of the interrelationships between these issues and the need to integrate the environment and the economy. We also recognize that the issues we face are complex. To address them successfully we need co–operation across jurisdictions and even across borders.

This new understanding lies at the heart of sustainable development or sustainability. Sustainability recognizes the need to keep human activities within the limits of the ecosystem's capacity to sustain. It means integrating economic and environmental goals. It also means building a wide network of partnerships to achieve these goals.

At the United Nations earth summit in 1992 the world community gave its support to sustainable development. In the area of wildlife it adopted the convention on biological diversity. Canada was one of the first industrialized countries to sign this unprecedented agreement.

Signatories to the convention must regulate or manage biological resources to ensure their conservation and sustainable use and must establish a system of protected areas to conserve biodiversity. The convention calls for conservation efforts to consider all species within an ecosystem and requires countries to develop legislative provisions to protect endangered species.

We have welcomed the new international commitment to maintaining biodiversity because wildlife has a special importance to our country and to the vast majority of our people. Canada is indeed fortunate in still having natural spaces largely untouched by development where wildlife abounds in a free state. We all take pride in our vast wilderness areas and the creatures that inhabit them. They help to define the identity of our country.

As well, Canada's living natural resources make a major contribution to our economic well–being. According to a Statistics Canada survey on the importance of wildlife to Canadians in 1991, expenditures associated with all types of fish and wildlife related recreational activities contributed at least $11.5 billion to our gross domestic product. They generated $4.4 billion in tax revenues and provided 250,000 jobs.

The same survey shows that over 90 per cent of Canadians took part in wildlife related activities during 1991, devoting to them a total of 1.3 billion days and $5.6 billion. Those figures indicate that wildlife plays a major part in Canadians' recreational life. Further, 86 per cent of Canadians support wildlife conservation.

For all these reasons we must ensure the health of Canada's wildlife. The amendments to the Canada Wildlife Act will help achieve that goal.

● (1640)

The bill under consideration will broaden the scope of the Canada Wildlife Act to apply not simply to non–domestic animals but instead to all wild organisms. That shift will bring the act into line with the biodiversity convention.

The bill will also make it possible to create marine natural wildlife areas, not only within the 12 nautical mile limit as at present, but all the way out to the 200 nautical mile limit. This will allow much greater protection of the Canadian marine ecosystems important to wildlife.

The amendments establish regulatory authorities for marine protected areas. They strengthen enforcement related provisions. They will help deter illegal activities such as poaching by setting a maximum penalty of $25,000 and/or six months in jail for serious offences.

These changes will help ensure that future Canadians enjoy the same benefits we do from flourishing wildlife populations. However protecting Canada's wildlife is not a task for the federal government alone. To a large extent managing wildlife is a responsibility of the provinces and the territories. Only by working with them can the federal government promote our national wildlife objectives.

Canadians can be proud that the different levels of government have a record of strong co–operation on wildlife issues. In 1990 the federal and provincial governments adopted the wildlife policy for Canada. This calls for effective legislation conserving wild animals and plants and ensuring that all uses are sustainable.

It also calls for penalties that pose effective deterrents to the illegal use of wild species. More recently federal, provincial and territorial governments together have been developing a Canadian biodiversity strategy that will set out the manner in which Canada will implement the 1992 global biodiversity convention.

That same co–operation is central to the Canada Wildlife Act. For example, the act provides for co–operative management areas on provincial lands. While the federal Minister of the Environment will have the authority to appoint provincial officers as wildlife officers, these appointments will be made only with the agreement of the provinces concerned.

The amendments define the authority and powers of those officers and provide for inspection and search and seizure procedures in accordance with the Canadian Charter of Rights and Freedoms. Federal and provincial governments will also continue their co–operation on the management of endangered species. That co–operation dates back to 1988 when the responsible government agents launched the RNEW organization and strategy.

RNEW stands for recovery of nationally endangered wildlife. Its goal is to have all agencies and organizations work as a team to rescue species at risk from extinction and to prevent vulnerable species from becoming at risk. The need for such teamwork is all too clear because the list of species designated as endangered is growing ever longer while the list of recovered species remains all too short.

RNEW brings together the directors of federal, provincial and territorial wildlife agencies plus the heads of three major national wildlife organizations: the Canadian Nature Federation, the Canadian Wildlife Federation and the World Wildlife Fund Canada. These officials set up a team to prepare a

management plan for the recovery of a particular endangered species, a plan eventually to be carried out by the responsible governments in co–operation with universities and conservation organizations.

Successes achieved through the RNEW program are gratifying, but they must not make us complacent. There are more cases by far in which Canada's wildlife populations are suffering from the effects of such problems as loss and degradation of habitat, overharvesting, poaching, disease and the impact of toxic substances. Yet the few successes are invaluable because they clearly show us the way forward. That way is through co–operation of the different levels of government and concerned groups outside government.

The amendments to the Canada Wildlife Act reinforce that co–operation. They will enhance protection for Canada's wildlife and help us advance the goals of sustainability.

• (1645)

Mr. Jim Abbott (Kootenay East): Mr. Speaker, in speaking in support of Bill C–24 I am going to take a somewhat different angle or attack to it than has been taken to this point.

We have been speaking an awful lot about issues concerning enforcement, search and seizure and all of these things which of course have to be a part of an act if it is going to be workable.

I would like to talk about some of the people in my constituency and I believe all across Canada who presently are involved, not in the enforcement but in the enhancement of the whole issue of wildlife.

There is a network of people who belong to organizations like rod and gun clubs all across my province, indeed across Canada. In British Columbia some of the networking is interprovincial or international in scale. For example, there are the Rocky Mountain Elk Foundation, Ducks Unlimited, Trout Unlimited, Foundation for North American Wild Sheep, Canadian Wildlife Federation, and on and on.

Simply stated, networks are people talking to each other, sharing ideas, information and resources. These networks which are fundamentally informal exist to foster self help, to exchange information, to change society, to improve productivity and work life, and to share resources.

The hunters, trappers, guides and fishermen of Canada however are facing a crisis, a turning point in history. They have always been low key. Their way is not confrontational. Their way is to work in co–operation not confrontation. They not only value the privilege to carry out their sport, but also to work hard with real dollars to maintain healthy wildlife populations in British Columbia and across Canada.

For example, within British Columbia there are approximately one million homes. Of this number about 50 per cent or half of them contain a hunter or fisherman, based on licences sold. Of course, there are also thousands of homes that contain non–hunters and non–fishermen.

Then there is a number containing anti–hunters and anti–fishermen. The anti group is by far the smallest of the three categories, but you do get more publicity if you are anti. You do not necessarily have to know what you are talking about to get press. There is a feeling that only antis care about wild animals or fish. The so–called let them be group, they have a management by lobby philosophy. A lot of what they do has nothing to do with science. They are very simplistic and feel that if hunting and fishing cease, everything will be fine. They could not be further from the truth.

It is my experience that hunters, fishermen, trappers and guides are very poor at getting their conservation message out. So in my small part I am trying to do exactly that.

Most of the government wildlife agencies also have difficulty getting their message out. What we find is that the media seems to be mostly on the anti side of everything, particularly if it is spectacular and there is some kind of confrontation involved. Most of the material put forward by the media on the subject of wildlife management is so distorted that it is almost embarrassing when people take a look at what the real facts are.

There is a desperate need for government to understand and provide public support for wildlife management through organized sportsmen. It is a positive thing if done the right way. Because of course we are always concerned in the nineties about being gender neutral or gender specific or whatever it is to express ourselves correctly, let me say that I was in a home in my constituency just a couple of weeks ago and was admiring some of the beautiful trophy animals they had mounted there. I was about to compliment the husband on that when it turned out that indeed the wife was the person who had gone out and done such an excellent job. I recognize that it is a growing sport and a growing interest no matter what a person's gender. Across Canada the impact of a century of hunting, trapping and sports fishing is quite well documented. As a matter of fact most wildlife species are more abundant now than they were 75 years ago.

• (1650)

These species are all more abundant: the elk, the moose, the buffalo, antelope, mule deer, beaver, sea otter. As a matter of fact on Monday in this House when I was speaking on the migratory birds act I mentioned that in one part of my constituency they have very much an overabundance of grizzly bears. I suggest that probably the reason those bears are thriving as they are, even in an active logging operation area, is because many of

the loggers are hunters and fishers and support this kind of wildlife and outdoor activity.

Most rod and gun clubs stand for scientific resource management. They oppose management by lobby. Resource decisions rather than political ones should be made on the basis of scientific evidence. We must manage more intensely as population expands. Those who use the resource are the ones who really work for it on the grounds of purchasing and enhancing habitat for all species. Many funds are set up exactly for that purpose.

I stand in support of the principles of Bill C–24. I believe that it will be an important part of the infrastructure required to give us the regulations or the ability to bring forward regulations that will help these dedicated people, indeed all Canadians, to be able to protect wildlife.

There is an issue that keeps on coming up in this House and it is directly related to what we are talking about here. These rod and gun club people, these people who enjoy being out of doors, enhancing wildlife, indeed putting much of their own blood, sweat and tears into preserving and protecting wildlife also are hunters and they are under attack. They are very much under attack at this particular time.

These are people who join these wildlife organizations, pay their dues, not only as membership fees, but pay their dues in terms of their time and energy and effort.

These people currently are under attack by many different, probably well meaning people across Canada. I cite as an example one organization that purports to have "over 5,000 Canadians" count as individual supporters of this particular organization.

Let us compare this organization to the wildlife or rod and gun club organizations. I read from their bylaws where they say there shall be no membership fees or dues unless otherwise directed by the board of directors.

What kind of commitment is there on the part of these people when they will not even put up their membership fee to be part of this lobby group to go after people who are currently enjoying the out of doors and the whole area of recreation in the wild.

At the risk of perhaps putting too many things together, I also suggest that on the same page I read and I quote: "Members shall apply for admission as such by completing a membership application," this is important, "in such form as the board may from time to time approve or by otherwise representing to the corporation in a manner satisfactory to the directors that they are interested in furthering the objects of the corporation".

I am not a legal person. I have never been involved with the law but when I read this I say to myself that if I wanted to increase my membership list and I was not charging membership fees anyway, I would put out a petition in support of the objects of my corporation.

• (1655)

When I receive this back under these terms and conditions, obviously these people are interested in furthering the objects of the corporation which is the ban of all guns.

I suggest that when we compare the level of commitment of the people, the lobby, that is currently going after the law–abiding citizens who are members of rod and gun clubs who enjoy the out of doors to the commitment of the people who are spending time in the bush, who are going out and are enhancing our environment and protecting our environment, obviously they come down on one side and not the other.

Further to that, yesterday I took part in a meeting between our party and this coalition and other supporters of the coalition. I was absolutely astounded to find that one of the people there said that we needed gun control to prevent suicide. Really, if our society is currently toying with the idea of legalizing doctor assisted suicide, what in the world are we doing on the other side of the coin harassing legitimate gun owners all in the name of stopping or trying to prevent suicide?

I stand in support of Bill C–24. I restate that I stand in support of the principles of Bill C–24 because I stand in support of Canadians who are going out into the bush and making our environment better. I support them in every way. They are the people who make Canada Canada.

Mr. John Finlay (Oxford): Mr. Speaker, I have listened all afternoon with great interest to my colleagues, the hon. members for Moncton, Terrebonne, Comox—Alberni, Davenport and Frontenac, York—Simcoe and Kootenay East.

I share the concern they have made known with regard to Bill C–24 and Canada's natural heritage. I hope I might add a little something in the way of information to the debate. I will be brief.

Wildlife has helped shape Canada's identity. Wildlife related activity as the last speaker has just pointed out is a cherished recreational activity for a large number of Canadians. For native Canadians, wildlife harvesting is a vital component of an age old but sustainable lifestyle. For Canada's economy, as we have heard, wildlife activities make a contribution measured in the billions of dollars.

All these are cogent reasons why we should protect Canada's wildlife. We shall be better able to do so with passage of the bill now before the House amending Canada's wildlife act. The amendments bring the act into line with our latest understanding of wildlife, with the latest international agreements, particularly the North American water fowl management plan, the Ramsar convention on wetlands of international importance and the

global convention on biological diversity and with the planned Canadian biodiversity strategy.

This modified act will recognize that an ecosystem approach is the best way of protecting wildlife. In other words, we can save wildlife by saving the habitat on which they depend. One of the key ways which our country is doing this is by establishing national wildlife areas or NWAs under the Canada Wildlife Act.

The purpose of these areas is to conserve essential habitat for migratory birds and other species, especially endangered wildlife. At present there are 45 national wildlife areas covering approximately 287,000 hectares of habitat. Another six sites have been designated to become NWAs.

• (1700)

National wildlife areas exist or are planned in all provinces and territories except Newfoundland and Prince Edward Island. These areas protect a wide variety of critical habitats.

In British Columbia the wetlands of the Alaksen NWA and the Fraser River estuary are an internationally significant stop–over point and wintering area for large numbers of migrating birds.

On the other side of the country Pointe de l'Est is one of the few remaining nesting sites in Quebec for the piping plover, a bird listed as endangered in Canada.

At the Suffield NWA in Alberta the short grass prairie and sand dunes are home to the burrowing owl and the ferruginous hawk, both threatened species. Part of the endangered Arctic population of bowhead whales frequents Isabella Bay in the Northwest Territories, the site of a proposed marine NWA. In this case the opportunity to extend the boundaries beyond the 12 nautical mile limit of this NWA depends directly on the passage of this bill now before the House.

For each of these areas the Canadian Wildlife Service conducts public consultations as an integral step to preparing a management plan. The plan specifies which activities are to be allowed under permit within the NWA, for example, perhaps oil drilling, livestock grazing, or haying. The management plan may also specify how to improve habitat in such ways as planting native plants to provide food and cover for wildlife or digging ponds to make the landscape more inviting to waterfowl.

Conservation is the main purpose of the national wildlife areas but it is not the only one. Under the Canada Wildlife Act public education and research, as the hon. member for Davenport pointed out, are also goals.

In most NWAs visitors are allowed to hike, canoe, take photos and watch birds. Traditional uses may be allowed to continue. Some management plans provide for trapping, hunting and fishing. All these activities are carefully regulated to prevent declines in wildlife population levels and deterioration of habitats.

In some NWAs research takes precedence. For example, at Scotch Bonnet Island NWA on Lake Ontario access is restricted because the island is used for long term studies of the effects that environmental contaminants in the food chain have on wild birds in the great lakes.

At Polar Bear Pass in the Northwest Territories as well as at other NWAs the focus is on archaeological and biological research.

Many of the sites protected as national wildlife areas have also been accorded international recognition. Cap Tormente in Quebec is one of several NWAs that are also wetlands of international importance under the Ramsar convention. The Shepody NWA in New Brunswick is a western hemisphere shorebird reserve.

This international recognition shows that the world community appreciates the value of our national wildlife areas. This House must do the same by passing the amendments now under consideration.

NWAs also involve key partners outside the federal government in the work to conserve our wildlife by conserving wildlife habitat. They are managed by the federal government in co–operation with provincial and territorial authorities as well as non–governmental organizations.

Some important areas have been protected thanks to donations and leases from the Nature Conservancy and other non–government partners through land transfers from other government agencies or with the help of funds from other habitat protection programs such as those of Wildlife Habitat Canada and the North American wildlife management plan. Recently the establishment of NWAs has been a part of land claim settlements reached with aboriginal groups.

All these groups have become involved because they know that while wildlife needs our protection, Canada equally needs our wildlife. This is a part of our heritage, a part of our present and it must be part of our future.

• (1705)

As we work to make the transition to sustainable development we know that we must safeguard the health of our environment as a way of ensuring our prosperity. Wildlife provides one of the best indicators of environmental health. The signs are that we must do still more on its behalf because such actions ultimately benefit us all.

That is why I strongly support the amendments to the Canada Wildlife Act. It will extend our ability to protect wildlife throughout Canada and in the oceans which wash our shores. This is in the interest of all Canadians. I urge hon. members to support this measure and give it swift passage.

(Motion agreed to, bill read the second time and referred to a committee.)

* * *

[*Translation*]

CANADA BUSINESS CORPORATIONS ACT

Hon. John Manley (Minister of Industry) moved that Bill C–12, an Act to amend the Canada Business Corporations Act and to make consequential amendments to other acts, be read a second time and referred to a committee.

He said: Mr. Speaker, I am pleased to rise today to begin debate on second reading of Bill C–12, an Act to amend the Canada Business Corporations Act and to make consequential amendments to other acts.

As a piece of federal framework legislation, the Canada Business Corporations Act helps promote the competitiveness of Canadian businesses. It is a key element of our national economic union and our internal market. The act must be kept up–to–date so that the government can use modern technology to provide better services and to improve administrative efficiency. It must also respond to the emerging challenges of a rapidly evolving global market.

[*English*]

This new law must be fair. The Canada Business Corporations Act will continue to provide a practical balance of interests among shareholders, creditors, management and the public.

This House will recall that the CBCA came into force on December 15, 1975 in order to revise and reform the law applicable to companies incorporated to carry on business throughout Canada. At that time the CBCA was heralded as an exemplary act, a model to be followed in Canada and abroad. For nearly 20 years it has acted as a model and promoted order and fairness in the corporate environment.

The CBCA is important to the competitive position of small and medium sized businesses as well as for the many large corporations registered under it. Over half of the top 500 companies in Canada are registered under the Canada Business Corporations Act. Approximately 190,000 corporations in Canada are covered by the provisions of the act.

However, after nearly two decades we need to update the provisions of the CBCA. Business practices and legal developments in a number of areas such as shareholder communications and the roles and responsibilities of directors have evolved considerably since the act was originally passed.

• (1710)

Corporations today must take into account the intensified competition of an international marketplace and the globalization of capital markets. Our framework laws must take into account increased share ownership by institutional investors and the holdings of shares through intermediaries.

The Canada Business Corporations Act must keep pace with the changes that are driving the competitiveness of Canadian industry. It must be amended to ensure that it will continue to be a useful tool for Canadian businesses and a model for others to follow.

The legislation before us today represents the first of two phases that will reform the framework legislation which governs federally incorporated businesses. We are introducing these amendments now so we can move quickly on a number of technical but important reforms. They represent a first step in renewing the CBCA. They will be followed by more substantive revisions after consultations with all interested parties.

Hon. members will note that the legislation before us provides for a parliamentary review of the CBCA within three years. We intend to introduce substantive amendments when the act comes up for review. Hopefully we will be in a position within 18 months to proceed with the review, but at the very latest we will have an opportunity to review the need for further amendments within three years.

In the meantime, Industry Canada will consult extensively with those who have a stake in the CBCA. We have prepared a consultation package and hope to complete our consultations and have draft recommendations ready for review by the government within 18 months.

[*Translation*]

The phase II consultation package deals with such issues as the liability of corporate directors, shareholders communications and other substantive issues. The package has been submitted to interested Canadians, including corporate executives, corporate law experts, institutional investors, shareholders' representatives, the accounting profession, business associations and other stakeholders.

After we have heard back from those who have a stake in reforming the CBCA, we will recommend to Parliament further amendments to the act to reflect business and community needs.

[*English*]

I want to emphasize that the legislation before us is a necessary first step. It enables the government to proceed with some important technical changes to the CBCA while we prepare for more substantive revisions. The primary objectives of the legislation before us lie in four areas and I would like to go over each of these briefly.

First of all, the legislation provides for improved service to federally incorporated companies. It brings the CBCA in line with technological advances and permits the introduction of more equal service across the country.

[*Translation*]

In the years that have passed since the CBCA came into effect, technology has revolutionized the way in which business is conducted. The drafters of the 1975 legislation could not have foreseen the day when, for example, fax machines would be used to transmit key corporate documents. They could not have known that, within a few decades, electronic data interchange would have the potential of reducing the paper burden for business.

[*English*]

I must confess that in my days of practising law here in Ottawa it was quite convenient to act as Ottawa agents for firms across the country as we delivered and collected documents from the corporations branch of the then consumer and corporate affairs department.

I suppose I really ought to apologize to some of my former colleagues still in practice in Ottawa that we are now making it possible for firms across Canada to deliver their documents directly and electronically.

My friend from Toronto says "hear, hear". The one benefit of the old rules was that we found ways to collect fees from Toronto law firms.

The director who administers the CBCA through the corporations directorate of Industry Canada receives a variety of notices and documents from corporations, directors, shareholders and others.

Many representatives of CBCA corporations have requested that facsimile transmission and electronic filing and issuance of documents be permitted under the act. The CBCA director has begun to accept some documents transmitted by facsimile, but there are certain impediments in the existing act to the use of modern technology.

• (1715)

The amendments before us provide broad regulatory making power to prescribe the form and other details of electronic filing and issuance of documents. They authorize the CBCA director to deal with the technical details. These changes will result in eventual same day incorporation from all regions of Canada, not just the national capital region, thus again saving money to industry across the country.

CBCA corporations and others will have easier access to the information that the corporations directorate provides.

[*Translation*]

I would like to emphasize that while we want to amend the act in order to better enable the corporations directorate to keep abreast of modern information technology, clients will still be able to use paper–based communications if they prefer.

[*English*]

The second broad area that the amendments before us address is the need to simplify certain corporate government procedures and record keeping and filing requirements. For example, the amendments will permit current directors to appoint a limited number of directors in the time between shareholders meetings if the corporation's articles so provide. While shareholder democracy is safeguarded by the limits placed on this power, the change will give CBCA corporations the flexibility to react quickly and with less expense to unforeseen events.

Under the amendments shareholders can also elect a reduced number of directors at the same shareholders meeting that they approve the reduction. As the law now stands shareholders can vote to reduce the minimum number of directors but must wait until the next meeting to elect that reduced number of directors.

Another amendment would permit the CBCA director to exempt the filing of specified classes of documents when they are publicly available elsewhere. This will reduce the burden of multiple filings of certain documents and thus the costs incurred by CBCA corporations.

[*Translation*]

In keeping with the trend towards reducing paper and administrative costs for users of the CBCA, the amendments will establish a six–year period for which accounting records and files must be retained. Currently, the CBCA gives no direction to corporations as to how long such records must be maintained.

[*English*]

The amendments will eliminate public financial disclosure now imposed on large, privately held CBCA corporations while maintaining disclosure to shareholders. The CBCA currently requires public disclosure of the financial statements of privately held CBCA corporations whose assets exceed $5 million or whose gross revenues exceed $10 million.

Mandatory public disclosure of financial statements of large private corporations is not required by the provinces, nor is it required by the laws of our major trading partner, the United States. The CBCA therefore places federally incorporated companies at a competitive disadvantage and increases their compliance costs. This may discourage foreign businesses from establishing in Canada, certainly under federal jurisdiction.

Shareholders of privately held companies will continue to be protected because an audit can only be waived if all shareholders agree. Financial statements will still be prepared and sent to shareholders in any event.

Financial statements of all corporations, not just those that are federally incorporated, must be disclosed to Statistics Canada through other legislation such as the Corporations and Labour Unions Returns Act. This information is publicly available on an aggregate basis.

The third broad theme of these technical amendments is clarification. Some amendments have been introduced to clarify the language of certain sections of the CBCA through changes to the French or English versions or through the use of better terminology. For example, revised definitions of control and subsidiary are proposed in order to capture the whole chain of corporations under the ultimate control of a holding corporation, thus simplifying amalgamations and financial assistance within corporate groups.

Finally, the fourth area addressed by the bill before us is efficient administration. The act now requires that before an administrative dissolution of a corporation can take place the CBCA director must give notice of the decision to dissolve a corporation in, among other things, a local newspaper.

• (1720)

By removing this requirement for publication in a local newspaper the CBCA director will be able to move expeditiously against defaulting corporations. This will help encourage companies to comply with the public information filing provisions of the law. Also, the government will avoid a publication cost of almost $1 million over the next few years.

The amendment will not affect the statutory requirement to notify directly the corporation in default and each director personally, nor the requirement to publish notices in the *Canada Gazette* and the *Canada Corporations Bulletin*.

[*Translation*]

To promote effective administration, the amendments before us also include provisions to strengthen the CBCA rules governing corporate names. For example, under one proposed amendment, corporations will be prohibited from using words such as "Limited", "Limitée" and "Corporation" in names other than their corporate names.

[*English*]

Industry Canada is committed to the continued modernization of the CBCA. We will proceed with the technical amendments of the kind I have outlined today. In the meantime we will continue to work with the Canadian business and professional communities to design more substantive changes to the law. Our overall objective is to help the conduct of business in Canada and to contribute to the competitiveness of federal corporations.

The amendments before the house render the CBCA more efficient. They simplify filing and record keeping requirements and certain corporate grievance procedures and they allow for technological innovation.

They also allow for improved service to corporations governed by the CBCA by reducing overall paper burden and the cost of compliance under the act. Overall they make the CBCA a more useful instrument to businesses and investors who use it.

This government is committed to helping small and medium sized Canadian business. We want the CBCA to serve Canadian businesses in their bid to become competitive at home and internationally.

[*Translation*]

They also allow for improved service to corporations governed by the CBCA by reducing paper burden and the cost of compliance with the Act. Overall, they make the CBCA a more useful instrument for businesses and investors who use it.

I hope that my hon. colleagues from both sides of the House will join me in supporting this legislation and in helping ensure its speedy passage. Thank you.

[*English*]

I know late in the afternoon it is hard to find enthusiasm for a bill on the Canada Business Corporations Act and I do find myself concerned that I will contribute further to my generally perceived image of being rather dull and boring. However, it is the best we can do with the Canada Business Corporations Act.

[*Translation*]

The Deputy Speaker: Before giving the floor to the hon. member for Trois–Rivières, I must make a statement concerning the time reserved for Private Members' Business tomorrow, May 5. The hon. member for Haldimand—Norfolk has informed me in writing that he could not present his motion during private members' hour tomorrow.

[*English*]

Since it has not been possible to arrange an exchange of positions in the order of precedence under Standing Order 94(2)(a), I must direct the table officers to drop the item of business to the bottom of the order of precedence.

Pursuant to Standing Order 94(2)(b), Private Members' Hour will thus be suspended tomorrow unfortunately and the House will continue with the business before it prior to Private Members' Hour.

[*Translation*]

Mr. Yves Rocheleau (Trois–Rivières): Mr. Speaker, I am very pleased to participate in this debate and I agree with the minister when he says that this bill may be part of the government strategy to sometimes be dull and boring. Indeed, this is not a romantic piece of legislation, and it does not generate a lot of controversy.

As you know, Bill C-12 is an act to amend the Canada Business Corporations Act and to make consequential amendments to other acts.

• (1725)

Therefore, this legislation purports to amend the Canada Business Corporations Act. It allows for the implementation of technological innovations such as electronic filing and facsimile transmission of documents, it simplifies certain statutory procedures and record-keeping and filing requirements, and it makes the administration of the Act more effective.

Its object is to modernize the federal Canada Business Corporations Act. This act, which was passed in 1975, is a commercial law regulating about 190,000 Canadian businesses which were incorporated under it.

Half of the 500 largest businesses in the country were incorporated under that legislation. The government wants to amend the act in two stages, Bill C-12 being the first of those two stages.

A review of this legislation shows, as we in the opposition see it, four major changes which will allow businesses to improve their operations from a technical point of view.

The first of these changes is the fact that businesses will now be able to use electronic means to transmit documents. This should facilitate communication between businesses and the department.

Another provision allows current directors to appoint, under certain circumstances and if the rules of the corporation so provide, a limited number of directors. It must be pointed out that until now shareholders were the only ones who could appoint the directors.

The third change is to the effect that, from now on, companies will have to keep official documents such as accounting records and files for a minimum of six years. Obviously, we agree that this measure should help reduce the paper burden, but we wonder if a period of six years is sufficiently long.

Finally, privately-held corporations will no longer have to disclose financial information. This measure is criticized by the Order of Chartered Accountants, which worries about the impact it will have on the accounting profession. We must also realize that this measure will remove an injustice that may have existed before, in that provincially licensed companies had an unfair advantage because they did not have to disclose such information; federally licensed companies will now have the same status.

It is not easy to take position on such a slim bill. However, we must realize that, like other bills, it will take up a great deal of time and energy. That is why opposition members feel uncomfortable with this bill because there is still so much to do. There is so much to do with regards to the economy, to small and medium sized businesses and their development, that the government is not doing. Let us take, for instance, the paper burden small and medium sized businesses especially must carry, just to serve the government.

According to some studies, these businesses spend one out of five days dealing with government red tape. The government is aware of that, as it acknowledges in the red book. On April 28, the Minister of Industry announced a 29-member committee would be set up to study the issue of red tape among other things. As everyone knows, including the officials of his department, there have been numerous reports and the solution proposed by the government—it is like a reflex of this government—is to form a committee to study the issue; 29 people from coast to coast will consider the issue of government red tape. It is a waste of time.

Some adjustments would probably be easy to make, however. Knowing how competent federal public servants are, they could consult with their provincial counterparts, including those from Quebec, who are very competent.

• (1730)

Adjustments could be made to the program, and the procedure that companies must follow for exports, for example, could be simplified. Why not try to come up with ways to make it easier for small and medium sized businesses and others to export, which is vital for the economic development of Canada and Quebec? Why not refine what is offered to small and medium-sized businesses to encourage research and development? The Liberal Party of Canada made a big issue of it in the red book.

Why not ask officials, without striking a committee, to find ways of streamlining the forms, of reducing the delays in order to help small and medium sized businesses effectively, tangibly, pragmatically to do research and development? We know how complicated it is; I worked on it before. It is extremely complicated for a company to qualify for research and development tax credits, for example.

Easy ways must be found to help companies in that regard, just see to it. Companies must be helped to find ways to modernize their equipment, to give them the training that exists on the market to increase their productivity, to be more competitive internationally. Everything must be done to ensure that companies take the total-quality approach more and more. This is essential if we want our companies to be recognized, both here as subcontractors and internationally. Today, with ISO 9000, there is an international standard to help make sense of all the complexity in the world and to identify the companies considered qualified by a third party and those that are not. All our companies must be encouraged to come up to the ISO standard.

Even more serious, not only do we see no government interest or concern for these small things, which could really turn the situation around for small and medium–sized businesses if the government cared. Not only do we not sense any willingness on the part of the government, but we are moving backwards in areas such as military conversion programs, about which the government was very eloquent in its red book and made a lot of commitments. However, not a word about conversion was said by the minister, in the Throne Speech or in the budget speech, even though there are areas, in Quebec for example, where the military industry is very important. We will address the issue of the military industry tomorrow. The military industry must be revamped everywhere in the West, because of the evolution of the geo–political situation. As everyone knows, the Cold War is over, at least in the form we have known it until now.

We must make some adjustments to help industries move from military to civilian production, but there is no co–operation in this area. The government does not seem to be really concerned, since all it did was skim over the issue in some of its speeches. However, we have companies in Quebec, like Oerlikon and Paramax, which are in trouble. They have lashed out against the government. They cried for help again fifteen days ago. Help us, because if you do not and we do not get any more military contracts, thousands and thousands of jobs will be lost. Only in Quebec, the military industry has already lost 11,000 jobs in the last five years. These were high tech, high paid, and high–knowledge jobs. That is not the kind of jobs we can afford to lose in Canada and in Quebec, where the economy is already staggering, as we all know.

The situation with MIL Davie is also very important for the Quebec City area. If I am not mistaken, it is the largest company in the Quebec City area and it depends on government contracts. It needs the help of the federal government through a project that would meet a need, and I am talking here about the Magdalen Islands ferry. There is also another project, the smart ship project, which is important for the future of Quebec and Canada. Among other things, this multifunctional ship will be used to help settle regional conflicts as well as for UN peacekeeping missions. These projects should be a priority, but the government does not seem to have the political will to move on them.

• (1735)

This is an issue, and not only the Bloc Quebecois says it, since the Quebec Minister of Industry, Commerce and Technology, although he may be a Liberal and a federalist, has recently denounced the Liberal government by saying: "You see, you even wrote it in the red book". I heard it with my own ears on the radio. He was alluding to some form of political will by saying that it was nice to have written it, but what was behind the text? Where is the political will? We have not heard anything about that since.

It is not crying wolf to talk about this issue and to repeat that, if we do not do anything, we should be aware that we might have another brain drain, as we did in the late 1950s. Meanwhile, the Americans are developing their economy, they are here, they are everywhere, they are the giants and, as with the Avro Arrow in the late 1950s, they will come and get the best people from Canada and Quebec to develop their economy.

Another issue where we are going backwards is the fight against unemployment and the so–called job creation. Drawing from the red book, the government implemented the infrastructure program, indeed, $6 million in Canadian investments, including $2 million from the federal government. This program is supposed to be the main action and, so far, is the only one coming from this government to fight unemployment. The number of unemployed stands at 1.6 million, and this program will create 45,000 jobs. We must suspect that a very good number of these infrastructure jobs are seasonal, temporary jobs such as repairing sewers, roads and bridges. This will create many temporary jobs; of the 45,000 jobs created they say that 15,000 will go to Quebec.

They have nothing more to say and quite the contrary they brag about it. Weeks and months are passing by and this is all they have been able to find. They see this as a panacea and they think that this will solve the problem of 1.6 million unemployed. It is a shame to have so little imagination, to lack that much of the courage required to find another solution. I find this outrageous.

If there were a political will, there is an initiative that could go ahead readily, whatever the Prime Minister thinks of it, and that initiative is the high speed train. The project, which would link Quebec City, Trois–Rivières, and Windsor, could go ahead immediately but the government went wrong in that case. During the election campaign, the Bloc Quebecois supported the cancellation of the helicopters contract and everyone agreed to that. There was nevertheless something implied in what the leader of the Bloc Quebecois, the member for Lac Saint–Jean, said. It was that we should take the necessary steps in order that the expertise and all the budgets allocated to the helicopters be used for immediate and imminent development of the high–speed train. The government retained a part of the suggestion, since it cancelled the helicopters contract but as a result, thousands of workers lost their jobs.

I do not think this is the way to go to ensure economic development. We should note, and this is not coming from us but from the president of VIA Rail who said last week, and he should know what he is talking about, that the HST would create 127,000 jobs over a period of 10 years. Furthermore, according to the scenario favoured by the president of VIA Rail, this would

require absolutely no additional funds from the federal government.

That project would have many technological spin–offs and create jobs of all types, high technology or more simple ones, in all regions of Ontario and Quebec. Its impacts would be highly beneficial, mainly, as you have guessed I am sure, in the St. Maurice Valley, if first, it is implemented, second, the line is built on the north shore and third, the HST stops in my riding, in the regional capital of Trois–Rivières.

The third issue, and this one is dramatic because we can even talk about negligence in this case, concerns pharmaceutical products; the influence of lobbies is felt everywhere, most of all the lobby of Ontario members and ministers from the Toronto area.

• (1740)

There are two types of drug manufacturers, those who create new drugs and do research and development, and generic drug manufacturers, who copy existing drugs. Most of the first ones are located in Quebec where they do research and development.

Last Monday, I met a representative of the Canadian Drug Manufacturers Association. You need to know that it takes from 10 to 12 years to develop a new drug, before it is certified, licensed, tested and what not. I am told that it costs an average of $360 million to develop a new drug.

That industry is concentrated in Quebec. Bill C–91 was passed under the former government with the support of the Bloc Quebecois and over the opposition of the Liberal Party of Canada, although that party was divided over the issue. I could come back to that later. That bill extended to 20 years patent protection for drugs developed by those innovative companies. New drugs cannot be copied.

The proposal before us would provide for an immediate review of Bill C–91 even though the bill itself specifies such a review will not take place before 1997. And this, again, much to the dismay of the Quebec Minister of Industry, Commerce and Technology, being the federalist and Liberal that he is, who was reported in *Le Devoir* on April 28, 1994, as saying: "The federal government's decision to review the legislation protecting drug patents for 20 years is creating uncertainty and its indecisiveness is scaring away potential investors in the strategic sector of pharmaceuticals. A $50 million investment was to be announced last week but was postponed owing to the federal government's indecisiveness".

The Quebec manufacturers' association strongly opposed any attempt by the federal government to review this act.

Finally, I will quote from *La Presse*, which is hardly sovereigntist and neither is its editor, Mr. Alain Dubuc, who wrote in an editorial comment yesterday: "The research investments matter is neither a joke nor a multinational piece of cake. The Trudeau era policy"—this should ring a bell for the members opposite—"of eliminating patents was a disaster. Canada's pharmaceutical industry literally dies away, with research funding dropping to 3 per cent of sales, as compared to approximately 14 per cent in the United States, France and Germany. Bill C–22, which repaired the blunder, was a success; from 1987 to 1991, companies invested nearly $1 million, half of which in Quebec—

[*English*]

Mr. Fontana: Mr. Speaker, I rise on a point of order. We all appreciate this history lesson but I thought we were on Bill C–12 regarding the business corporations act. I am sorry, I do not see the relevance whatsoever of the member's comments with regard to Bills C–91 and C–22. I thought we were talking about Bill C–12.

I wonder, Mr. Speaker, if you could direct the member to speak to the bill before this House.

The Deputy Speaker: I think that is the first time the relevance rule has been raised in this Parliament, as least when I have been in the chair, and it is a rule that the parliamentary secretary will know is observed more in the breach than in the respect.

[*Translation*]

Perhaps the hon. member who had the floor could speak to the point, that is the bill presently before us.

• (1745)

Mr. Rocheleau: Mr. Speaker, I would like to demonstrate that the government should have other priorities than Bill C–12 and should not tackle such things as reviewing the pharmaceutical legislation the way they have been doing. That is the point I want to make, and they are not through hearing about it. As far as I am concerned, I am not through talking about it.

Bill C–22, which was tabled before Bill C–91 and cleared the air, was a success. Between 1987 and 1991, companies invested almost one billion dollars, half of that amount in Quebec, to such an extent that in 1991, research reached 9.7 per cent of sales in 1991 compared to the 3 per cent rate under Mr. Trudeau. While this is a marked improvement, it does not make up for lost ground.

How can a country complaining because it is lagging behind in research by contrast to other countries and also because it is not part of some high tech industries manage without one of the major high tech industries? The red book recognizes that our research is lagging behind. I will come back to that later.

We will not give up on the issue of pharmaceutical patents, which is critically important for Quebec. In fact, the pharmaceutical industry typefies Quebec industry. It is one of our finest industries, and we will not let the lobbying of members from Ontario, especially from Toronto, lower Quebec economy to such an extent.

I think that something happened last week, when my colleague, the member for Laurier—Sainte–Marie, quoted Confucius when responding to the minister of Industry who himself had quoted Shakespeare, a bit nastily, I must say.

The member for Laurier—Sainte–Marie quoted Confucius and said: "Culture is like jam; the less you have, the more you spread it". That struck me. I thought about it last week, if I remember well, while working on my lawn. I wondered why my colleague for Laurier—Sainte–Marie had quoted Confucius in those terms. After having given this matter much thought, I finally realized that it contained a message, a subliminal message. There was something symbolic about it. By "jam", he meant "in a jam". In a jam because of the failure of the government. Failure, especially if you make a report card after six months. I believe the government is celebrating that anniversary of its official and legal victory.

If you take a look at the situation, I think "in a jam" is the right expression. Let us recall, for instance, the issue of cigarette smuggling. Without the determination of the Official Opposition, we might still be discussing this whole issue. In the meantime, smuggling was flourishing in Quebec, resulting in loss of revenues for the government—which, in itself, was terrible enough. Also, because of civil disobedience, a whole climate was created where everything was challenged—our institutions, the role of the government, respect of the law, even social peace.

The government argued that there was no evidence of smuggling. It took weeks, but the opposition did not let go, and finally the government took the necessary measures.

Take another example, the Collège militaire royal de Saint–Jean. Here again, I want to show you—in case the member does not understand —that there are more important things to do than discussing minor bills such as this one. And, in our opinion, when the government does act, it does not necessarily act in the right way.

Mr. Fontana: Time.

Mr. Rocheleau: Mr. Speaker, I am allowed 40 minutes.

When the government acts, we know the results.

An hon. member: A fine mess, a jam.

Mr. Rocheleau: Yes, the military college was another fine mess. The Liberal government is forced to admit they have neither the desire nor the money to maintain the only francophone military training institution in America.

• (1750)

In tomorrow's Canada, in order to receive military training, francophones will have to go to a most anglophone city—which is all right—that has no facilities to make them feel welcome. The government say they have no choice. They have neither the desire nor the money to go on. That gives an idea of the Canada in which Quebecers will have to live, if they decide to remain a part of it.

What can we say about social program reform besides saying that again the government is in a jam? When one is obviously and deliberately taking it out not on unemployment but on the unemployed, not on poverty but on the poor, when the only thing we know about the government is that they will consult for two years—only to cut $7.5 billion in social programs at the end of the consultations, the situation is serious! When it is the unemployed and not unemployment, and the poor as opposed to poverty that are attacked, I say we are in a jam!

As for manpower training, the federal government stubbornly wants to keep jurisdiction over it. However, everybody in Quebec, employers as well as union leaders, school board members, Department of Education or Quebec government officials, whether federalist or not, everybody agrees that vocational training should be entirely under Quebec jurisdiction. But no, the government, for reasons known only to itself, is stubbornly hanging on to manpower training, after a two–year study involving goodness knows who, whereas everyone in Quebec is saying that it should withdraw from this area.

The last issue has to do not only with the government opposite, but with the federal system as well. I will not hide the fact that for sovereigntists like myself, it is very good news indeed to know what the rules of the game are in this country. The Supreme Court has just given us some idea of what they are with its ruling on telephony and communications where it said that however distinct Quebec might be, it had no rights over this field.

[*English*]

Mr. Fontana: Mr. Speaker, I rise on a point of order. I know that this member may not have much respect for this institution but I am sure he would have respect for the Speaker.

I thought I heard the Speaker give some guidance to this member and ask him to stick to the subject matter which is Bill C–12. That is what we are discussing today. Opposition day is tomorrow. There are plenty of opportunities in this House for this member to speak about anything else he would like.

Surely Canadians, taxpayers, who are watching this institution would expect that the hon. member would respect the wishes of the Chair and stick to the subject matter we are discussing today, Bill C–12, and not ramble on about everything that this House has done or will do in the foreseeable future.

Again, Mr. Speaker, I ask for your guidance for this member who just does not seem to get it.

[*Translation*]

The Deputy Speaker: Hon. colleagues, as I said a while ago, it is extremely difficult to say whether a comment pertains to the subject matter before the House or whether it does not. Therefore, I would ask all members for their co–operation in complying with the Standing Orders and speaking to this bill. I think that all members can appreciate how very difficult this situation can be for the Chair.

Mr. Rocheleau: Let me congratulate my colleague on his intellectual rigour. It shows that he must not come to the House often. In fact, I have not often seen him here myself. Mr. Speaker, you will surely agree with me that it is difficult to discuss this bill for 40 minutes, given that it is a slim piece of legislation and, as the minister said, a rather dull and boring one at that. Furthermore, unless he talks nonsense, a member has a right to use his speaking time to discuss subjects which he deems to be timely.

As I was saying, the Supreme Court handed down a ruling concerning telephony and communications which gives the federal government full jurisdiction. It is the federal system which is at issue here and I will not hide the fact that Quebecers are deeply interested in this subject.

• (1755)

The federal system is at issue here. To say that telecommunications—telephony, for example—come under exclusive federal jurisdiction is to deny Quebec's distinctiveness, one of the key points of the Charlottetown Agreement, which by the way was unanimously rejected.

In other words, for the hon. member's information, as Quebecers and Canadians must ponder the situation, I hope that Quebecers will realize that if they ever decide, in a referendum, to remain within Canada as a province, they will have to accept centralization.

That is the conclusion to be drawn from such measures. Decisions concerning the military college, social program reform, manpower training, telephony and communications all reflect a growing tendency on the part of the federal government to centralize major powers in Ottawa, and to consider provincial governments henceforth as regional governments. This is the context in which Quebecers will be deciding, in a referendum, whether or not to keep Quebec in Confederation.

In the time I have left, I want to come back more sensibly—my colleague will be pleased—to the issue of Bill–C–12. I said earlier that the government must have better things to do and you only have to look at all the statements and the promises of the red book to see what I mean. I want to quote what it says about research and development, technology, small and medium–sized businesses, and economic development. On page 52, it reads: "It would also create a climate that encourages pre–competitive research in various sectors of the Canadian economy. A Liberal government will further strengthen R and D, especially in small and medium–sized business, by encouraging technology partnerships between Canadian universities, research institutions, and the private sector that emphasize the commercial applications of research and development". For your information, Mr. Speaker, that is precisely what is going on in the pharmaceutical industry.

Again, the red book says: "A Liberal government will continue to support basic research, including the provision of stable funding for the granting councils, the National Research Council, and the Networks of Centres of Excellence".

It is so nice that I could go on and on. It is so very interesting but that goes back to last fall. Since then—and that is the complaint I have against this government—the government has not kept its promise—for which it was elected by Canadians from Ontario and the Maritimes, among others—but it introduced minor measures like Bill C–12. As I said at the outset, Mr. Speaker, it is a waste of time, a waste of energy and a waste of money to deal with such an issue.

Reading the red book and seeing the negligence of this government, I am led to say that it is more and more obvious, and absolutely necessary, that people take charge of their own destiny all across Canada, and particularly in Quebec, in every region of Quebec.

I want to tell you that as far as people of my riding, the riding of Trois–Rivières, are concerned, they have already started to do so. This is wonderfully exemplified by the re–opening of the former CIP Forest Products plant, which had closed down, causing the loss of 1,200 jobs, if memory serves me well. This plant has just re–opened, thanks to the involvement of the Fonds de solidarité des travailleurs du Québec; and if it has been re–opened, we must understand that it is because its workers had never given up. They made all the necessary representations, they made everybody aware that it was unacceptable that such a large plant, in a city like mine, Trois–Rivières, could close down for good. They managed to get the Fonds de solidarité involved. I take this opportunity to congratulate them for that.

There are other areas where people of my riding have understood and are doing something. First of all, at the CEGEP of Trois–Rivières, which is famous for two things, its Centre for Metallurgical Technology and its Centre for Pulp and Paper Technology, two specialized centres which are increasingly

serving the needs of metallurgical as well as pulp and paper industries all across Quebec.

• (1800)

And secondly, at the Université du Québec in Trois–Rivières, there are also people with a sense of imagination and vision who have set up a research group on small and medium–sized businesses to make sure that more universities know the problems of such businesses in order to better train young people and give assistance, even on the spot, in terms of consultation, to small and medium sized businesses everywhere in Quebec.

In a field which has a very bright future, there is also a hydrogen research centre which, you have to admit, is a high–tech field. This hydrogen research centre is attracting more and more attention and, given the importance of this product for the future, could have a remarkable development in the coming years.

Lastly, I would like to draw your attention, Mr. Speaker, to the fact that l'Université du Québec à Trois–Rivières is the only institution in all of Canada to offer a doctorate program in paper engineering. This is another illustration of our region's capacity to show its resourcefulness and its determination to take charge and make its presence felt more and more in Quebec as well as abroad.

In closing, and my friend will be happy, I would like to talk about Bill C–12 and say that we all know that it is the first part of a two–part law, the second part of which will come in three years and address much more important issues related to the operation of small and medium–sized businesses, like the responsibility of directors, insider trading, for example, and take–over bids.

It seems that these issues, and the government is still consulting, will be addressed in two or three years. The position of the Official Opposition is that we cannot oppose such a bill; although it is uninspiring, it is important in its technical aspects, and we understand that it makes technical changes which should improve the operation of our businesses. Consequently, the Official Opposition is for this bill, in spite of everything.

[*English*]

Mr. Werner Schmidt (Okanagan Centre): Mr. Speaker, I will address my remarks to the contents of Bill C–12. I resist corroborating the opinion that was expressed by the member opposite that if the bill is really not a major bill then it should not receive major debating time. If there are major points to be made then let us make them. However we have to be very careful not to abuse our privileges.

Bill C–12 as I understand it represents amendments to the Canada Business Corporations Act which will govern approximately 190,000 Canadian federal business corporations, including over 50 per cent of Canada's top 500 corporations.

This is the first phase of amendments designed to improve the competitiveness of Canadian business, simplify filing and record keeping requirements and certain corporate governance procedures and allow for technological innovation. The bill also begins the process of modernizing federal corporate law.

Amendments to Bill C–12 are purported to be of a largely technical nature. While this is in essence true we feel certain amendments could have ramifications far beyond the technical level.

We applaud those amendments to Bill C–12 that will result in simplifying filing and record keeping requirements and certain corporate governance procedures, allow for the technological innovation and better service to all regions of Canada, enhance the efficiency and effectiveness of the administration of the CBCA and clarify the language of the act through changes to the French and English versions and through the use of better terminology. It will promote good governance in corporate enterprises—at least that is what the intent is—facilitate efficient and flexible business management while protecting investors, including minority shareholders, and foster a fair and efficient marketplace.

• (1805)

It is purported to provide flexibility for corporations to act quickly and with less expense to unforeseen events by permitting current directors to appoint a limited number of directors in the time between shareholder meetings, if the corporation's bylaws permit that to happen.

We recognize that these measures are part of the government's commitment in the speech from the throne to focus on small and medium sized businesses. We encourage measures that are designed to improve the competitiveness of Canadian business. By encouraging internal trade within Canada and by helping business pursue an active international trade policy, we can place our federal corporations in a better competitive position.

We would be pleased if the reforms that are currently within the amendments to the CBCA accomplish all of these objectives. Certain provisions however require closer scrutiny and should be noted.

First, the provision to eliminate public financial disclosure for larger privately held corporations may allow certain public companies to transfer assets to private companies under their control and thereby avoid financial disclosures of these private subsidiaries.

Sections 16 and 17 regarding financial disclosure, while apparently not significant to the minister, being simply of a

technical nature, should be recognized as a substantive departure from the current provisions. They are not technicalities as suggested by the minister. They should be studied by the committee with a promise to consider moving them to the second part of the amendments to this act.

Notice is hereby given as well that two other matters are of concern to members of our party and will be drawn to the attention of the committee studying the bill. They are, first, the new section, 258.2, which allows the director to exempt notices or documents from having to be sent to the director in the prescribed circumstances. This is potentially a very wide provision if the governor in council chooses to prescribe wide circumstances.

We have been advised by department officials that this is intended to apply only to cases where documents are publicly available elsewhere. To make sure this is the sole reason, an amendment to that effect is required. The amendment could be something like this: "If a notice or document is required under this act to be sent to the director must be made public by some other provision of or made pursuant to another act of Parliament other than this act, the director may, by order made subject to the condition that the other provision has been complied with and any other conditions the director may consider appropriate, exempt the notice or document from the requirement under this act that it be sent to the director".

The second amendment that ought to be looked at refers to section 8(2). This section provides a previously unregulated period for which records must be kept. The minister mentioned that presently the act is silent on this and that we need to recognize under the Income Tax Act and the provisions thereof that claims to be made by the minister may be made for six years back and the limitation on actions in contracts in most and maybe all provinces is six years after the cause for the action arises.

In light of these provisions it seems strange to have a six year minimum, as longer record retention is generally mandated by other legislation and by common sense. It would appear to be better either to leave out this provision or to avoid redundancy and to have a longer period, say eight or ten years. Eight years would certainly cover the income tax provision and meet most contract litigation needs.

There is a second reason why the provision which will see record keeping reduced to six years may be inadequate. Litigation procedures may be started after six years so the requirement should be, in our opinion, probably something like ten years.

The second phase of the reforms that are being talked about here should also be referred to at this time. We are alerted that consultations for phase two reforms have apparently started already. They includes issues like the liability of corporate directors; shareholder communications both between the corporation and the shareholders and also among shareholders; citizenship and residency requirements currently imposed on boards of directors; financial assistance granted by the corporation to directors, officers, shareholders and others; and governing insider trading and takeover bids. Each of these areas are very substantive in nature and will require very careful and detailed examination and study.

• (1810)

Their importance to the federal business corporations and to Canada's competitiveness is clear. The expansion of directors' liability may be leading some qualified people for example to refuse board appointments. For a corporation to be successful, qualified people must be willing to serve on boards and once there to take bold steps in order to compete in the global marketplace.

We also encourage commitment to continued reform. It is absolutely amazing this particular act has not been revised over the last 20 years. If we compare business practices of 20 years ago to today and the competition that exists out there I find it almost unbelievable that the act still fits. It does not fit too well and that is why it is before us today. So we are encouraging continued reform.

The proposed amendments require the minister to submit within three years of this bill receiving royal assent a report to Parliament on the provisions and operation of the act, including recommendations for further changes to the law.

We heard the hon. minister say about an hour ago that within 18 months he expects to bring this forward. I certainly would encourage him to meet that deadline.

In general we support the objectives of the bill. We recognize the government's efforts to meet one of its promises as set out in the speech from the throne. However we would caution the minister from viewing all of the amendments to this bill as technicalities. While in some instances this is essentially true there are other areas, as demonstrated in the text of my speech so far, that require closer and more cautious scrutiny.

I am confident that once this bill is referred to committee, government members will agree that some safeguards must be implemented to protect shareholders, the corporate structure and finally the Canadian marketplace. Once this is accomplished I believe Bill C–12 will meet its objectives of promoting a fair and efficient marketplace and an economic climate that is conducive to sustained growth and job creation.

We look forward to the referral of this bill to the committee. We will take the opportunity then to ensure that Bill C–12 meets its objectives in a manner satisfactory to all sides of the House.

(Motion agreed to, bill read the second time and referred to a committee.)

Government Orders

RAILWAY SAFETY ACT

Hon. Douglas Peters (for Minister of Transport) moved that Bill C–21, an act to amend the Railway Safety Act, be read the second time and referred to a committee.

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am very pleased to rise today to present for second reading a bill to amend the Railway Safety Act. I understand there is agreement that we do all three readings hopefully before the hour of adjournment.

The bill, which will help reduce accidents and fatalities associated with Canada's railway system, will create an offence for trespassing on federally regulated railway property.

• (1815)

A similar prohibition in the Railway Act was revoked by proclamation of the Railway Safety Act in 1989. By reintroducing the prohibition we will put teeth into the Railway Safety Act by giving railway companies a strong deterrent.

Effective and enforceable legislation in conjunction with public education should help reduce trespassing related incidents on railway lands. The three *e*s to enhanced railway safety are education, engineering and enforcement. I am pleased that this enforcement initiative will enable law officers, especially railway police who are empowered to enforce federal legislation, to charge trespassers found on railway lines.

This legislation is clearly in the interest of public safety. Trespassing on railway property is one of the most frequent causes of fatalities and injuries related to railway operations. The incidence of accidents to trespassers is increasing. In fact, last year for the first time the number of trespassing fatalities surpassed the number of lives lost at level crossings in Canada.

An estimated 100 people are struck by trains each year while trespassing on railway right of ways. Almost half of these people are killed and the remainder are seriously injured. Many of these people are habitual trespassers, and an unfortunate number of accidents involve young children and students. These are tragic statistics.

The government has introduced this bill as a means of reducing the terrible consequences that can result from trespassing on railway lands. Trespassing commonly occurs near schools, parks, recreational facilities and commercial or residential locations which have high pedestrian traffic, urban areas such as Montreal and Toronto.

The reasons for trespassing include shortcuts to commercial establishments, schools and residential areas, and the use of railway tracks by children as play areas. Unfortunately a railway right of way is a dangerous time saver and far too often becomes a deadly playground for young children.

There is also a major problem of homeless people using railway property as living or resting areas. Many trespassers make use of railway property with total disregard for their personal safety and this is of major concern to Transport Canada.

Fencing and highly visible signage put in place by railways have not been sufficiently effective in discouraging trespassers. Let me emphasize that the penalty provisions contained in the act are broad enough, up to $5,000 on summary conviction, to create a major deterrent to repeat offences.

Reinstatement of the prohibition against trespassing will assist police in reducing the incidence of this dangerous practice on railway property and hence the number of accidents and fatalities. The onus for enforcement would rest with the railways through their police forces and there would be no demand on government's resources as a result of this amendment.

The original anti–trespassing provision in the Railway Act was not included in the Railway Safety Act when the latter legislation was proclaimed in January 1989 because it was felt the matter could be addressed effectively through subsequent regulations.

A review by the justice department has determined that due to the nature of the prohibition, the provision should be established as part of the legislation itself and not as a regulation. Transport Canada has worked with railways to improve safety in areas of heavy trespass; measures such as increased railway policing, barbed wire top fences and other steps to discourage trespassers have been introduced as a result.

The amendment will not affect individuals such as native people and prospectors in remote areas who may need to cross tracks on a regular basis to reach trap lines and mineral claims. The purpose of the amendment is to enable railway police forces to take action in areas of continual and dangerous trespasses.

In conclusion, let me emphasize that the federal government is committed to working with the railways to reduce accidents and fatalities associated with Canada's railway system. This addition to the Railway Safety Act strengthens this important piece of legislation and in conjunction with public education should help remedy the problems of trespassing on railway lands.

[*Translation*]

The Deputy Speaker: Before recognizing the member for Beauport—Montmorency—Orléans I would like to ask the House if it is true the other parties have given unanimous consent for this bill to go through all three stages and be passed today?

Mr. Guimond: Mr. Speaker, on behalf of the Official Opposition, I can confirm that there is such a consent.

The Deputy Speaker: Very well. Does the Reform Party concur?

[*English*]

Is the Reform Party prepared to give unanimous consent to the three stages passing today?

Mr. Gouk: We are, Mr. Speaker.

• (1820)

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, as transport critic for the Official Opposition I would like to make a few comments on that bill. The first purpose of this very short, but nevertheless important bill is to ensure equivalence between the French and English versions of the Railway Safety Act. The second is to prohibit unlawful access to line works.

I can tell you that I am doubly concerned about this bill. In my riding of Beauport—Montmorency—Orléans there is a rail line that people at CN call Murray Bay. It goes from Limoilou, in Quebec City, to Clermont, in Charlevoix, which means that it crosses the entire riding.

While I was preparing my notes and rereading the bill, I remembered two events that I would like to share with you. They are tragic events for the families involved. Some two or two and a half years ago, in July, a 72–year old person was hit by a CN train in front of the Basilica in Sainte–Anne–de–Beaupré, in my riding. I can tell you that in a community the size of Sainte–Anne–de–Beaupré, such an accident creates quite a commotion.

The second event, as the Parliamentary Secretary to the Minister of Transport just mentioned, involved a child. Last year, a six–year old boy, on his way home from school in Ville Vanier, in the Québec–Est riding, was hit by a Via Rail train which was going through a residential area at high speed. There was a coroner's inquest. We are still waiting for his conclusions. I can tell you that listening to the testimony of the father, who was deeply affected, was heart–rending—I do not mean that the mother was not affected—but the testimony of the father left me with extremely painful memories. I can tell you that, as the father of two children, I was shaken.

Having said this, I will refrain from saying that this is a good bill even if I would like to. I do not know if I am becoming a seasoned parliamentarian, but I do not dare say this was a good decision because when one does, there are usually ministers, whose good faith can be questioned, who are only too happy to mention in response to our questions: "But you said the government had made a good decision in this bill". So I will refrain from saying it. It is unfortunate that the rules of the British parliamentary system, and our friends opposite's vision of it, prevent me from saying this is a good bill, although I am tempted to say so.

I can tell you why I consider this bill important. By the way, short lines are referred to as C.F.I.L. in French. Perhaps I should take this opportunity to enlighten my francophone colleagues from other provinces. Instead of using the expression "short lines" in French, we should say C.F.I.L., which stands for *chemin de fer à intérêt local*. We know that railway companies, whether it is CN or CP, are more interested in selling lines.

I think that if we have local operators trying to make a profit with their line, it would be unfortunate to see railroad safety adversely affected. I feel that this bill, which guarantees a level of firmness regarding the implementation of certain safety standards, is a good piece of legislation. And as regards short lines, we, parliamentarians, will have to be watchful and ensure that operators comply with a minimum of safety rules.

• (1825)

To conclude, I want to say that the Bloc Quebecois did not object at all to the grouping together of all three reading stages. We support this bill, which is primarily aimed at increasing railroad safety.

I forgot to mention recreational use of land on which a railway line is situated. For example, in my riding, as in several others, snowmobiles make increasing use of that land. To some extent, this bill is to protect from themselves such people, who take unwarranted risks. As you know, the snowmobile was invented by a Quebecer, Mr. Bombardier. Its usefulness has been demonstrated and this invention has had an impact across Canada and throughout the world.

In conclusion, we support this bill.

[*English*]

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, we recognize this as an important but non–contentious piece of housekeeping legislation designed to improve rail safety. As such the Reform Party supports the bill.

We support it going through three readings and we offer our co–operation in that regard. We do not wish to take up the House's time in any further debate or comment on it so that we can finish with the bill and get on to the more important and pressing matters coming before the House.

(Motion agreed to, bill read the second time, considered in committee, reported and concurred in.)

The Deputy Speaker: When shall the bill be read the third time? By unanimous consent, now?

Some hon. members: Agreed.

Hon. David Anderson (for the Minister of Transport) moved that the bill be read the third time and passed.

Mr. Fontana: Mr. Speaker, on behalf of the Minister of Transport, I want to thank both parties for the quick passage of this very important bill.

It does show that when an important piece of legislation needs to be put through the House in fairly quick order all parties can move, and I want to thank them.

[*Translation*]

Mr. Guimond: Mr. Speaker, I just want to say that I do not think things will go as fast with Bill C–22 on the privatization of the Pearson airport.

[*English*]

(Motion agreed to, bill read the third time and passed.)

The Deputy Speaker: It being 6.30 p.m. the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.30 p.m.)

HOUSE OF COMMONS

Thursday, May 5, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

WORLD WAR II

Hon. Lawrence MacAulay (Secretary of State (Veterans)): Mr. Speaker, later today I will have the honour of leading a delegation of veterans to Italy. This pilgrimage will mark the 50th anniversary of the Italian campaign of the second world war.

Veterans from across the country representing all of the regiments and units which participated in the campaign will travel with me to sites throughout Italy. Together we will retrace the steps of Canadians who fought for democracy in Italy between 1943 and 1945 and pay tribute to those who gave their lives for freedom.

The story of the Canadians in Italy is a special chapter in our history. The first Canadians stepped on to the beaches on July 10, 1943. Well planned and decisive, the successful allied landings in Sicily marked an important turning point in the cause of freedom.

Then came 20 long gruelling months of fighting in which our troops proved themselves time and time again—Ortona, Monte Cassino, the Liri Valley and the push to the Lombardy plains and the industrial north of Italy. These fierce battles tested our Canadians fully and in every case our troops showed their exceptional ability and determination. Their proud record brought them respect from friend and foe alike.

All three of our services saw action in the Italian campaign. The flotillas of the Royal Canadian Navy successfully brought our troops ashore and, together with the merchant navy, kept them well supplied. The Royal Canadian Air Force provided vital air support, bombing strategic enemy positions. The infantry and armoured divisions of the Canadian Army renewed our country's reputation as the home of courageous and accomplished soldiers. The "red patches" of our Canadian Infantry Corps were some of the toughest troops in Italy.

Our troops left Italy and went on to northwestern Europe where they gained further honours in liberating Holland. But in Italy the important role they played in driving back the German army contributed to the downfall of the Third Reich.

I ask all members of the House to pay a very special tribute to the Canadian veterans of Italy who 50 years ago helped return freedom to Europe and brought such great honour to our country.

[*Translation*]

Mr. Maurice Godin (Châteauguay): Mr. Speaker, I would like first of all to thank the Secretary of State for Veterans for taking the trouble to pass on to me, within a reasonable time, the text of his statement.

As the Official Opposition critic, I will be privileged to be part of that pilgrimage which will take us to Italy, in order to commemorate the 50th anniversary of the campaign to free Europe from Nazi control, a campaign in which Canada participated.

Certainly Canada must remember the incalculable price that the world had to pay in order to protect rights and freedoms. It must remember those efforts that were made in that terrible war, even at the cost of our innocent citizens' life. Veterans are still here to remind us of the courage that they showed in those events. So I agree with the Secretary of State that it is important to make sure that those events are never forgotten.

• (1010)

Canada also has other duties toward its veterans. It must never forget the situation that they are living in today. It seems to me that their living conditions should be of prime importance, since that is the best way for us to show our gratitude to those who fought for the preservation of these values and these collective interests. If it is essential to commemorate our veterans' achievements, it is even more essential to guarantee them decent living conditions.

The Bloc Quebecois is proud to salute all these people who made sure, 50 years ago, that Italy found the road to freedom.

[*English*]

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, I want to congratulate the secretary of state for veterans affairs for taking the lead in organizing this, if I may, pilgrimage to Italy to recognize the contribution of the Canadian forces who participated in the Italian campaign.

As has been mentioned, the Canadians landed in Sicily at Pachino Beach on July 10, 1943. After having assisted in the conquering of Sicily, they moved up the Italian peninsula. They were involved in the downfall of the famous Gustav line. On May 11 they commenced the attack on the Gustav line and four days later it collapsed.

They moved on to the Hitler line and on May 23 they breached the line with the loss of 1,000 casualties. This enabled the allied forces to combine with the American forces who had landed at Anzio, just south of Rome prior to that. This campaign for the first time saw a Canadian corps in the field commanded by a Canadian general, in this case, General E.L.M. Burns who later became famous as the commander of the first peacekeeping force recommended by Prime Minister Lester B. Pearson.

Moving up the Italian peninsula, the Canadians fought with great determination and great capability. At the Guthic line just south of Rimini on August 25, it took them five days to break through this last foothold before they moved into the plains of Lombardy.

By 1945 the Italian campaign had pinned down 27 German divisions and unquestionably had a great impact on the outcome of the war with D-Day. During the Italian campaign, some 92,757 Canadians served in the Italian campaign. Of those 5,500-plus were killed, 20,000 were wounded and 1,000 were taken prisoner.

Canada won three VCs, Victoria Crosses, the highest commendation during that campaign: Captain Paul Triquet of the Royal 22nd Regiment, Major Mahony of the Westminster Regiment and Private E.A. Smokey Smith of the Seaforth Highlanders.

It is not only appropriate that this return to honour and commemorate the Canadians who participated in the Italian campaign should be done, but it is appropriate that all parties should be represented in it. This is non-political. It is a Canadian venture and I commend the secretary and the members of the party who are going to Italy. It is not only right but fitting that Canadians remember the Italian campaign.

* * *

• (1015)

INCOME TAX ACT

Hon. David Anderson (for the Minister of Finance) moved that Bill C-27, an act to amend the Income Tax Act, the Income Tax Application Rules, the Canada Pension Plan, the Canada Business Corporations Act, the Excise Tax Act, the Unemployment Insurance Act and certain related acts, be read the first time and printed.

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

PETITIONS

SEXUAL ORIENTATION

Mr. Ray Speaker (Lethbridge): Mr. Speaker, I wish to present a petition on behalf of 187 constituents from Lethbridge.

They present the petition requesting that Parliament not amend the Canadian Human Rights Act or the Charter of Rights and Freedoms to include the undefined phrase sexual orientation.

I so present the petition to Parliament.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Are the questions allowed to stand?

Some hon. members: Agreed.

[*English*]

The Acting Speaker (Mr. Kilger): I wish to inform the House that pursuant to Standing Order 33(2)(b) because of the ministerial statement Government Orders will be extended by nine minutes.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—CONVERSION OF MILITARY INDUSTRIES

Mr. Réal Ménard (Hochelaga—Maisonneuve) moved:

That this House condemn the government for its unacceptable delays in developing and implementing a genuine strategy for the conversion of the defence industries to civilian production, which would save and create new jobs in high technology sectors.

At the outset, Mr. Speaker, I would like to remind the House that if the Official Opposition has felt necessary to use its allotted day to deal with industrial conversion mechanisms and propose solutions, as the government will see, it is because we believe there really is a feeling of urgency. The reason why I raise this feeling of urgency is that we remember that 10,000 jobs have been lost in Quebec in the sole sector of defence material production and in the sector of arms production and that as many and even more have disappeared in the rest of Canada, where it is said that 47,000 jobs have been lost since 1987.

Despite the stagnation of markets, despite the urgency of the situation, the government is making no progress. This government, in spite of its commitments, and we will come back to that, has given no real indication of its will to go ahead in that

sector. There was no indication whatsoever in the Speech from the Throne, nor was there anything in the Budget brought down recently.

Of course, the difficulties that the defence material and arms industries are facing encompass much more than the national market. We of the Official Opposition are well aware, because we are responsible members, that the difficulties result from changes which have taken place in the international order. What kind of reality are we talking about when we deal with arms production? We are talking here about an international market worth $450 billion. Evidently, the streamlining, the adjustments made in these markets affect not only Canada but also Europe and the United States. I think it would be useful to point out that since 1987, Europe has lost 600,000 jobs in that sector and the United States 700,000. If you add that to the Canadian reality, it is easy to understand that the change is world-wide.

• (1020)

This is even more of a concern because jobs lost in the area of armament or defence production are high technology jobs; many studies show that jobs found in the area of defence equipment and military weapon production generally are better-paying for the employees. It is even said that these jobs pay 36 per cent more than comparable jobs in civilian industry.

Mr. Speaker, the causes of that streamlining are well-known. It began with the fall of the Berlin wall, which had been the symbol of the cold war for two generations. Because of the cold war various nation-states, including Canada, ratified a number of treaties providing for a limitation of the production of both nuclear arsenals and conventional weaponry. It is easy to understand that limitation treaties mean less contracts for producers.

Let us take as an example our neighbour to the south. Five or six years ago, when George Bush was President, the Pentagon was told to prepare for a significant reduction of its purchasing power. Even though it was the main source of defence contracts, the Pentagon will nevertheless have its purchasing power reduced by 27 per cent between 1993 and 1997. Of course, the whole thing will impact on Canada and Quebec since we are closely linked to the American defence market.

We must note also that arms deliveries to Third World countries dropped by more than 61 per cent between 1988 and 1992. Up to now, rationalization efforts have mainly focused on ground-based systems. Contracts for such systems dropped by about 77 per cent. Also, naval contracts, for which Quebec had some expertise, were reduced by 26 per cent. Thirdly, the aviation industry, with an important production centre based in Montreal, registered a 23 per cent drop in its contracts.

This is why the government should urgently propose a real conversion strategy. We should not forget—and we will keep reminding the government and the people listening to us—that while I speak, jobs are being lost and, despite the disappearance of tens of thousands of them, the government has not offered the slightest help, it did not propose anything to companies willing and even anxious to undergo conversion.

Mr. Speaker, it might seem strange, but Canada, a medium power, a peace-loving country, which never was the main belligerent in any war, was nevertheless an important producer of arms and auxiliary equipment. In fact, Canada ranks eighth in the world when it comes to arms production.

As for arms exports, we are ranked fourteenth in the world. I mentioned the difficulties experienced by the American market, and this is very relevant for Canada and Quebec since 70 per cent of the Canadian production of arms and military equipment is sold on international markets, and 80 per cent of that on the American market.

• (1025)

Therefore, the situation is worrisome, it is here to stay and it is structural. We cannot pretend that Canadian and Quebec defence industries are going through a temporary crisis. All indications point to a structural crisis caused both by the international situation and problems more specific to North America.

If the Official Opposition chose to have this debate, it is not only because the stakes are very high for English Canada, but mostly because the streamlining process is of the utmost importance for Quebec.

It concerns Quebec to the highest degree since there are some 650 companies, either prime contractors or subcontractors, which are directly involved in contracts awarded by the Department of National Defence. Quebec firms had gained expertise in four specific areas, namely communications electronics, aerospace, shipbuilding, and ammunition.

In spite of this expertise—which had been developed mainly through DIPP as we will see later—and Quebec's know-how in the four sectors I just mentioned, 10,000 jobs have been lost in Quebec since 1987, due partly to the international situation. As you can appreciate, the loss of 10,000 jobs in a market like Quebec is, to all intents and purposes, absolutely catastrophic. I say catastrophic, because these jobs, as was mentioned earlier, are in the high-tech field and if the conversion program is not implemented, there is no indication that Quebec will ever get them back.

As a member from Montreal, one of, if not the nicest city and region in all of Quebec and Canada, I must point out that the Island of Montreal is the centre of defence arms and materiel production.

Mr. Speaker, I want to back up my statements and focus on specifics, so that the government cannot accuse us of being vague and of not basing our demands on concrete facts. As you know, I have always made it my duty when speaking in this House to deal in specifics. Therefore, the following facts are for the benefit of the Minister of Industry who is honouring us with his presence today and who, I am told, will be taking part later in the debate. I would like to remind him that Montreal is affected most of all by the current crisis since 60 per cent of all contracts awarded either go to or are carried out in the Montreal area.

For example, between 1987 and 1992, a total of 15,000 sole-source contracts were awarded annually to the Montreal region. For those who are familiar with this issue, and I could name names because there are people in Quebec who have studied the conversion question, Montreal is considered the leading centre of military production in Canada, accounting for 26 per cent of all contracts awarded in the country.

We are shocked, saddened, worried to see the Montreal region, a region which has had its share of hardship these past few years—Montreal was said in the committee on social programs reform to have become the capital of poverty—suffer a 40 per cent overall decrease in economic activity from the defence industry over the past six years, while for the whole of Quebec, the decrease was 25 per cent.

So, there is a sense of urgency, an urgency that makes all the more unacceptable the attitude and inaction of a government the intentions of which in that respect are yet to be known.

• (1030)

But, in the past, back in the days when they were in opposition, the Liberals, the big guns of this government, had made firm commitments in terms of reconversion. They were aware of the need and supported this necessary transition. This transition stage is required because the good old days when governments could award lavish defence equipment contracts are gone, for ever.

If I may, I would like to quote three former members of Her Majesty's loyal opposition who had endorsed wholeheartedly the conversion process, but now seem conspicuously silent. I am referring to the current Minister of Human Resources Development, Mr. Axworthy, the current Defence Committee Chairman, Mr. Rompkey, who was the opposition's Defence critic at the time, and Mr. Jim Peterson, who was their Industry critic.

The Acting Speaker (Mr. Kilger): Order! I would simply like to remind all members that whenever they refer to other members, the proper practice is to call them by their official titles, for example parliamentary secretary, or member for such-and-such a riding.

Mr. Ménard: Mr. Speaker, I apologize for this breach of order. But you will still allow me to quote these three members whose constituencies I do not remember.

These people were saying, "We must expand the mandate of Industry, Science and Technology Canada's $200 million DIPP from developing defence technology to helping the industry convert and diversify into areas such as environmental technologies and high-tech peacekeeping technologies".

That is smart thinking, Mr. Speaker. And that is what we in the Official Opposition are demanding. We are telling the government that there is an urgent need to act on defence conversion and that this could be done by adjusting a program not currently used for conversion. However, if the government's intentions are serious, there is a program that would allow us to make conversion budgets available to businesses. It is the DIPP or Defence Industry Productivity Program.

We must never forget that this program, which in fact has promoted research and development, has been in place for over 20 years. It enabled businesses to conduct market studies and refine technologies mostly aimed at the defence industry. We think that the program which kept Canadian industries somewhat dependent on defence markets should now help them to pull through.

We say to the government that DIPP, which already had large budgets, $300 million in good years, but today it is more like $225 million, we say to the government that this is the vehicle to use. We will not accept an argument that DIPP is already being used for conversion. Because if they tell us that, we say to the government, "If this vehicle is really being used for conversion, come with us and meet various companies in the Montreal area that are having these problems. You will see that with these funds, they cannot really convert."

We say to the government that any conversion solution must involve regionalization, given the obvious fact that Canada's military industries vary enormously from one region to another. Each region has developed its own military specializations, so that each regional specialization has its own needs.

Obviously, an industry that makes munitions will not have the same needs, the same process, the same expectations for conversion as one that makes telecommunication satellites, for example. The Canadian reality is that each region has developed a very specific type of defence equipment production.

We must keep in mind that this debate is about the future and shows how forward-looking the Official Opposition is. I see my colleague opposite nodding and I am pleased to see that he agrees that we see things right.

• (1035)

One must never forget that conversion is a medium-term process, lasting five, six, or seven years. Now is the time to lay the groundwork for conversion. We must recognize that certain regions are further ahead than others in their reflection process,

because they know, and this is a basic point to keep in mind, that no conversion is possible without hard and constant co-operative work. In Quebec, we have come quite a long way in this regard.

We have come a long way with this co-operative work because, immediately following the recession of 1981, this approach to economic recovery was taken into consideration by the major players in Quebec, including the labour unions, starting with the CNTU, which just this last year organized a seminar on the subject. Even the Conseil du patronat, which can hardly be suspected of having any sympathy for sovereignty, apparently has easy access to ministers. There is also the current Quebec government; we are not talking here about some obscure future separatist government, but rather about a conventional federalist government ready for commitment, and which is asking the federal government to give its businesses access to available funds for conversion.

The government will have no choice because of the direct relationship that exists. That is precisely what the Official Opposition is attempting to show today, namely that there is a direct connection between the dependency of Quebec businesses on defence industries and the lay-offs now taking place.

I will give you six very real examples which should prompt the government to act much more speedily than it has up until now. I could have given about 50 examples, but I will only mention six, because of the limited time at my disposal.

Between 1990 and 1994, Bendix Avelex, an avionics company which depends on the military market for 70 per cent of its production, laid off 35 employees. As you will see, the more dependent companies are on the military market, the more massive are the lay offs.

Expro, which you will soon hear about in great detail, since the hon. member representing the region concerned will later make a presentation, makes ammunition. That company is also dependent on the military market for 70 per cent of its production and laid off 300 employees.

Héroux, an aeronautics firm, is dependent on the military market for 80 per cent of its production and had to lay off 131 people.

MIL Davie, which is well-known and which we talked about several times in this House, depends on the military market for 91 per cent of its production and laid off 2,740 employees—yes, Mr. Speaker, 2,740. This is unacceptable! It is a shame and a social disaster!

Oerlikon, which is well known, builds ground-based and missile systems. It is 100 per cent dependent on the military and had to let go 410 employees. As for Paramax, it is 100 per cent dependent and it laid off 1,000 people.

I do not know if the Minister of Industry is as shaken as I am, but I can hear him. I share his feeling of helplessness and I offer him my co-operation and that of the Official Opposition. We are telling this government that action is urgently needed. Stop procrastinating and let us work together; we, the Official Opposition, are willing to co-operate.

In the past, government members have said that we were only concerned by issues affecting Quebec, that we did not have a national vision and that we did not truly assumed our role. Now, this is an issue which concerns all regions of Canada, and particularly Quebec. And what we are saying is that, if the government is really serious about this, it should recognize that it does have that instrument, which, if improved, could help us to truly support businesses that really want to proceed with a conversion process. And let me remind those who are listening to this debate that this instrument is the Defence Industry Production Program or DIPP. We will see how serious the government is, since important budgets are involved in this program; we are speaking of $225 million.

For the program to be efficient, this budget must take into account local factors as well as local stakeholders, the main people concerned, who must work together and cooperate to achieve conversion.

You indicate to me that my time is up, Mr. Speaker. I simply want to tell the government that we want nothing more than to co-operate on this issue because we truly and honestly believe that time is of the essence.

• (1040)

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I begin by saying through you to the member for Hochelaga—Maisonneuve that we welcome this debate today and we welcome the spirit and tone that he has put forward in his remarks. We too are going to be constructive and specific in responding.

By the way, I do share the hon. member's view that his riding in Montreal is one of the most beautiful parts of our country. One day when he comes to Toronto he will share the view that I have of my city.

The conversion of military technology to peacetime use is something to which we in this government are committed. The member cited many examples of how people through layoffs, et cetera, were in a disastrous state, unemployed, highly skilled people. We are aware of that. We are moving.

We have to expand our thinking and maybe look at new types of instruments to help in this conversion. I want to give a specific example. Amortek is a company in Stratford, Ontario, that made military fire trucks. About a year and a half ago the need for military fire trucks was really not there. It converted to

making an environmental garbage truck that handles wet, dry, and recyclable garbage all in one unit.

It used its skilled labour to do the conversion. It did not get any grant money from the Government of Canada. What it did was enhance its marketing team by one or two people and participated in a few more trade shows in South America and the United States. It used the resources of the Export Development Corporation for credit lines and guarantees and a combination of those instruments, plus its banks are becoming a little bit more receptive to this type of environmental technology that is exportable. Right now the company has so many orders it cannot fill them.

I think it important that we communicate to those people who are in this conversion mode that they cannot just rely on the old system of funding because we are in a very difficult fiscal framework and we have all acknowledged that. I know the member acknowledges that.

Could the member not see that we could use the existing instruments like the Export Development Corporation, the chartered banks and some of the new creative funds they have and the enhanced marketing services of the export marketing development unit of the department of the minister of trade. Maybe through a little bit more creative thinking we could bridge that transition and that could help us get people back to work a little more quickly without adding further to the deficit and debt.

Could he consider that as a possible option?

[*Translation*]

Mr. Ménard: Mr. Speaker, as you know, it is always a pleasure to debate with the member opposite, probably the most faithful listener I have, but I think the hon. member is mistaken on several counts. First of all, I specifically stated, at the beginning of my speech, that the tightening of the market is closely linked to international conditions. Now, I feel the question put by the hon. member is somewhat partisan, since it implies that the businesses I talked about are a little passive, that they depend on the government and are not really unhappy about the whole situation.

• (1045)

I found that a bit strange, Mr. Speaker. Do you not think that a business which has been operating on a specific market and which has to lay off 600, 700, 800, 900, or 1,000 workers would have, all by itself, considered developing a strategy plan to find some new niches and some new markets?

In fact, in some cases, businesses have, on their own, presented the government with a conversion plan. In a number of cases, the government was provided with conversion plans, and there is supporting material to prove it. However, according to professor Bélanger, whom I hope the hon. member will have the privilege to meet some day, there are structural obstacles to conversion.

First, in many cases, these firms do not know the new markets as well as the ones they used to operate on. Very often, in order to proceed with the conversion process, they need to change their production technology, which requires significant capital expenditures, something they cannot always afford.

But should this whole debate not rather deal with the fact that the DIPP, for historical reasons which cannot be denied, tried to maintain in a state of dependency a number of businesses involved in research and development in the military sector? Is it not socially responsible for the Official Opposition to argue—notwithstanding trade fairs, which I know the hon. member likes a lot—that there will be no conversion without a comprehensive approach, without the government's support?

Nobody says that that conversion process has to be the exclusive responsibility of business; no company says that either. Professor Bélanger interviewed people from over 80 companies. They are ready to play their part, they are aware that there is an element of strategic planning involved, and they also know that it is incumbent upon them to take the first step. No company denies that.

But we have to recognize that the government has a responsibility. It must take a comprehensive approach to this issue, provide a tool that will give impetus to the process and make funds available because of the studies that often have to be conducted. I am not talking here about annual funding. I am talking about funding a process over five to seven years.

I partly agree with my hon. colleague, and I will conclude my remarks by saying that, yes, businesses must take the initiative of looking for new markets, but they have the right to expect the government to provide them with a tool, and we are telling the government that the tool they need is the DIPP.

Mr. Jean H. Leroux (Shefford): Mr. Speaker, first, I would like to congratulate the hon. member for Hochelaga—Maisonneuve for the soundness of his remarks.

We, in the Bloc Quebecois, consider the conversion of defence industries to be of great importance and we think that government members too, when sitting in the opposition, believed that to be important. It seems that changing sides in the House also means suddenly changing argument.

So I have a question for my hon. colleague. I would like him to explain the position of the Bloc Quebecois and also the different stages it would be important to go through. Government members opposite keep saying they want to listen; so I hope that at some point, after we have explained to them one last time what it is they should do, they will stop listening and finally take action.

The Acting Speaker (Mr. Kilger): The hon. member for Hochelaga—Maisonneuve has only a few minutes left. He should keep his answer short.

Mr. Ménard: Mr. Speaker, in school I was always told I had an exceptional talent to sum things up. My colleague is quite right when he says we should remind the government that three main steps should be taken.

Mr. Speaker, is the hon. member across the way trying to interfere systematically so I have less time to give my answer? So, there are three main steps.

First of all, the government should make tools available to businesses which, in many cases, have specific conversion plans in mind.

Mr. Speaker, I do not understand what the minister is saying.

• (1050)

The Acting Speaker (Mr. Kilger): I regret to interrupt the member, but the period reserved for questions and comments is now over. The Hon. Minister of Industry has the floor on debate.

[*English*]

Hon. John Manley (Minister of Industry): Mr. Speaker, when the hon. member suggests that we make tools available to these companies, what he really means is a cheque book. That perhaps is where I should begin.

I would like to make a few general remarks about what the hon. member for Hochelaga—Maisonneuve has said this morning. I do welcome this debate. It is an opportunity for us to talk about an important aspect of industrial policy, that being defence conversion, but I want to put it in the broader context.

I have a few comments though arising from the hon. member's remarks. First of all, let me say how pleased I am that the Bloc Quebecois members are interested in talking about defence conversion. Realizing that their political objective is to create a new country, one which would have no army, navy or air force, one would have expected they would be anticipating massive expenditures on defence itself. If they succeed in their objective they may as well anticipate that. Therefore defence conversion is not what they should be concerned about, but in fact the creation of a defence industry.

Second, it occurs to me from listening to his remarks that he described the loss of jobs in this sector as a social catastrophe. I agree with him, if he means that any unemployment is catastrophic to the persons involved.

We have experienced over the last number of years many job losses in Canada in many sectors. We have seen it most recently in the fisheries in Atlantic Canada. We have seen it, although it is recovering well right now, in the automotive sector in Ontario. We have seen it in industries in western Canada. As we live at the moment with 11.5 per cent unemployment, 1.5 million Canadians out of work, for those people it is a catastrophe.

I suggest however it is no greater catastrophe for those in the defence industry than for those in any other industry. What we really are talking about—

Some hon. members: Oh, oh.

The Acting Speaker (Mr. Kilger): Order. I know that members feel very strongly about these issues. Of course this is the place for that debate to take place, but I think we all want to do it in such a fashion that we maintain the respect of all our constituents.

In all fairness to members on either side of the House, given the strong views, I would ask members to allow one another to debate and I will do my utmost to maintain that debate in the most respectful fashion.

Mr. Manley: Mr. Speaker, I have three children at home. I am used to talking when others are talking, so it is not really a problem for me and there are children here too.

The other comment I make arising out of the remarks of the member for Hochelaga—Maisonneuve is the notion which appears to underlie his basic thesis which is that we should give money to individual firms in order to assist them in converting.

He mentions DIPP and that is an important tool of industrial development. In fact it has historically given money to firms. As we revise DIPP, and I will say more about this in a few moments, what we have been doing is essentially making DIPP a refundable, repayable contribution to assist firms in developing products for markets.

There is quite a distinction between a strategic approach to an industrial sector and one which focuses on bailing out particular firms by writing cheques for taxpayers' money.

As we talk about defence conversion most members will agree that what we have here is a very complex process. I do not think there are simple answers or formulas. Furthermore Canada's position with respect to defence conversion is unique among industrialized nations. The hon. member for Hochelaga—Maisonneuve and many of his colleagues need to be informed about exactly what it is we are attempting to do. Let me try to provide some perspective on just where we are coming from in Canada in this area of industrial conversion.

• (1055)

In the red book we stated that many opportunities are available for industries which recognize and exploit the trends in global markets. We knew that the time had come to help defence industries to make the transition from high tech military production to high tech civilian production.

[*Translation*]

We are determined to achieve this objective. For that matter, we have made great progress in developing an effective strategy.

[*English*]

Our defence conversion program has three major components: first, redefining Canada's defence policy; second, rationalizing the military infrastructure in Canada; and third, rationalizing the defence industrial base. Really what we are talking about here is the third of these points, rationalizing the defence industrial base.

[*Translation*]

Our defence industry is largely composed of fully diversified businesses, most of which depend only moderately on military markets. For these businesses, the rationalization of our defence sector does not pose major problems. Sales of military material will be maintained at a relatively high level, but companies like CAE Electronics, Canadair and Spar will be able to make gains on both commercial and military markets.

[*English*]

We have a second group of companies capable of further diversification. These companies have the technology, skills and the manufacturing base to achieve long term growth in non-military markets. However, they may need assistance in analysing the most advantageous areas for diversification. This is where a broadening of the criteria for the defence industry productivity program, DIPP, will be particularly applicable.

We have a third group of companies. They are the strong niche players in the global military market. They fully expect to continue to grow and prosper in this market and nothing will be gained from attempting to discourage this growth. While they may remain primarily defence oriented they nonetheless are innovative and contribute to the advancement of technology which often leads to substantial commercial applications.

Finally, we have a fourth group of companies whose futures are very much in doubt. These are companies that are heavily dependent upon the domestic defence market, companies with little or no readily commercialized technologies. They have little export potential and may not be able to compete in the international marketplace. Conversion for these companies would likely be cost prohibitive and their futures must be managed on a case by case basis.

While we can make predictions about each of these groups of companies and their future prospects for growth and diversification, there are very few certainties. What it really boils down to is the fact that the future of defence companies in Canada will hinge on the defence market itself and the ability of companies to diversify into other product lines.

The future demands of the domestic defence market will not really become clear until we have completed a defence review. That is not something which is done overnight or even over a couple of months.

[*Translation*]

It is clear that we cannot wait for the completion of the defence sector review. Canadian businesses cannot wait. We are all very well aware of the fact that competition is intensifying on international markets; no one can afford to wait for the results of a review to be published. Therefore, the government must go ahead, resolutely.

[*English*]

Our main objective is to reduce the dependence of Canadian firms on defence sales. We want to encourage a greater focus on research and development, on dual use technologies to support product development and on improving market access.

• (1100)

In pursuit of these objectives there are a number of principles that I believe will guide us toward success.

First, the process must be industry led. It only makes sense that industry is in the best position to determine how it will meet the challenges and recognize the opportunities presented by defence conversion. There is a role for government in all of this, and it is a very important role. The government can facilitate that conversion by providing some assistance in identifying market opportunities and removing barriers to growth.

Second, defence conversion should not imply massive subsidies. There is no room for bailouts, for attempting to rescue companies that have suffered through market disruptions. Simply put, such an approach would be fiscally irresponsible and in the long term would do no one any good. What resources the government does have at its disposal—and I do not think I need remind anyone in the House that those resources are limited—should be focused on support for entering new promising markets. They should be focused on innovative projects and initiatives that will continue to contribute to economic growth and the creation of high value employment.

[*Translation*]

The government is aware that its primary responsibility is to the citizens of this country, the taxpayers of Canada. They would not accept massive financial help programs because it would go against the present thrust which is to try and reduce our huge deficit. But, they need not worry about that, the government will not launch such programs.

[*English*]

To that end we will be utilizing to the extent possible existing programs. That does not mean they will be infused with a flood of new funding. We are looking at what works, what does not work, and what can work better. We are asking industry to be innovative, and we intend to be equally innovative in the design of policy and program initiatives.

[*Translation*]

If we ask the Canadian industry to diversify its activities, if we exert pressure to achieve conversion, we must help companies respond to the needs of the military as well as the requirements of the commercial markets.

[*English*]

In order to do this we will work to introduce early into the procurement process industry views that can shape specifications to meet military requirements and diversify into production for commercial requirements.

Simply put, there is no room for the one-off, one of a kind military products of the past. No one can afford them. They do not fit into any logical equation for promoting competitiveness, innovation and economic growth.

It is no secret that governments, any governments, are always ripe for a little simplification of procedures and administration. This is an area we are looking at very closely. It is an area where changes will have to be made. The system as it exists now in Canada makes it difficult, if not impossible, for companies to support efforts in both military and commercial markets.

In fact the U.S. is already moving in this area and we will be following in the same direction.

I have a couple of final points to make, if I may. In no way do we intend to pursue a course that is defence conversion merely for the sake of defence conversion. By that I mean that the government has no intention of subsidizing the conversion of defence industries into commercial activities and commercial sectors that are already effectively serviced by existing firms. This is one of the dangers in the argument that was being made by my friend from Hochelaga.

[*Translation*]

I will not go any further into that, but I will just point out that when people try and criticize the government for not doing enough to help defence industries switch to civilian production, their arguments only underline the fact that this is a complex question, that many did not take the time to research fully.

• (1105)

[*English*]

No one gains when the end result of conversion is oversupply in another commercial sector. In fact the results would likely be more damaging than they would have been had there been no conversion effort at all.

[*Translation*]

Finally, job creation is still an absolute priority of the government and yes, certainly, the process of conversion of defence industries could result in the creation of new and very interesting jobs. However, we should not forget that this will lead to disruptions within the labour force. The market will take care of some of the affected workers and many of the highly qualified defence industry workers will find jobs in other sectors.

There is no doubt, however, that there will be some problems with less qualified workers. In those cases, to help the workers involved, the government will use, as much as possible, its industrial and community adjustment programs as well as programs geared to human resources.

[*English*]

I only mention this because it is an element of the whole question of defence conversion that is often ignored by those who wish to give advice or criticize. There are some knowledge gaps out there. There may be some knowledge gaps in the House. Over the course of the debate I hope we can perhaps fill some in.

For my part I am eager to hear the recommendations and suggestions of opposition members on this matter, especially those who have within their constituencies companies or sectors that have been affected by the changes in the international environment, particularly with respect to defence acquisition.

[*Translation*]

I should add that when we talk about the private sector we should remember that the shareholders and the managers of the companies also have obligations.

[*English*]

Shareholders and managers of companies have an obligation to invest in their own strategic development, to invest in marketing and to foresee changes that are coming.

We stand here today in 1994, almost five years after the Berlin wall fell. The fact that companies in the defence sector face significant challenges should not come as a surprise this year or last year to those companies. Government is prepared to work with companies that are trying to make conversions, trying to develop products that have dual use, or trying to find new markets for their goods.

Let us never lose sight of the fact that governments do not solve problems for firms. Firms, individual enterprises and individual shareholders have a big responsibility to help solve their own problems.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, I will try to keep my cool, but it will not be easy. I will do it out of respect for the Chair.

I feel I have been watching excerpts from a movie which got rave reviews in Quebec. It was called "The Unbearable Lightness of Being". With all due respect to the minister, I cannot understand his discourse. No later than March 26, 1993 A.D., Mr. Speaker, the Liberals, who were then getting ready to assume power, were calling for the solution we are offering in part today.

Because the Official Opposition claims that the government must play an important part in the conversion process, the minister began his remarks as follows: "The hon. member for Hochelaga—Maisonneuve—yours truly—suggests that the government make its cheque book available to these companies". In part, Mr. Speaker, in part. We do not see anything wrong in doing so; as a matter of fact, we believe it is acting responsibly. Why do we think that the government should give them money? Because, through DIPP, these companies have become dependent on government funding.

• (1110)

Does the minister not agree that most companies facing the difficult task of converting, have adopted or presented the government with their own conversion program? Today, the minister follows a laissez faire approach and tells us that it is up to the private sector to adapt. Yet, the Liberals were even more interventionist than we were, because in addition to recommending adjustments to the DIPP, they demanded the following in the second part of their press release entitled *Liberals Announce Defence Conversion Policy* issued on March 26 of 1993: "The establishment of an Economic Conversion Commission, with the participation of industry and labour, to facilitate and coordinate the process of conversion in the 100,000-job defence industry".

One would think from this press release that the Liberals agreed with our position that state intervention was essential to the conversion process. Therefore, I cannot understand the government's lack of commitment or why it has backed off and flip-flopped on this issue. We do, however, agree with the minister about one thing, and that is that unemployment affects everyone. Happiness, they say, may be the absence of misery. This is the kind of sophistry that is served up to us here today.

I will agree with the minister that unemployment is catastrophic for everyone, but will he agree with me that the money spent by the government on the conversion process will spare some people their jobs and allow them to continue investing in the economy? I fail to understand why no connection is being drawn between implementing a strong, immediate and urgent conversion strategy and the benefits that would accrue from it, in terms of national production and unemployment. I hope that the minister will review his position, that he will take a much more interventionist approach and that he will show some leadership. I have been told that he can count on the co-operation of his colleague, the Minister of Finance, and I know that the two ministers are prepared to work closely together. Their co-operation and the will of the opposition will ensure that we work together on this issue.

Mr. Manley: Mr. Speaker, the hon. member is trying to misrepresent what I said. In my remarks, I tried to explain that in a strategy for the conversion of defence industries, we need to have, first of all, in the private sector, the sort of initiative that can provide direction to every company affected.

Take for example Paramax, now Unisys GSG, the prime contractor for the helicopter contract the government cancelled on November 4.

[*English*]

I am quoting from a Canadian Press article published in the *Gazette* of April 19, 1994:

> Paul Manson, president of Unisys GSG—says the company may end up better off than it might have had it carried the multibillion dollar helicopter contract through to its conclusion.
>
> "We've gone through the worst of the setback from the helicopter", he said.

The articile goes on:

> He said Unisys is using the expertise gained in military work for commercial contracts, especially in the field of total systems integration. "Once you would sell a mainframe or a mini-computer or a PC and then walk away", he said.
>
> "Now we're involved in the whole package—maintenance, software, systems and integration.

The article goes on:

> The cancellation cloud may have had a silver lining in that it forced Unisys into diversification at a time of "intense downward pressure on defence budgets".

My point is simply that I hope this indicates a success for the particular company. It has a highly motivated very professional manager as president, Mr. Manson. He has done a good job trying to anticipate where his company can find new successes. He spent a fair bit of time discussing strategy with Industry Canada. We have tried to be helpful to him as a government should be in identifying opportunities and in looking for possibilities.

• (1115)

Indeed the DIPP fund may prove useful in this exercise again as a repayable contribution to research which will lead to the production of new products to sell into new markets.

This is a very clear strategy. It is not a do-nothing strategy as the hon. member has attempted to characterize it. It is a practical pragmatic strategy that reflects two things, first of all the important contribution that these firms make to Canada's base of highly skilled, highly educated technical people. Second, it reflects the reality of the fiscal situation of the Government of Canada.

With all due respect to the hon. member who makes quotations from press releases at a time when the government in office was projecting $30 billion deficits, times have changed. Any government is forced to see how it can make most effective use of the resources that it has available.

If he has practical suggestions on that or if he would like to come forward and say that he thinks the DIPP fund should be increased by another $250 million and here is where we take the money from then let him suggest that. So far, other than his ranting and raving I have not heard any specific suggestions from him as to what it is exactly he wants us to do.

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, mine is a very brief intervention because I know the time is short. I would ask the minister if he could provide us with the figures on the DIPP program as to how much was invested and what the payback was in the most recent figures he has available.

Mr. Manley: Mr. Speaker, I am afraid I could not answer that question off the top of my head but I will certainly undertake to get that information to the hon. member as quickly as possible.

The Acting Speaker (Mr. Kilger): Resuming debate. I will take the occasion to remind all members on both sides of the House that for a member to be given the floor he must seek the floor and of course that means to rise at your chair. We speak about or refer to these unofficial lists that we have, which are somewhat helpful at times, but in the end members seeking the floor of course are those who will be recognized by the Chair.

[*Translation*]

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, after reading the Bloc Quebecois motion, I have more questions than anything else. The motion reads as follows:

> That this House condemn the government for its unacceptable delays in developing and implementing a genuine strategy for the conversion of defence industries—

This certainly raises questions. I am pleased to say first of all that some of my questions were answered by the first speaker, the Bloc critic, and also by the Minister of Industry.

Before listening to this morning's speech, I had decided that I should speak for the motion for one part and against it for another, based largely on the interpretation of certain key words in the motion.

[*English*]

In listening to the first speaker, the member for Hochelaga—Maisonneuve, some of the answers came clear to me. One was that first of all he was making a very Bloc Quebecois statement, one that is enshrouded a little in mystery. In fact, it was partly brought out by the Minister of Industry saying: "Why are they talking about this defence industry when their long term motivation is to withdraw and perhaps have no armed forces at all". That part of it is still a bit of a mystery to me.

• (1120)

I noted also that the speaker talked really only about Quebec. He did mention regionalism. I think regionalism is a very great consideration to all Canadians partly because we do not see sufficient consideration on the part of the government about regionalization or the necessity for developing different regions. We see a total concentration, it seems to me, on one at a time and giving way to political considerations rather than human or industrial ones.

The main question I had in listening to the Bloc spokesman was what is the motivation behind the motion. I think that came very clear that the motivation was to get money for industry in Montreal. I do not think that is sufficient. Perhaps it needs money. Perhaps it needs help. Perhaps it needs government leadership. However, to just say: "Let's have more money for Montreal or for Quebec" is not acceptable. It should be put in the context of what is needed in the rest of the country.

I heard the statement by the Minister of Industry in response. I have to say that the thrust of his statement was good. I did agree with a good part of what he said. He said there should be no question of just giving cheques to industry, that industry must take the initiative itself.

I would put a little caveat in here in saying that the government must show some leadership for industry, but the minister said it correctly in saying that the defence market has to take care of its own. It has to be market driven and, he said very clearly, there must be no major subsidies or bailouts. I could not agree more with what the minister says in that regard. He wound up in effect saying the whole process must be industry led. I agree with that also.

Having in a cursory manner described what I heard from both of these presentations on the part of the Bloc and on the part of the government, I have to admit that my own thought processes on this process were much more objective. I am looking at the context of the world situation, of Canada's foreign policy, Canada's defence policy and what industry has to do within that whole milieu.

Let us see how objective I am.

[*Translation*]

The motion introduced by the Bloc Quebecois refers to unacceptable delays in developing a genuine strategy.

[*English*]

My comment on that is that some delay is inevitable in that it must await the evolution of foreign policy and defence policy. That review is under way now. We will not see anything until the end of September. There is an inevitable delay there.

Having said that I have to criticize the government for some of its dealings with defence policy. For example, that it did a whole base closure program before the defence review was done.

• (1125)

That does not make good sense to me. I know the government was under the gun to save money. I agree with the government and compliment it in the sense that it has allowed the Department of National Defence to rationalize its own infrastructure. The government did well in that regard, but there is a certain backwardness to putting the closures ahead of the defence review.

Coming back to the motion, let us talk about the development of policy. Here the point to be underlined I would think is that government leadership is required. The government should be talking very seriously with industry, not but bailing it out but saying here is what we foresee, here is what is falling out so far from the defence review, which incidentally I understand is being done in a pretty non-partisan way by the special joint committee on that and good for them.

The government nevertheless can take some leadership here. It should be talking with industry, perhaps it is but we do not know about it, saying here is what we see in the medium term and the long term. Let us look ahead 5 years, 10 years, 15 years and let us build on the strengths of Canadian industry today as demonstrated in the field of electronics, communications, extrasensory perception—not ESP, sorry—but the remote sensing as practised by and developed by firms like MacDonald Dettwiler of Richmond. These are the areas where Canada is a leader. Government I think should be sitting down with industry and saying, fine, how can we exploit the advantages that we have in this country in these industries to give us a long term benefit of employment.

While at it the government should make a firm resolve to have no political patronage or interference once the policy has been decided. If you look back over a number of governments, Mr. Speaker, that is precisely what you will find. When the Bloc talks about contracts for Quebec, what I have seen from a western point of view is the scandalous putting aside the contract of Bristol Aircraft of Winnipeg on the F-18 maintenance and giving it through pure political patronage to Canadair in Montreal.

That sort of thing has to stop. I hope the government will take a lesson from the past and say yes, it is resolved to do that.

In the development of policy I would urge the government to do a continuous strategic review of our defence policy, update it from year to year. The government should not leave it hanging in the balance for five years at a time and then say, now we must do a review. It should do a continuous, ongoing strategic policy reassessment year by year so that we do not have to make these sudden shifts, some of which of course affect industry. If industry cannot see what the long term prospect is and be able to adjust year by year to smooth things out, it does not know where it is.

The final point in the development of policy is that I would encourage the government to please get more public input. The public of Canada is very supportive of defence and the armed forces in time of war, but it is not that supportive as it is uninformed during most of peace time. Therefore I would encourage the government please to get the public more involved in the review of policy.

We have been talking about developing policy. In implementing this policy the emphasis must be on industry rather than government. Again I take the words of the Minister of Industry and emphasize them.

• (1130)

Government must emphasize research and development. It has a role to play. We have a fairly sizeable research and development expense year by year in national defence. I suggest that it should be more tightly attuned to what is going on in industry to give us more bang for the buck.

I agree with the motion when it calls for more jobs in high tech. That is the direction in which we must be going. Look at what has happened in the past because of government policy. Look at the Avro Arrow. The Avro Arrow has been talked to death over the years but I would like to bring it back as a reminder. It had wonderful potential for Canadian industry but it was chopped and thousands of jobs were lost because of a political decision. That sort of thing should not happen.

Closer to our time, perhaps not as severe but nevertheless of high impact is the EH-101 helicopter decision. I understand clearly that the government of the day, the Liberal Party, as part of its election campaign, said that it would cancel the contract. It stuck to its promise. By sticking to its promise, it hurt the country and it hurt industry. I am not sage enough to say how the government could have got around breaking its promise but if it had had an all party review of that project, perhaps that would have given them the answer.

The predicament the government got itself into by cancelling the EH-101 contract is that it says: "Fine, we are probably liable to $250 million in cancellation charges" but the word is that perhaps those cancellation charges will be as high as $1 billion. Whatever the figure is, we have nothing for our money

and yet we still are going to have to pay out hundreds of millions if not billions of dollars to acquire a replacement helicopter.

The Bloc is talking about good paying jobs and high technology and they were there with the EH-101 contract. Ten per cent of the manufacturing of every helicopter produced worldwide would have been done in Canada. That would have meant a lot of jobs and a lot of money.

People will say that we are at peace. We are not at peace and I will come to that later. I remind members that some of the applications of this helicopter are peaceful as well as warlike. It had a naval version, a transport version and a passenger version and I think we are going to see more of this helicopter in the future.

I have heard estimates there is a market for 800 such helicopters. More recently I heard that the U.S. marine corps is thinking of buying 500. Think of the market that Canada has lost. Think of the jobs. Think of the high tech job creation we have lost by putting that behind us.

• (1135)

Let us talk generally about the defence industry. When anyone says defence industry it sparks emotion. It sparks emotion on the part of the general public which says it does not want a military industrial complex. I agree with the public that we do not want a military industrial complex that drives the government, such as we saw in the former United States model. We do not need that in Canada.

At the same time, however, we must be realistic and recognize that there is a defence industry. It will continue, we can be a contributor, and government should take its leadership role in asking industry what it can do best and how can government best encourage it without necessarily giving them dollops of money.

The idealism that gets involved, the exaggeration that is involved when one says defence industry, should really be moderated in Canada. It is too much of an extreme view when we hear people saying: "Oh, you can't even say the word defence industry because it is bad". The fact is there is a positive role for the defence industry, not just in employment but in creating new products for the good of all people. The government's role vis-à-vis the defence industry must be one of preserving a minimum base for that industry throughout the years ahead.

In this connection there is an organization called the Canadian Defence Preparedness Association, which I understand gave testimony to the joint committee in the last day or two. It has a real role to play with the government. Its objectives, if I may read it, are "to foster an industrial framework to achieve both the sustainment of forces in being and a modest mobilization capacity in times of conflict." I think that is a worthy objective.

What government can do in conjunction with a group like the Defence Preparedness Association and other defence minded groups is to look ahead and ask how they may co-operate. Can we have the production of aircraft, for example, that are stressed so as to land on rough terrain but have an application, a use, in time of peace but are available to the government, to the Canadian forces in time of emergency?

The answer, if the government looks long term, is yes we can have things like that. Can we have, for example, roll on roll off ferries that are in day to day use, let us say with B.C. Ferry Corporation in British Columbia, subsidized to a degree by the Canadian government? If we can have these used in peacetime but also available in time of emergency, we have something that is a good combination for peace and war, if you will.

There are other things that the government can do in its leadership role vis-à-vis organizations such as the Defence Preparedness Association. One such is legislation. It should be listening to these organizations and asking how we can best support the militia or members of the militia by ensuring that they have a job once they come back from either peacekeeping operations or militia training. Things of that order can be done.

Implicit in the Bloc motion, or at least my interpretation of it, is that we are now in a time of peace. If that is so, I have to say we are not there yet. You simply have to look at Rwanda, the situation in Somalia and the situation in the former Yugoslavia. You can look anywhere in the world and if there is no trouble there right now, you can see it coming in the future.

• (1140)

In summary, there is good and bad to be said about this motion. I was cheered by the reply of the Minister of Industry. I think the government is going in the right direction. However, government can do much more in the planning sphere to create jobs and to make better life for us all.

[*Translation*]

Mr. Yves Rocheleau (Trois-Rivières): Mr. Speaker, I would like to comment on what the hon. member for Nanaimo—Cowichan said about the F-18.

I think it would be a good idea to remind the hon. member for Nanaimo—Cowichan of the historical facts on the F-18. We need to place the F-18 events in their historical context. In this regard, we must remember that during the referendum debate, after our friends opposite got involved, in particular the hon. member for Saint-Maurice, who was already a minister in Mr. Trudeau's Cabinet, Quebecers were promised a carrot: "If you vote against the Parti Quebecois' proposal to give them the mandate to negotiate eventual sovereignty with all related commitments, we promise you, first of all, that the superspecialized F-18 will be built in Quebec". That was the carrot.

And I remember in the 1980s seeing follow-up analyses saying that, according to the experts, the promises were never kept. Either I misunderstood the member from the Reform Party or he does not know—that is his right—but I hope we will no longer hear such remarks, as though Quebecers' concerns were whims, to use once again the words of the hon. member for Saint-Maurice.

I would like to suggest to my dear colleague from Nanaimo—Cowichan, who is responsible for recruiting Reform Party members in Quebec, that such comments will not help him in his task.

Mr. Ringma: Mr. Speaker, I obviously did not express myself clearly in English because the hon. member misunderstood me or he does not understand the F-18 situation.

First of all, there were no promises to build the F-18 in Quebec; it was to be built in the United States but a few parts would be built here in Canada. The contract I mentioned was only for the maintenance of this plane and it was awarded to Winnipeg-based Bristol Aerospace, which had it in the bag but, as the hon. member said, the government decided that it should still give Quebec something even if it lost votes in the West or upset Westerners. It did not matter; they had to give it to Quebec.

The contract was awarded for political reasons, and that must stop in Canada.

Mr. Jean H. Leroux (Shefford): Mr. Speaker, first I want to tell the hon. member that indeed, and Quebecers are aware of it, there are frustrations in Western Canada, where people may have the impression that Quebec gets more than its fair share. However, I want to remind the hon. member that, among large provinces, both in terms of population and size, Quebec is undoubtedly the province with the highest unemployment rate and the largest number of poor in cities. It is a state, or at least a province, where there are numerous problems. And I personally do not think that Quebec is asking for more than its fair share, far from it.

• (1145)

I want to point out to the hon. member one thing which was overlooked. If we proposed to discuss today the conversion of defence industries, and if Bloc Quebecois members talk more specifically about Quebec, it is because a consensus already exists in our province between the City of Montreal, the Quebec Liberal government, the unions and the Conseil du patronat.

Mr. Speaker, the situation in Quebec is such that we must absolutely find a way to ensure the conversion of this industry. As my colleague from Hochelaga—Maisonneuve mentioned earlier, out of 57,000 jobs, 11,000 have disappeared since 1988.

The situation is disastrous and even catastrophic. The Reform Party member did not say that we are in times of war, but he seemed to imply that there are conflicts everywhere. We must be serious and believe that it is possible to have peace. I think it is reasonable to say that we are less in danger than we were 20 years ago, and that the need for arms is also less than it was 20 years ago.

I find it somewhat unfortunate to think that we must continue to arm ourselves. In conclusion, I want to tell the hon. member that there are frustrations in the West. However, the Bloc Quebecois is well aware of those frustrations and we have a plan for the future of Canada which will eliminate those frustrations once and for all. Our plan will ultimately put an end to the constant bickering between us by creating parallel systems, in harmony. This is what Quebecers hope.

[*English*]

Mr. Ringma: Mr. Speaker, I would agree with my hon. colleague that indeed we want to work side by side in peace not just with Quebec and all of Canada but elsewhere in the world.

Absolutely there is no one who likes peace more than a professional military person. Having put in my 35 years, having seen the terrible results of war, I could not agree more. Let us go for peace.

Having said that, I look around the world. I look at the two Koreas. I look at the situation in Vietnam and Cambodia. I look at Sri Lanka, the Tamils vis-à-vis the rest of India. I look at the Kashmir situation, Afghanistan, on and on. You cannot look at any part of the globe and say there is peace around the world because peace is not there. Therefore the assurance of peace is certainly being threatened. Anyway, that is getting far too much into philosophy.

[*Translation*]

We are aware of the unemployment problem in Quebec, but I wonder why the problem is more acute in that province. I believe Quebec has all the necessary tools: intelligent people, hard workers, industries, the river, transportation, everything.

So, if unemployment is more severe in that province, I wonder if it is not partly a matter of policy.

Mr. Yves Rocheleau (Trois-Rivières): Mr. Speaker, as industry critic for the opposition, I am very pleased to take part in this debate on a motion put forward by my colleague, the hon. member for Hochelaga—Maisonneuve, for which I want to congratulate him. His motion concerning industrial conversion reads as follows:

> That this House condemn the government for its unacceptable delays in developing and implementing a genuine strategy for the conversion of defence industries to civilian production, which would save and create new jobs in high-technology sectors.

• (1150)

This motion shows how concerned we, in the opposition and in the Bloc Quebecois, are about this whole issue of industrial conversion, given the current situation.

You have to realize that the problem is very acute and the situation is very serious. During the last few years, defence expenditures have decreased. In fact, in only seven years, from 1987 to 1994, they have dropped by 10 per cent. According to some experts, defence expenditures are expected to fall by another 25 per cent in the next few years. This 10 per cent drop in activities has had devastating effects throughout the West. In Europe, for example, 600,000 jobs have already been lost. In the United States, 700,000 jobs disappeared in five years. By the year 2000, about 1.6 million jobs will have been lost because of the reduction in military production. Here, in Quebec, as was mentioned earlier, 10,000 workers in the defence industries have already lost their jobs.

According to some analysts, in Quebec, there are about 650 businesses directly or indirectly involved in military production.

Around forty of those are mainly and fundamentally involved in military production, a high-tech sector where much emphasis is put on research and development. So, we are talking about highly-qualified workers, who are highly paid, and, as you know, for every job in this high-tech industry, there are five indirect jobs.

Faced with this very serious problem, there is only one conclusion to be drawn. We urgently need a strategy for the conversion of defence industries to civilian production. The nature of manufacturing must be changed.

Here is Canada's position in the world market: in 1992, Canada was the eighth arms producer in the world, with a production value ranging from $3 to $7 billion, depending on the products. We should know that 70 per cent of these products are exported and that 80 per cent of our exports go to the United States.

In view of the reduction of military activity that was talked about earlier and that has caused the loss of 700,000 jobs in the United States, we can already see how the situation is threatening for Canada and Quebec, since the market is constantly shrinking.

Once again, that is another way of seeing the urgency of the situation and the need to redirect all military production effort at the present time.

We should also know that the federal government's intervention in military production has been specifically a type of intervention called the Defence Industry Productivity Program, better known as the DIPP. The DIPP is defined as follows:

> The main mission of this program is to support businesses in the defence industry, mostly in aeronautics and avionics, to facilitate and consolidate research and development activities, to establish suppliers networks in by-products and components for these sectors, and to promote investments and exports in these high-value added manufacturing sectors. The objectives of the program are to assist defence businesses in remaining competitive in the world markets and the Canadian market.

In 1989-90, three years ago, the DIPP had a budget totalling $300 million.

• (1155)

In 1992-93, the budget was only $226 million, a reduction of a little over 25 p. 100. This means that Quebec received $168 million dollars in 1989-90, and only $80 million in 1992-93, a reduction of 52 p. 100, whereas the total budget has been reduced only by 25 p. 100. Given this, the Opposition now feels that this program must be revisited and that the DIPP mandate of military equipment promoting agent must be changed, so that part of this budget will be allocated to the conversion of defence industries into civilian production.

The Opposition is not saying anything new when making such remarks. For once that we agree with the Liberal Party, let us capitalize on that. I believe we agree with them more than they agree among themselves. This may be the difference between this side and that side. On this side, one can make remarks, on the other side, one must implement them. This is not always easy. Power is painful and difficult to assume. We understand it.

The press release of March 26, 1993 says a lot about the intentions of this government. This press release was cosigned by the leader of the Opposition, now prime minister, the present minister of Human Resources Development, the present member for Labrador and his colleague for Willowdale, who was then the critic for industrial affairs. It states three major commitments. "Expand the mandate of the Defence Industry Productivity Program (DIPP) of the Department of Industry, Science and Technology, which has a budget of $200 million, in order to add to it a support element that would facilitate the conversion and diversification to areas such as environment technology and advanced technology for peacekeeping".

Second recommendation: "The creation of a commission of economic conversion in co-operation with industry and labour in order to facilitate and co-ordinate the conversion of the military industry which today employs some 100,000 workers. Sign conversion agreements with the United States, which import 80 per cent of our military equipment production". And finally, "the conversion of military bases" which has already started. We can already see the position taken by the Liberals.

There is one aspect that I would like to draw to your attention because I think this is the source of the hesitation of the government regarding the role of the state in that area. Yet, the Liberal Party was very clear at the time, that is only 14 or 15 months ago which is not a whole life time.

I would now like to quote the second paragraph on page 3 of their press release: "The Liberal Party believes—and we are reliably informed that this is the cause of the hesitation of the government—, believes that the mandate of the state is to take initiatives that are in line with the evolution of the international scene and that create jobs for Canadians. A plan must be adopted to encourage our military equipment industries to turn away from that type of production and export. We commend the sub-committee of the House of Commons on arms exports which adopted our view in its report of September 1992 and made useful recommendations that were in good part inspired by liberal ideas".

Being consistent, the Liberal Party underlines this fact in its red book, which led many Canadians to support them especially in Ontario and in the Maritimes. The red book, on page 55, reads as follows:

> The defence industries today employ directly and indirectly over 100,000 Canadians. The end of the Cold War puts at risks tens of thousands of high-tech jobs. A Liberal government will introduce a defence conversion program to help industries in transition from high-tech military production to high-tech civilian production.
>
> Specifically, a Liberal government will expand the mandate of the Defence Industry Productivity Program (DIPP) to assist in a conversion and diversification.

• (1200)

That is what the Liberal Party says.

> DIPP is the primary grant and loan program designed to influence the development of a defence industrial base in Canada. Administered by Industry, Science and Technology, it aims at developing defence technology and strengthening Canadian and North American defence industries.

So, the Liberal Party was already agreeing to fund the defence conversion using the DIPP budget.

Oddly enough, we have not heard a single word about that since the red book has been released, neither in the Speech from the Throne nor in the Budget Speech.

The Bloc position is more or less the same. I will explain it briefly. It aims at creating, in three steps, a conversion fund flowing from the industrial diversification fund. The fund would mainly consolidate and complement the assistance coming from existing programs in order to provide military facilities and businesses with adequate and long term support in their conversion and diversification process. It would also bring about consultative committees on conversion at local and regional levels, when the scope of conversion and diversification activities would warrant them. It would help in establishing an independent committee that would review the various existing programs that could be helpful and to put forward amendments and other improvements that could be required. That committee will propose a framework to ensure coordination between the different levels of government in order to avoid overlappings.

Besides, Mr. Speaker, I can remind you of the position taken by the Bloc that was largely inspired by the position taken during the campaign in the debate on the cancellation of the helicopters contract. The Bloc Quebecois supported the position of the Liberals, who sensed that power was within their grasp, and said that the contract should be cancelled provided that, let us not forget that, the money earmarked for this contract and the know-how needed to build the helicopters was transferred to a civilian project which would benefit a lot of people. The Bloc had clearly indicated that a high speed train linking Quebec City, Trois-Rivières and Windsor met both criteria.

Unfortunately, the government acted upon only one of those two recommendations, and cancelled the helicopter deal. Since then, Canadians and Quebecers have been left hanging, without any compensation whatsoever.

Therefore, DIPP should be modified so that, instead of promoting defence production as it does now, it helps military industries to convert to civilian production.

One must realize that, in Quebec, there is a solid consensus among all the stakeholders in this vast project, including the Quebec government which has expressed its impatience several times already through its Minister of Industry, Trade and Technology, Mr. Gérald Tremblay. No matter how federalist and Liberal he is, he did not mince his words and said, on April 11 last:

> In its red book, the federal government promised to make available to DIPP, significant sums of money for converting defence industries to commercial production. We are presently negotiating with the federal government. We want to know how much money will be made available, when and for which company.

These are the very words spoken by the Quebec Minister of Industry, Trade and Technology.

The Conseil du patronat du Québec, which—you will admit, Mr. Speaker—is not necessarily a natural ally of the Bloc Quebecois, is another stakeholder. A few months ago, precisely in September 1993, it held a symposium entitled "Rendez-vous économique 1993", and came up with two main recommendations pertinent to our present debate. Recommendation 31 said that the federal government should provide adequate financial support for the conversion of industries dependent on military contracts.

• (1205)

This financial help would last as long as it takes to adapt, convert and diversify defence industries.

The implementation of conversion and diversification activities would be planned by conversion committees, made up of representatives from industry and labour in the affected communities and representatives from the Government of Quebec. This is the position of the Conseil du patronat which, in its first

recommendation—and this is very relevant to the concerns of the Official Opposition—said that the federal government should give MIL Davie a contract for about $6.5 million to design, and then another contract for $200 million over three years, according to the figures of the Conseil, to build a prototype of the "smart ship" we hear so much about.

This ship would fill urgent and recognized needs of some federal departments, but it would also be the prototype of a series of similar ships for the international market, a promising and expanding market. This is the position of the Conseil du patronat, but it is supported by the CNTV and the FTQ. So, the Government of Quebec, the Conseil du patronat and the two largest unions in Quebec all agree on that point. The CNTV said in a press release dated October 31, 1993:

> Between 1987 and 1992, Quebec lost 11,000 of its 57,000 jobs in the military sector. Jobs are still disappearing. Since more than 60 per cent of contracts are awarded to companies in the Montreal area, it is essential that forces stick together to obtain a realignment of government industrial policies, especially in the military sector which comes under federal jurisdiction.

Two days earlier, on October 29, Mr. Fernand Daoust, then president of the FTQ, had said:

> Considering that the future government wants to cancel the helicopter contract, we want to know the projects which will be put in place to provide the 8,000 jobs for 12 years that the Prime Minister is going to abolish without serious analysis of the issue.

As we were told a moment ago, the decision to cancel the helicopter contract, without any compensation, demonstrated a total lack of vision.

To show you how serious the situation really is in Quebec, I will quickly give you the level of dependency of companies. Let me name a few just to show how serious the situation is: Bendix Avelex Inc. depends on military contracts for 70 per cent of its production; Canadian Marconi, 55 per cent; Héroux, 80 per cent; MIL Davie, 91 per cent; Oerlikon and Paramax, 100 per cent in both cases and SNC Technologies, 95 per cent.

As far as job losses are concerned, Bendix lost 350 jobs, Anachemia Canada Inc. 68, Marconi 1,480, MIL Davie 2,740, Oerlikon 410, Expro Chemical Products Inc. 300, Héroux 131, Paramax 1,000, Pratt and Whitney, 200 and I could go on and on; Vickers lost 350 jobs.

This goes to show how much we hope the government will abide by the promises it made to the public; when governments shamelessly treat commitments that way, I think we have a right to be worried about democracy. It could mean they can say anything to the constituents but after election day, fight shy of their commitments and I think this is very serious. When we speak like this, the figures do not seem like much but we must remember that when we talk about unemployed people, we are also talking about human lives, families, careers, educated people leaving the country, brain drain or the outflow of know-how.

Somebody told me this morning we can even use the term hemorrhage. In my view neither the economy of Quebec nor that of Canada can afford such a hemorrhage.

In conclusion, if, as we wish, the government takes action to help the DIPP and point it in a new direction, I hope it will do so according to generally accepted practices and will respect conventions. The minister mentioned it before, it is not enough to talk about manpower adjustment committees; I know these committees, I worked with them for eleven years; they give good results in traditional circumstances.

The money given must be administered by committees where the employer and the union concerned will be duly represented, along with representatives of the region. The context must be considered and the government of Quebec has to be consulted, since it is very sensitive to that issue and very interested. These committees must study the situation on a case by case basis, according to the type of activities carried out until now. Indeed we must realize that manufacturing ammunition and making satellite telecommunication devices are two operations that are very different.

These committees should examine the situation, ensure that a dialogue is initiated and reach a consensus about the new orientations and the changes that need to be made to everyday management practices. This is a proven formula that should work. I really hope the government will act upon the positive proposal put forth by the opposition today, which is to see that the situation improves. It particularly makes sense if we recall the government's pretensions, with its slogan "jobs, jobs, jobs", and the 11,000 jobs lost in the high technology sector. We have to demand a minimum of consistency on the part of this government.

• (1210)

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I begin by saying to the member that the unemployed people of the member's community are as important to us as people in any other community in this country. Whether it is someone unemployed in the defence industry or any other sector of the economy, we feel that it is our responsibility as a government to do our very best to put everyone back to work. That was our campaign, putting people back to work, and we are looking at this in a comprehensive way.

I want to pick up on something that the Minister of Industry said earlier in his speech. It had to do with the responsibility of management of defence industries to develop a strategic approach and to look at new markets for new opportunities for

their highly skilled and highly trained staff. I think that he hit on something that is very important for all of us to dwell on.

I go back to an experience I had when I was in the private sector for a while after I left here in 1984. I worked for a multinational organization called Magna International. There are many unique qualities of the Magna Corporation. One of the unique qualities of the management team that I noticed at that time was it began a conversion from defence production in 1982. In 1980 it was an organization with about $400 million to $500 million in sales. About one-third of its sales were in defence related products, radar systems and machine guns.

I think most people would recognize that in terms of the quality of its products it is probably ranked with anyone in the world. In 1982 the directors of Magna said: "We are going to do a full conversion into the automotive parts manufacturing sector". It was a very tough transition period. It was tough for management, tough for the toolmakers and tough for everyone on the shop floor. They were entering, even though there was some foundation experience because the company had been in the automotive parts business for about 25 years at that time, into a whole new field because the technology in the automotive parts business was becoming very sophisticated with computer aided design and computer aided manufacturing. The management team at Magna decided that it would move into the new economy, become highly specialized, get the latest equipment, develop systems and components, and be the most competitive in the world.

• (1215)

This story is not based on theory. Over the next 10 or 12 years we saw a company grow from about 3,000 employees doing about $600 million in sales to today where it is employing approximately 20,000 people and doing over $4 billion in sales. The relevance of this example is that the leadership of the corporation took the leap into the new economy, searched for new markets and searched for new products.

I had the pleasure of working there for two years from 1984 to 1986. What impressed me aside from the conversion and the commitment to the conversion of the highly skilled staff was the management shift. Management moved out of the traditional markets of North America in terms of the auto industry because prior to the conversion from defence most of their orders were going to General Motors, Chrysler and Ford. When they decided to do the full conversion they knew they could not just rely on those three manufacturers of automobiles.

The leadership of that company went to Japan, went to Toyota, and said that it had a company that could make a quality product at a price as competitive as Toyota. It asked for an opportunity. It said that it had the highly skilled staff and the technology. Lo and behold it was successful. It brought back orders from Japan and Germany.

That is a principle or an approach many companies in the defence industry have to look at. That was the point the minister was trying to make today in part of his speech.

It is not a question of the government saying that it would not help or that it would leave them alone. The minister said in his speech that DIPP would be redesigned and would be more on a loan basis. We are also using other instruments of government for support like the Export Development Corporation. That is the kind of message members of Parliament have to communicate to industries that are having a difficult time making the conversion.

It was interesting that as I was sitting here a couple of other examples were brought to my attention. The story of Securiplex Technologies of Montreal is about the successful conversion of a company that was well established in the defence industry. Recently it obtained a $26 million order for a control system from Bombardier in Belgium.

• (1220)

There is another example. ATS was founded on Montreal's south shore in 1979. It originated as a small company specializing in the testing of ammunition. Recognizing the fact that it had limited business opportunity, the company sought to take its considerable expertise in developing software systems to new markets.

Today the original business is history. The future of the firm is in an entirely new market that it could claim to have invented: the simulation of air traffic control towers and control rooms. There is an incredible market all over the world for this company that reinvented itself.

We inherited a very difficult fiscal framework. The minister said in his remarks that during the campaign we talked of some $30 billion in deficit and now we are hitting over $40 billion. This is a shock to the budgetary system of the country very few of us expected.

When I say leadership I do not just mean the chief executive officer. I mean the production manager, the lead tool maker and the people on the shop floor. Securiplex, Magna and ATS had to take on a leadership thought process. Companies going through conversion should do this, along with having a redesigned DIPP and the banks beginning to look at the new economy and knowledge based industries. We have heard time and time in the last two to three weeks in the industry committee that the banks were beginning to look at small and medium sized organizations, not at the strength of their balance sheets but at the strength of the mind and the character of the persons involved.

When we are dealing with companies going through this very difficult period we have to help them along the path to new hope by showing other examples. I say to the member for Trois-Rivières, as a former employee, as a former senior officer of Magna, that I know the former chairman went many times to help companies in Quebec with conversion. Today there would be leaders in Magna who would be happy to share their experiences with companies in the member's riding that might be having difficulty in making the conversion.

Companies that basically were successful making the conversion remember the pain. They remember the experience. By and large most of them are willing to share it. That is the type of direction we have to take.

I hope the member realizes that we cannot write grant-type cheques for any industry in trouble. We do not have the room to do so because of our tight fiscal framework, but the minister said that DIPP was being redesigned to become more of a loan situation. We will help them through it in that way, combined with other resources. I believe that is the approach we must work on over the next conversion period.

• (1225)

[*Translation*]

The Acting Speaker (Mr. Kilger): Questions and comments. I recognize the hon. member for Trois-Rivières.

Some hon. members: No, no.

Some hon. members: Yes, go ahead.

The Acting Speaker (Mr. Kilger): Order, please. The hon. parliamentary secretary may have directed questions to other hon. members in his remarks, but having concluded his remarks, if the hon. member for Trois-Rivières wishes to ask a question or make a comment on the hon. parliamentary secretary's remarks at this time, he has the floor.

Mr. Yves Rocheleau (Trois-Rivières): Mr. Speaker, I cannot help but disagree with what my distinguished colleague just said because it contradicts the Liberal Party's own platform.

In view of the disastrous economic situation we are facing, with 11,000 high-tech jobs lost in Quebec alone over the past five years, we are being told that it concerns only the private sector. Personally, and it was also the Liberal Party's position last fall, I consider the public interest is at stake and that the state—and I could quote again from the document I read earlier—should play a leading role in promoting recovery.

What we are saying is not to spend without thinking, but rather—that is at least how I see things personally—that the minister should ask companies where jobs are continually lost because they are no longer able to obtain contracts: "Where is your conversion plan? Show us a decent plan, a plan that is well thought out, well structured and pragmatic, a plan with a vision and we will help you."

The government's present position however is more along the lines of washing its hands of the matter, leaving it up to free market and free competition and relying on companies that have proven more innovative than others such as Magna International Inc., a Montreal business mentioned earlier. Perhaps these companies have had a keener eye, more business acumen and more vision. Perhaps not all companies are to blame, but I think that this government has the duty to question these people in the public interest, because we cannot let this go on, with engineers and skilled technicians finding themselves out of work and possibly getting ready to put their skills to the service of foreign economies. Our economy may never recover from that.

I think it is the role of government, not only that of the private sector, to manage the economy sensibly, like a reasonable man as we used to say. The Liberal Party said, and I agree: "The government obviously has a social responsibility in this matter."

[*English*]

Mr. Mills (Broadview—Greenwood): Mr. Speaker, I guess I have not put enough emphasis on government participation for the hon. member. I was not saying that the government should walk away and not assist businesses in the process of conversion. We never have. I was suggesting that the balance should be one where we do not ignore other success stories in the conversion process.

In other words, as a government we should not think we are the only ones who have the solution. We will aid. We will support. We must bring into the discussion people who have already had success in the conversion exercise.

The member is not opposed to that. My point is that we have to start. We have to make sure that we do not create a sense of false hope. In other words we are not running away. However it must be much more of a joint venture with government giving advice, government giving some form of assistance where possible, maybe not in grants but through some loan guarantees and bringing in other experts who have achieved success. That is the point I was trying to make to the hon. member.

• (1230)

[*Translation*]

Mr. Yves Rocheleau (Trois-Rivières): Mr. Speaker, I agree with the hon. member that this is a complex issue. That is why, as I mentioned in my statement, we must approach it as tactfully as possible, and abide by the rules. We must call upon all existing resources of businesses that have already had the foresight to proceed with conversion. These resources should be used by businesses planning to convert. As I said, when a business intends to convert with the help of the state, all

stakeholders must be genuinely and completely involved, that is the employer, labour unions and regional players because this process can sometimes have a tremendous impact on a region. The Quebec government must also be involved because of its thorough knowledge of this question within the Quebec context.

Of course, this does not preclude—and this is the way the issue is set out—seeking out all those who have some expertise in this field to help speed matters along and ensure that case by case, the situation improves and production is geared to new markets. I think this is one point on which we all agree.

[*English*]

Mr. Mills (Broadview—Greenwood): Mr. Speaker, we are beginning to agree. The approach that the member for Trois-Rivières just suggested is essentially what I was trying to communicate in my remarks.

As the minister said, we need to develop a strategic approach and that is what we are attempting to do. We cannot just look at these difficulties in isolation from the work that the minister of human resources is doing. It cannot be looked at in isolation from what the industry committee is doing or what the Minister of the Environment is doing.

In my view we have not spent enough time today talking about the potential in environmental technologies. We must become a nation that measures its strength not by its armaments but by our environmental technologies. That is an area where I think most people would agree there is terrific potential.

There is another thing, a final point I want to make. This is actually a plug. On May 17 a group of members of Parliament from both sides of the house, 10 of us, are going to Beijing with people from over 100 small and medium sized businesses, not the big businesses that tend to go on these missions. We will be looking for new markets, new opportunities.

We all know that the Asia-Pacific region is just exploding with opportunity especially for small and medium sized business. There might be all kinds of opportunity for people who are currently in the conversion process and looking to that region of the world for new markets and new potential.

As the Minister of Industry said earlier this morning, it has to be a comprehensive approach. We have to get the financial institutions on side. The Export Development Corporation has to be working. The human resource component is helping people get retrained for the new economy. We have to beef up our ability to go out and sell abroad. We are not very good hustlers in this country. We tend to be staid. We are not as aggressive as some of our American friends to the south or the Germans or the French. One of the things that we as parliamentarians have to do is encourage our small and medium size business community to hustle a little more beyond the boundaries of Canada.

• (1235)

I realize I only have a minute, but that is something that we as members of Parliament can do to support the small and medium size business sector. We go with them.

The only problem that I have is that members of the Reform Party do not want to come with us when we take these small and medium size business people on these trips to try and forge new markets because they do not think these trips are that productive. However, I hope eventually they will see that they are very important to the small business community and they are not junkets.

[*Translation*]

Mr. Laurent Lavigne (Beauharnois—Salaberry): Mr. Speaker, I am pleased to speak today on the motion before us. First of all, I would like to say that last week, on an opposition day, we had a motion with which I showed the Liberal government's inaction on agriculture. I spoke last week to show, with supporting figures, that this government was really not doing enough about agriculture in Canada, especially in Quebec.

This week, we are speaking up to denounce again this government's inertia on the whole issue of the conversion of military industries to the manufacture of useful civilian items. I care about this issue and that is why I chose to participate in the proceedings of the defence committee, to look at the whole issue of defence more closely. What interested me on the defence committee was the whole issue of the conversion of military factories to civilian uses.

To my great dismay, this famous committee has met at least fifteen times, if not more. First, I must say that there was a standing committee, which I joined, and then the government called for the addition of a joint committee, made up of MPs and senators, besides the standing committee on defence.

At every meeting I attended of either committee, I always added the whole question of industrial conversion to the agenda because it was never there. Every time I asked the question on one committee or the other, they wondered whether the defence committee was the one to deal with conversion and today they again raise the question as to whether the defence committee will discuss conversion or will pass it on to the industry committee.

It is total confusion now. In the end, we do not know which committee will have to deal with defence. The government has already been in office for six months. Many military factories, especially in Quebec, have to work with their employees every day to try to keep those jobs, and we are still discussing which committee, the standing committee on defence or the joint committee on defence or the committee on industry, is to deal with industrial conversion.

I noticed that the joint committee was much more concerned with preparing trips to Oslo, Brussels and eastern and western Canada. Take a good look at the schedule of the joint committee for the coming weeks and months, Mr. Speaker, and you can see for yourself. I think that five, six or seven trips have been planned to see how other countries in the world go about defining a new defence policy. I have nothing against that but, in the meantime, there are men and women working in our defence factories and we should talk about conversion for their sake. Meanwhile, we are discussing the trips we will have to make to see how other countries deal with the end of the cold war, how they will redesign their defence. This may have to be done but not at the expense of conversion.

• (1240)

Certainly, since the end of the cold war, people throughout the world are calling for a disarmament and peacekeeping policy rather than an armament policy. And this makes me the happiest man in the world. If every country in the world could pursue a disarmament and peacekeeping policy, I think that, as the evidence shows, disarmament and not war makes people happier. Except that it has major economic repercussions.

We know that for many years the richest countries in particular built defence factories to arm themselves. They armed themselves to the teeth. Until the east bloc collapsed, we lived with the stress of the cold war between east and west. In the meantime, of course, our defence factories were kept busy. People were hired to make ammunition, guns and shells. They were working but not, in my opinion, for a good cause. I prefer disarmament to armament and so much the better if we are already there. Except that, as I was saying earlier, one of the economic repercussions of disarmament may be unemployment. It has already started.

But, at that time, the government was proud of the factories making its guns, ammunition and shells. And it was making them work at what was called "cost plus". They were told, "Make the equipment and we will pay you whatever it costs". Since these plants could take the time they wanted or just about, the workers were not very efficient because they were not competing against other countries.

The country that had built these plants bought the equipment at cost. So if workers took one and a half instead of one month to make a gun, they were paid for a month and a half. Consequently, defence industries now wanting to switch to civilian production have to improve the profitability of those new products which will compete on the market.

I listened to the Parliamentary Secretary to the Minister of Industry and he seemed to evade his responsibility by saying that the issue concerns the private sector and not the government. Yet, the government was quite pleased to have these industries when it needed them. Now that it does not have the same need for these companies, it lets them down. The government has a duty to ensure that these defence industries are able to switch to civilian production.

As you know, arms production has been experiencing difficult times since the late eighties. This is an enormous market estimated at over $450 billion worldwide. Indeed, it is a market which involved billions of dollars. There has been a drop since 1987, and especially in 1994. It is expected that this $450 billion figure will drop by 25 per cent in the next few years. As a consequence of that pattern, 600,000 jobs have disappeared in European defence industries since 1987.

• (1245)

In the United States, the figure is 700,000, while in Quebec the drop is proportionally the same. This sector is in a state of collapse. It is being abandoned but the government cannot let down all these plants, employers and employees, chemists, engineers and qualified workers after using them for its needs and the needs of its military forces.

Now that we no longer place orders, we do not have the right to abandon these industries. That is why I urge the government to take money out of the defence budget, or the environment budget, or any other budget for that matter, since it all comes out of our pockets anyway, and to use that money to provide these plants not with hand-outs, but with assistance in areas like research, development, expertise, or capabilities. I urge the government not to let these plants down, because in the next few days, weeks and months, these plants will need to turn around their whole production.

The jobs in those sectors were mostly in Quebec, and especially in the Montreal area. The impact on its economy is significant. The cancellation of the famous helicopter deal did hurt for sure, but we, in the Bloc Quebecois, were all for it, except that the government forgot one thing. After cancelling the deal, which saved Canadians $5 billion to $6 billion, the government should have used parts of the savings to set up an Industrial Conversion Assistance Fund, which it chose not to do.

The government let the defence industries down and pocketed the $5 billion to $6 billion it saved by cancelling the helicopter contract. Yesterday, I was watching televison and I saw the prime minister who was taking stock of his first six months in office, and bragging. He said "one of our first achievements" is the cancellation of the helicopter deal, which he had promised to do during the election campaign.

And at one point, reporters asked the Prime Minister who had just enumerated his good deeds if he did not make mistakes. The Prime minister scratched his head and said: "I cannot think of any."

If I had been next to the Prime Minister, I would have whispered this to him: "Mr. Prime Minister, during the election and even before that, when you were in the opposition, you gave us a lot of hope and made a lot of great promises concerning industrial conversion programs and when you cancelled the helicopter contract, you should have proposed that program, but you did not." That is a mistake the Prime Minister should have mentioned to the reporters, yesterday, when he was taking stock of his first six months in office.

The Prime Minister and the Liberal government on the other side have so—I am tempted to say—lied to us, if I may, although it may be too strong a term in this House, but this is almost the case. I could quote government members when they were in the opposition, as well as provincial members. When it was in the opposition, the Liberal Party was a keen advocate of conversion. They wanted an assistance program that would help businesses to take over other markets than the defence market.

So, they promised to develop a program to help businesses move away from military production. The Liberals reiterated their promise in the red book. Almost every day in Question Period, the Prime Minister continuously refers to his red book and the need to create jobs, jobs and more jobs.

And yet, once in office, all these good intentions went unheeded, so much so that even the Martin budget said nothing about a conversion program for defence businesses.

On the other hand, the Prime Minister speaks a lot of his famous infrastructure program. If it creates jobs, that is great.

• (1250)

The infrastructure program will create about 45,000 jobs. But what good will it do to create 45,000 jobs, temporary jobs that will last six months or a year, if the government allows 60,000 existing jobs to be lost in our military industries and allows plants to close permanently? I think that the government could have kept a portion of the one billion dollars it will invest in its infrastructure program and used it to help the 60,000 workers in the defence industries keep their jobs. What good will it do to create one job if two are lost elsewhere? We are not moving forward by doing that, we are going backwards.

On March 26 1993, some MPs, namely Mr. Axworthy, Mr. Rompkey and Mr. Peterson, said—

The Acting Speaker (Mr. Kilger): Order. I simply want to repeat once again that, in this House, people must be referred to by their title, such as parliamentary secretary or hon. member for such-and-such a riding, and not by their name.

Mr. Lavigne (Beauharnois—Salaberry): Mr. Speaker, I was not sure if I should name them, but I am reading a text dated March 1993, when these people were not in government. Anyway, it is these three Liberal members, who were in opposition at the time, who said that the military businesses assistance program had to be reformed for the conversion of these businesses to civilian production.

They said jointly: "It is necessary to expand the mandate of Industry, Science and Technology Canada's $200 million Defence Industry Productivity Program (DIPP) which is aimed at developing defence technology". There already is a $200 million assistance program for military businesses, but as the members said at the time, it was necessary "to add to that program a new component that will help the industry convert and diversify into areas such as environmental technologies and high-tech peacekeeping technologies". The Liberals said that. They were encouraging our defence industries to penetrate the environmental sector.

Let us take as an example a business in the riding of Beauharnois, Expro, which manufactures gunpowder and shells and which, for the past few years, has been taking part in a soil decontamination program. Those people are now struggling to survive, since 70 per cent of their orders were government defense production orders. Now that they hardly get any such orders, they have to redirect their operations. They are now working on a soil decontamination program, which is related to the whole question of environment.

However, they need support, they need studies and research, and the government could and should get involved in that area. Otherwise, what will happen to those people who worked for many years at making gunpowder and shells and who are hardly making any today? We know also that the company had major sales on the United States market; they had many orders from the United States. But the Americans too are tightening their arms program and have significantly reduced their orders, and therefore the orders for Expro are going down.

Going further than what the Liberals were saying when they formed the Opposition, the present Prime Minister did not hesitate to say that defence industries were industries of the past. Liberals were saying that Canadians deserved a government that could show the way, a government that could bring forth new ideas and new strategies, a government that could help them adapt to change.

• (1255)

The defence conversion policy is an example of how a Liberal government intends to meet the needs of Canadians in the 1990s. That is what the present Prime Minister constantly repeated during the campaign and when he was Leader of the Opposition.

After having said such things, it is unacceptable to abandon the defence industries that cry out for government assistance. The government is turning a deaf ear to their pleas.

Finally, the then opposition critic for Industry, Trade and Commerce admitted realistically that unless we develop a defence conversion policy for the 1990s, we could lose tens of thousands of jobs. If the present Liberal government is aware of all that, why does it not take action? They said so, they seem to have all the relevant information, they are aware that we will lose jobs, that we are already losing some—11,000 have been lost already—and it is escalating, but they take no action. During the last campaign, the key words for the Liberal Party to get elected were jobs, jobs, jobs. The government should make an effort in that area, they should give more assistance by making funds available to help defence industries make a conversion they are only too willing to make.

[*English*]

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, these are comments of a general nature. The hon. member may wish to comment and he may not.

It seems to me when we stand in this House and challenge the government, there is also an obligation upon us to provide some constructive alternatives as to how government approaches the matters of the day, the problems and issues facing all of us.

In the hon. member's statements for example he mentioned that the military industry is an industry of the past. That may be true but an alternative, and one perhaps the government should look at soon, is to redefine the role of the military in Canada.

Rather than challenging and saying the government is not doing anything, it would be far better to say it is time that government looked at some alternatives for using our military personnel. It should look at how our defence industry can be changed to meet the new environment in the global considerations facing us today. There was not a single constructive alternative for Canada that I heard in the hon. member's presentation, not a single one.

The hon. member is asking questions about conversion, but what about the root problems that face Canada today: high taxation, a huge debt, an unstable dollar, an insecure economic community, high unemployment. There was not a single thing I heard that was a constructive alternative to addressing those issues and those are the root problems facing Canada today.

We can talk about committees in this House that dither around in deciding that maybe they will do this today, maybe they will do that. Maybe it will be the defence committee that will look at the issue today or maybe it will be trade and industry. However it is our obligation and responsibility as members of this House to start looking at some of those root problems. We must start providing the government with some constructive alternatives rather than standing and complaining about a particular position Quebec is dealing with. Unemployment in Quebec is every bit as much an issue for all of Canada.

I would like the hon. member to respond to those comments if he so wishes. I would be interested to hear what the hon. member has to say.

[*Translation*]

Mr. Lavigne (Beauharnois—Salaberry): Mr. Speaker, the hon. member who asked this question could read everything the Liberal Party said when it was in the opposition.

• (1300)

All the alternatives are there. In my remarks, I blamed the government for its inaction. I did not criticize it for not doing the impossible. There are indeed ways to ease the conversion of our defence industries. The Bloc Quebecois suggested the establishment of an assistance fund. Incidentally, the Liberal Party agreed that such a fund should be set up to help the conversion of defence industries. Labour unions, the CNTU and the FTQ, and the Quebec Liberal government are waiting for some action on the part of the federal government, but I am sorry to say that nothing is forthcoming.

In my riding, there is a plant that manufactures shells and gunpowder. Purchases by the Canadian army represented 70 per cent of its order book, but the Canadian army is buying less and less. That firm decided to convert its operations to cleaning up contaminated soil. It has professional engineers, architects, and chemists. A whole group of qualified employees work on that project, but they need government support. They do not necessarily need money, maybe just technical help, but they do need it. Yet, the government turns a deaf ear to their requests. True enough, we have a $500 billion debt, and we should not let it increase unduly. But we are letting unemployment rise. In the manufacturing industry, we lost 11,000 jobs in the last four years.

The government spends $1 billion without flinching to create 45,000 jobs, supposedly, through its infrastructure program. We are not asking the government to spend $1 billion on restructuring defence industries, but only to offer some kind of help to the people in those plants. Waiting for the plants to close and creating more unemployment is not going to help the economy either.

We already have much too much unemployment, so this government should make it its duty to help the workers whose job is at risk before they lose it. As I was saying earlier, what good is it for the government, with its infrastructure program, to create jobs, on the one hand, if it does not help the defence

industry workers and loses twice as many jobs, on the other? That is not progress, it is a setback.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General): Mr. Speaker, it is a pleasure to be given this opportunity to rise on this issue which is extremely important for many Quebecers.

I would like to thank the hon. member opposite for drawing attention to the future of defence industries. Over the years, these industries have been creating many jobs in our province and will continue to do so.

The future prosperity of defence industries is essential to Quebec's future prosperity as a part of Canada and North America. Quebec and its industries can adapt to technological changes and developments that are occurring in the world.

Once again, I congratulate the hon. member for the interest that he is showing in asking this question, and I would like to speak on that major issue for a few minutes.

In defence industries in Quebec, there are many small businesses and less than 20 medium or large businesses. These industries are very concentrated and the majority of sales are made by medium and large businesses.

All these businesses, regardless of their size, have seen their defence product sales progressively decreased over the last years. And, in view of the shrinking of international military markets that is projected, we can assume that this trend will continue.

Sales of defence products on European markets have radically decreased, causing the loss of 150,000 jobs in the last three years. This represents 10 per cent of the labour force in the aerospace and defence sector.

In America, the experience is similar with large reductions in military procurement matched by significant job losses, more than 3,000 in the last three years. Both European and American industries have been faced with a serious industrial adjustment problem. In various countries, the government has responded in various ways. It is tempting to look to solutions such as those proposed in the United States for the problems facing Quebec's aerospace and defence industry.

• (1305)

I believe we can learn from others. I am confident that some of the lessons we might learn from others in defence industry conversion are universally acceptable. For example, there are a number of internal and external obstacles to defence industry diversification and conversion. These include a narrow client base, lack of experience in export or commercial markets, over-engineered products and small product runs. External obstacles include shrinking global defence markets, difficulty in attracting capital and market protectionism among others.

The various approaches adopted worldwide by governments to deal with their defence industry conversion problem all address these common elements but the approaches are often tailored to the particular circumstances unique to their defence industries.

As a general rule, none of these programs envisage getting out of military markets. Instead the first goal of diversification is normally to retain a viably industrial base. Many governments have dealt with this issue in a regional or community perspective and have given their support accordingly.

Many of them have set up committees where all parties concerned are represented, including governments, unions and the industry. The so-called dual use technologies—that have both civilian and military applications—are often a criterion on which governmental assistance for research and development is based.

One of the key objectives of all those programs consists in maintaining knowledge-based industries and quality jobs related to the high technology which is part of those industries. The efforts we are making to help in the conversion of the defence industry in Quebec are within the spirit of that objective.

Even though several of the approaches that I have just described could apply to the Quebec defence industrial base, I think that it would be wrong to use, for example, an American-style solution in Quebec. There are some noteworthy differences in the conversion of the defence industrial base in Quebec, in the United States and in other parts of the world like Europe.

Basically, the conversion of the Canadian defence industrial base in Quebec is different and unique. Many Canadian defence industries in Quebec could be described more appropriately as aerospace and defence industries because, unlike many other countries, Quebec has diversified a lot of its production. It produces a great variety of commercial products and, of course, defence materiel.

The Quebec industry is different, too, in another important area. The aerospace and the defence industries sell many of their products and services to world markets. Therefore, in order to succeed, it must produce first quality materiel at competitive prices. Like other Canadian industries in the aerospace and defence area, Quebec industries are looking for a ready market for high-tech products. They export sub-systems and components that are sold mainly to principal contractors in the aerospace and defence materiel area all over the world.

This is remarkable. A country as small as Canada is sixth in the world for the sales of the aerospace and defence materiel sector, which exports between 70 and 80 per cent of its total production. We should be proud of those dynamic firms and their workers who bring a high contribution to the economy of the province of Quebec and of Canada.

As my remarks show, Quebec industries in the area of aerospace and defence materiel are different in several regards from similar industries in other countries. I realize that several aerospace and defence materiel industries are facing an uncertain future in the years to come. Nevertheless I have reasons to believe that because of their achievements, the aerospace and defense materiel industries in Quebec are able and willing to meet that challenge.

• (1310)

I hope I have clearly explained today the significance of recognizing the unique character of Quebec industries in the aerospace and defense materiel area. By building upon their relative force compared to the majority of the industries in the rest of the world, Quebec industries are well on the way to the diversification of their production and the conversion of their technology.

As was announced recently in the budget, the federal government intends to change the Defence Industry Productivity Program in order to support the changes that the Quebec industry of aerospace and defense materiel is carrying out. I am confident that support from the federal and provincial governments for Quebec's aerospace and defence industry will help create the proper environment for the changes to continue.

As I said before, given the very unique situation existing in Quebec, it is probably not appropriate to think about implementing solutions adopted in Europe and the United States. We all recognize that production diversification in the defence equipment industry presents many challenges. As we said earlier today, the task is not an easy one and there are no miracle cures. But it certainly does not mean problems are unsolvable. There is a solution and there will always be one.

Some major efforts are being made in the private sector in Quebec and they benefit the aerospace and defence equipment industry. The government will continue to fully support those efforts to make sure this industry can continue to face the challenges and seize the opportunities which will arise in Quebec, in Canada and all over the world.

The Acting Speaker (Mr. Kilger): I would like to know if the Parliamentary Secretary to the Solicitor General still intends to share his time with the Parliamentary Secretary to the Minister of Transport.

Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine): Yes, Mr. Speaker.

The Acting Speaker (Mr. Kilger): Very well. There will be a five minute period for questions and comments to the member who just spoke.

Mr. Jean H. Leroux (Shefford): Mr. Speaker, I listened carefully to the speech of my colleague, a member from Quebec. I think he drew a good picture of the situation. He presented the facts globally, discussing the problem that could ensue.

I have a question for him. Is it not the role of a responsible government to stimulate, encourage and assist the implementation of policies that could facilitate the conversion of defence industries? In this perspective, as a member of his caucus, is he committed to promoting such action so that ultimately, in Quebec and elsewhere in Canada, we really get a conversion policy that will allow regions to survive?

As you know, 11,000 jobs have been lost in Quebec since 1988. It is most important for us that the government, of which my colleague is a member, come up with solutions. It is about time they stop telling the House they are aware of the problem, that they know all about it. Everybody knows the problem but we are waiting for the government to take a firm stand. We expect this government that was elected to govern to present us with policies that would bring about a fast recovery in this sector and the conversion of the defence industry. I would like to hear his comments in this regard.

Mr. Gagnon (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, this government has presented its job creation program in its Budget and, these last few weeks, through the Minister of Human Resources Development. New technologies are the order of the day, of course. The government would like Canadians and Quebecers to get more involved in sciences.

I believe that diversification is in the cards for the near future. We know all about the defence industry, or rather its sorry state brought about by the end of the cold war. Since 1989-90, we have been living in a new world, a different world, and I believe that the government is committed to bringing about a greater diversification of Canadian industries to increase our competitiveness. I think that what we have achieved in the past six months—we have been in office six months already—for instance, the infrastructure program, the job creation program, the youth programs, the budget cuts, shows a certain maturity and exemplary fiscal responsibility. I believe that we are going to stay the course with regard not only to the military sector, but also to the Canadian industrial sector as a whole.

• (1315)

[*English*]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I appreciate this opportunity to speak on this topic which is so important to a large number of Canadians.

I thank the hon. member opposite for focusing attention on the future of the defence industry. It is an industry which over the years has provided much employment across Canada and will do so in the future.

The future prosperity of the defence industry is vital to the future prosperity of Canada. As a vibrant part of Canada and North America, its industries can keep pace with global change and technological advancements.

I applaud the interest of members in raising this question and I would like to speak for a few moments on this matter.

European markets for defence sales have dropped remarkably leading to a loss of 150,000 jobs over the last three years. That is 10 per cent of the workforce in the aerospace and defence sector.

In America the experience is similar with large reductions in military procurement matched by significant job losses, more than 300,000 jobs in the last three years.

Both European and American industries have been faced with a serious industrial adjustment program. In various countries governments have responded in various ways. It is tempting to look at solutions such as those proposed in the United States for the problems facing our industries.

I believe we can learn from others. I am confident that some of the lessons which we might learn from others in defence/industrial conversions are universally applicable.

The term defence/industrial base defies easy definition. Companies that make military products are obviously included but it is important to consider the broader picture. These are many firms that market commercial and dual-use products in addition to the military sales. Of course the military itself uses many of these products. For example when our peacekeeping troops needed a soft desert boot, not a normal item in the Canadian forces supply system, we bought commercial products.

Another reason the defence industrial base is hard to define is that like all products military ones are composed of many components. When you get down to basics these components are pretty small, things like screws, nuts, bolts, washers, and rubber gaskets. One would not normally think of these as defence products but in fact we could not build military products without them.

Having made these cautions I would like to provide a brief overview of Canada's defence industries. Canada's defence industrial base is quite small by world standards. Depending on how widely it is defined it contributes about 1 per cent to 1.5 per cent of Canada's GDP and about 70,000 jobs. That is about 1 per cent of the Canadian labour force.

A large majority of the firms are small or medium in size, having sales below $100 million per year.

The defence industry is largely foreign-owned, about 60 per cent, especially the larger firms.

This is not to say that the defence industry is not important. While small it nevertheless contributes to Canada's economy in important ways. The products it produces generally fall within the realm of high technology, many of these at the leading edge.

As a consequence it generates highly skilled, highly paid jobs which are not only nationally important but which also make a substantial contribution to both regional and local economies.

Another main benefit derives from the fact that these companies are highly export oriented. These revenues help our balance of payments. The defence industry is highly specialized in niche markets such as subcomponents in aerospace, electronics and communications sectors.

Our companies are well respected in specialized fields such as major aircraft components, flight simulators, satellite subsystems, unmanned air vehicles, armoured vehicle fire control systems and magnetic anomaly detection systems. Their successes in both the civilian and military markets improve the overall competitiveness of the Canadian economy.

Along with the aerospace industry defence firms perform more R and D than the rest of the Canadian industry although somewhat less than their competitors in other major western nations. One finds defence industries throughout the country and the regional distribution has been slowly changing over time.

The munitions sector is a small sector which produces excellent ammunition and small arms. Companies involved in this sector include SNC and Expro, Bristol Aerospace, and Diemaco in Ontario. This sector is naturally highly dependent on DND purchasing. Exports and export potential are modest. Reduced spending in this sector by both Canada and the U.S. presents a special challenge in this sector.

• (1320)

In conclusion, Canada's defence and defence related industries are small but a vital sector of our economy. While the defence industry could never be considered to drive the economy it does make an important contribution in crucial high tech sectors.

While Canadian shipyards have historically focused on the domestic market, St. John's Shipyards is currently exploring other marketing opportunities. In addition to its expertise in the commercial sector St. John's Shipyards has acquired valuable expertise in constructing naval vessels as a result of its contract for the Canadian patrol frigate. This expertise will assist the company in its search for offshore sales.

The military vehicle sector is a very small, highly specialized, subset of the Canadian automotive sector. Two companies are currently producing vehicles for DND. Western Star located in Kelowna, B.C. produces DND's fleet of light trucks. In the great city of London, Ontario the diesel division of General Motors

produces light armoured vehicles, the best in the world, with huge export markets.

Efforts to market these vehicles internationally have been very successful. They are being sold in the United States and Saudi Arabia and further exports are likely.

On the aerospace side it is estimated that the top four companies, Bombardier, Pratt and Whitney, Bell Helicopter and Spar, account for some 45 per cent of production. Defence sales represent about 25 per cent of their revenues. On the defence electronic side it is estimated that 80 per cent of the output is exported. There is significantly greater reliance on defence sales for revenue.

This sector, particularly the aerospace side, is well positioned to survive reductions in defence spending. The defence electronic side is less well positioned and smaller companies with limited product lines and a high dependence on defence sales face greater challenges.

The shipbuilding repair and marine equipment sector relies mainly on government procurement. There are few commercial opportunities. Despite the rationalization of shipyards in Ontario and Quebec and rationalization currently under way in B.C. excess capacity still exists in Canada.

Historically, due to population density and patterns and the need for concentration of manufacturing for the war effort Canada's defence industries were highly concentrated in Ontario and Quebec. The defence industrial base is generally conceived as consisting of four main sectors. The largest sector is the aerospace and defence electronic sector which produces complete aircraft, various aircraft components and parts, navigation and space equipment and other defence electronic equipment. This is the most diversified sector by producing a mix of commercial, dual use and military products.

I think it is important to note that this government's commitment is to ensure that the high skilled, high tech jobs that we have in the defence industry are maintained, that in fact we work toward transition of those industries where possible. But we must not forget that Canada needs a strong defence industry. Where applicable and where appropriate we will continue to do what we can to maintain that, but at the same time look at opportunities to be able to move into transition for those defence related industries which may find lesser and lesser markets in the future. We must make sure that we have adjustment programs for the workers, adjustment programs for the industries and take advantage of the great high skills that the workers have, as well as the high technology that the defence industries now have.

We welcome this opportunity to debate this very important issue.

[*Translation*]

Mr. Jean H. Leroux (Shefford): Mr. Speaker, I listened very carefully to my colleague opposite and I noticed that parliamentary secretaries speaking on this motion are fond of talking from an historic perspective. They paint a clear picture of the situation, which shows that they are well informed. However, as I said earlier, the government was elected to make decisions. Unfortunately, they are well aware of the problems. They know what is going on. Perhaps they should be sitting on this side of the House.

• (1325)

However, since Canadians chose them to form the government, I think it is high time for them to stop reviewing the situation. While this government seems to have a very clear picture of all that is wrong, Canadians and Quebecers expect it to make decisions and to move forward.

This morning, the minister spoke to us about the deficit. He said that he could not make any decisions at this time because of the deficit. During the election campaign, it was the Conservatives who focused on the deficit. The Liberals, on the other hand, talked about the jobs, jobs, jobs that they were going to create. But that does not seem to be happening now. The feeling in Canada is that we have simply traded in one government for another identical one. As far as this debate is concerned, nothing substantive has been put on the table.

In conclusion, I have a question for my hon. colleague. Does he not feel that it is important for a government to stimulate, encourage and help private enterprise? In this particular area, 11,000 jobs have been lost in Quebec and I think the government should be doing something. I would appreciate his comments on this point.

[*English*]

Mr. Fontana: Mr. Speaker, I appreciate the question of the hon. member. He should realize that we have only been in government six months. We understand and our commitment to jobs has not wavered at all. In fact, some of the announcements that we have already made as a government with respect to the infrastructure program or support for small business or support for research and development will pay big dividends in terms of job creation.

Our commitment to jobs is not any less today than it was before the election. Our red book talked extensively about a change in the economy. One of the changes in the economy is with respect to the defence sector. I think historically we should realize, and I tried to point this out in my speech, that in terms of what is happening in Europe and in the United States, Canada in fact is facing some of the same challenges.

I hope the member is not suggesting that we close down the whole defence industry in this country because that is thousands

and thousands of jobs. We realize there is a need for defence industries and we have some of the best in the world right here in Canada, including in London, Ontario where we have many.

In Quebec and B.C. we have great industries. They are serving a useful purpose. Whether or not that purpose is still justified 10 or 15 years down the road no one knows. I think our red book says, and I would point this out to the member, that defence conversion consists really of three points: (1) redefining Canada's defence policy and the role of the military. As he knows there is consultation now on what that defence policy should be; (2) the rationalization of defence infrastructure, and that means looking at how we can assist these industries, communities and workers. As I said, these workers are very highly skilled, in high paying jobs. We need to look at how we can have adjustments for these workers; (3) the conversion of the defence industrial base to reduce the dependency on defence sales. I think that is important. We cannot cast out those industries and those workers just like that. We need to work with those companies, utilize their highly skilled workers, utilize their high technologies and be able to look for commercial applications of those things.

The member should realize, as I tried to define in my speech, that certain materials and certain parts produced by certain companies are not only defence related industries. They, in fact, serve a dual purpose. We ought to take advantage of making sure that this country faces the new economy by relying on the high skilled jobs that the defence industries have and also their technology.

We are prepared to work with those members and all members to ensure that we provide employment in this country.

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, on behalf of the whip of the Reform Party I would like to advise the House that pursuant to Standing Order 43(2) our speakers on this motion will be dividing their time.

• (1330)

Before I speak to the motion, I would like to address some remarks made earlier by the member for Beauharnois—Salaberry who evidenced some concern with the aspect that the standing joint committee on defence was not addressing the problem that we are dealing with in this motion today.

I would like to go on record as saying that my concept of the standing joint committee on defence policy is to establish what it is that Canadians want from their defence department. He mentioned that we are travelling across the country and this is true. We are travelling from coast to coast. We are visiting every capital with the view of seeing informed Canadians on the aspect of defence and also to talk to people off the street who want to come in and make their views known.

We are also going to Europe and to the United States to establish with the appropriate agencies the importance of the Canadian defence contribution to their plans and our plans for mutual defence and obviously now in security.

The main thing I think that we want to do is establish a criteria whereby the security of the world is enhanced and thereby Canada's ability to operate in the world both industrially and tradewise will be better.

As I see it, the motion submitted by the member for Hochelaga—Maisonneuve is basically a demand for more funds to support industrial conversion. There is in my mind a defence aspect to this, but a very minor one. This is basically a matter of industry.

The defence aspect of it I will discuss a little later, but right now I would like to speak to the industrial aspect of it. The defence industry productivity program, a program whereby the federal government gives some $200 million-plus to various defence industries to support research and development and defence aspects, has been in place for some time.

In point of fact during our election campaign, the Reform Party was against this program. The rationale for that was that if private industry and private citizens do not see the value of investing in such programs, why should the Canadian taxpayer.

Since my election I have been approached by a number of people in these industries and they have pointed out that there is a very valid reason for this. In fact there is a good repayment program. I accept this and am willing to look at it again, but I also know that in some cases this money has been granted to very dubious projects and that there has been a tremendous amount of this money that has just disappeared never to be returned to the Canadian government.

The defence industry covers many sectors. Among them I would mention aerospace, electronics, ship construction, aircraft construction including many components, avionics and communications mainly involved in the defence area in command and control but very, very adaptable to civil industries as well.

Many of these companies have international links which provides them access to merging technologies and global markets. A great deal of Canada's high tech industry in fact has evolved from defence research and development or procurement projects. There are some 800 companies employing over 60,000 people who are active in the defence related industries in Canada.

The Canadian Defence Preparedness Association provided a briefing to the standing joint committee the day before yesterday. They represent some 60 companies and said categorically that they have had great success at conversion.

The Aerospace Industries Association of Canada, which represents a large number of companies in this field, is evidence again of a very successful conversion program from defence to civil industries. In the past their ratio of output went from 70 per cent defence and 30 per cent civil to today, where it is exactly reversed. Their output now is about 30 per cent defence and 70 per cent civil.

This is where I am getting back to the impact of how industry impacts on defence. Obviously there are certain industries where Canada must retain a defence production capability and it is in those areas that I think the government should be involved. They may not be completely economical but they are of overriding importance to our ability to maintain a defence posture and government may have a place in there. It is not only prudent but necessary that government may do this.

• (1335)

However I think basically it should be left to the managers of industry to decide how they run their businesses, what products they get into and which avenues they should follow.

It brings a question to mind that if government directs the conversion of industries from defence to civil, does the government also then have to assume some responsibility for the success of those companies? If they move them from an area where there has only been a defence relationship into a civil one and the company fails, does that mean the government has to pick up the tab for that? I do not think that is the way it should be. I think that is an industry situation which should be covered by the industrial manager.

Indeed if the conversion is into an area where there is already a surfeit, too much capability, it could in fact result not only in the company that converted into that area failing but also other companies that were in there. There is a rollover effect there.

I think it is without any question the responsibility of the managers of industry to find and occupy the appropriate niches. If I may use the analogy, there is not much call for chariots any more, so a chariot manufacturer would not be a very viable occupation or a business. But that company might very well develop into bicycles or cars. On the other hand they have to accept the fact that there are many other competitors and they would have to be prepared to meet that competition.

It is the responsibility of the industry concerned to say this is no longer viable and where are we going to go to maintain our industry.

I think there is a place for government in industry in providing support. That support should be in the areas of perhaps providing a strategic analysis, to say to industry: "This is where we see Canada emerging, this is where we see the marketplace going, this is an area that you might look at to exploit in future".

I think government, as the minister said earlier, should be in the business of, wherever possible, removing barriers to trade. We should enhance the ability of our industries to compete on the world market. We should not subsidize them; we should enhance their ability to do it on their own.

I think probably the most tremendous impact the government could have on our industry, whether it be defence, whether it be civil or whether it be the conversion thing, is to bring the spending habits of the government back into line to balance the budget, to lower taxes. This in itself, in and of itself, would create a far more vibrant industry, it would result in far greater employment and to a large extent it would solve the problem that we are dealing with.

In conclusion I would just like to say that I do not believe that the government has too much place in the conversion from defence to civil industries. Certainly as I have mentioned, there is a road clearing process that it could do to remove the barriers, to enhance the trade, to indulge or enter into trade agreements, reciprocal agreements with other countries and other areas. Other than that I think the industrial base of a country should be run by the industrial managers who are concerned with it.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, if I may have the indulgence of my hon. colleagues in the House, I would like to read the opposition motion. For those watching on TV who might have just joined us, it might be interesting for them to know exactly what we are discussing.

In the affairs of this House the opposition parties from time to time have the opportunity to bring forth subjects of debate. We get relatively short notice. I think it is quite interesting that we get relatively short notice, perhaps as much as a day in some instances, and we then debate the issue brought forward by the opposition.

Today the Bloc has brought forward this opposition motion which is being debated in the House:

> That this House condemn the government for its unacceptable delays in developing and implementing a genuine strategy for the conversion of defence industries to civilian production, which would save and create new jobs in high technology sectors.

• (1340)

I do not know if I want to condemn the government for not doing this. There are many, many things we could condemn the government for, but I do not think this is one of them.

It is my opinion the government should keep its fingers out of business and out of the marketplace. It should let the marketplace decide who will be the winners, who will be the losers, who will be successful and who will not. It is survival of the fittest.

Why was it such a big shock to the defence industries that they were going to have to change? Was it because it happened overnight? Did we have this incredible industrial military complex that drove the economy and the country? No, it did not; and no, we have not.

Canada has never had a particularly large military industrial complex. Most of our sophisticated military equipment was purchased offshore. Many members would know, as would those watching, that one of the blackest days in the history of our country, at least in my opinion, was the cancellation of the Avro Arrow. By and large that put Canada right out of the high tech aerospace industry. Ever since that time we have been trying to force feed industry into areas of the country that may or may not need it, that may or may not get the industry because of political connections, political power, or power of the voter.

I submit that our country can no longer afford to artificially pick winners and losers. The fact of the matter is that if our world has changed and our country's defence posture has changed to the extent that the defence industries in a particular part of Canada, whether it is in Ontario or Quebec, are harmed because things change, then so be it.

It is up to those industries to convert or to find another use for their capital, for their people, for their industries. If they do not, they have every right to go out of business just like anybody else. Were this not the defence industry, if this were an industry of garment makers in Winnipeg, would we be having a debate in this House today that this House would condemn the government for not supporting garment workers in Winnipeg? I think we would not.

I want to acknowledge the help given by the Canadian Defence Preparedness Association in preparing the background paper I am using in my debate. It is interesting to note that Canada's defence industry, like most industry in Canada, is concentrated in Ontario and Quebec. For example, western Canada and Atlantic Canada each contain about 15 per cent of the total defence industry, whereas 70 per cent is in Ontario and Quebec, with 40 per cent in Ontario and 30 per cent in Quebec.

It is generally a high tech industry which is research and development intensive. That is particularly and precisely the kind of industry we want. However research and development in high tech industry is industry that depends upon the people who are part of that industry to stay alive. It is a fast moving industry. What is unique and innovative today could be tomorrow's hash browns.

We cannot have the government deciding where the high tech industry is going to be. The marketplace has to decide where the high tech industry will be and who will be the winners and losers.

It is also very interesting to note that according to this paper 70 per cent of the output of the manufacturing of the so-called defence industry in Canada is for the commercial or the civil market. At the same time, 70 per cent of this defence market we have in Canada supplies 70 per cent of the requirements for the Canadian defence department. That tells me that our defence industries in Canada by and large are already fairly diverse. They are not, as they are for example in many places in the United States, entirely dependent on the manufacture of one item, such as an aircraft. For instance, in Canada we have seen nothing like the decimation of the aircraft industry in San Diego. It was highly dependent on military contracts for all of the research and development. The defence budget in the United States as compared to ours is just absolutely enormous.

• (1345)

We do not have the same critical mass in the defence industry to start with and our defence industry, although concentrated primarily in Ontario and Quebec, is fairly balanced between these two provinces. It is not totally 100 per cent dependent on military manufacturing to stay in business according to this paper. That seems to me to be a fairly solid and a fairly good way to run a business.

Historically as a nation there are some areas where we have decided we were going to pay a premium in order to maintain an industry of our own. One is ammunition manufacturing. I think there is a place in Toronto that manufactures ammunition. Ammunition could be purchased offshore but we buy our ammunition at home.

I wonder whether free trade and the relationship we have under the GATT, but particularly under NAFTA, would allow for this kind of protectionism anyway.

I would also point out to my hon. friends that one of the reasons that people in other parts of Canada who do not directly benefit from the manufacturing heartland of central Canada, being Ontario and Quebec, just go crazy is the fact that it always seems to be necessary to protect the manufacturing base in central Canada. We have this insane situation even as I speak that we have to negotiate to break down interprovincial trade barriers.

We have 11 governments at the table trying to negotiate the decimation of these insane trade barriers. Think about it. That is more people at the table negotiating the removal of trade barriers within Canada than were sitting at the table to negotiate the removal of the trade barriers between the United States, Mexico and Canada. There were only three parties at that table and we have 11 in Canada.

We are debating a motion on whether our government, our taxpayers, people earning 10 bucks an hour, paying two or three bucks an hour taxes, should come to the federal government so it can decide who will be the winners and who will be the losers and we find ourselves subsidizing an industry for which there is no need.

We have to break down the trade barriers within Canada so we can be competitive within Canada. If we cannot be competitive within our own borders how on earth can we presume to be competitive in the world environment?

Let us put the horse before the cart. Let us get rid of internal trade barriers. Let us get our construction, our manufacturing, our capital resources, our people working together, and let us let the marketplace pick the winners and then compete worldwide. I submit that if we take that kind of approach we will be winners the world over because we can compete without government help, without government subsidy in any market in the world.

[*Translation*]

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, I hope one day people like the hon. member for Calgary Centre will give up their ideological vision and understand the real economic situation in Canada and other countries.

The hon. member said that the military sector is fundamentally a high-tech industry, and we know full well that it will become less and less important in the years to come in North America, and even more so in the United States than here, in Canada. We should not forget that the American companies are our main competitors.

For many, many years, most of the federal research and development subsidies went to defence industries, in areas like telecommunications, development of new products or aeronautics. Governments used a good deal of their research and development subsidies for military purposes, because they wanted the armed forces to be in the vanguard of progress in aviation and telecommunications. Also, the development of new products was always crucial to the other two sectors. That is why the United States have a competitive edge in these sectors, where research and development is concerned. Now, of course, we must seek new ways of doing things. We are indeed in favour of the reduction in military production, but at the same time we must ensure that all of the research and the discoveries that can serve civilian purposes are not abandoned simply because some of these businesses go bankrupt tomorrow morning, after the government decides all of a sudden to cancel major contracts, like it just did with the helicopter deal.

• (1350)

For our country to be competitive at the international level, we need more than rhetoric; we cannot only tell the government never to interfere. We have to take into account the source of our competitiveness. Obviously, for years, the defence industry has been one of the main sources of our competitiveness in the non-military sector. The Americans set up a program for the conversion of defence industries to civilian production. They also developed alternative national strategies in areas like R and D, telecommunications, development of new products and aeronautics. They now have alternative strategies to replace the defence industry as instrument of R and D.

The Bloc Quebecois is only suggesting today that the government give us precisely what our competitors are getting. We can talk about being competitive at the international level and revel in rhetoric, but 80 per cent of our business, especially in the industrial sector, is with the United States. Thus, we need the tools, we need a transition process to maintain our competitiveness.

As you said it yourself, these businesses have already decided to go for the civilian market. We just have to get things moving toward conversion from defence to civilian production, since we must cut substantially our military spendings to reduce the government's budget and deficit. And this must be achieved without ever losing our competitiveness in the high tech sector. That sums up the precise and straightforward position of the Bloc Quebecois.

[*English*]

Mr. McClelland: Mr. Speaker, I respect my hon. colleague's opinion and I share some of the opinions he just put forward.

However there is a contradiction. I recall in my presentation saying that if there was an epiphenomenal moment in Canada where we said goodbye to high tech it was when we said goodbye to the Avro Arrow 35 years or so ago. We were world leaders and we said goodbye to it. Ever since that time we have relied on offshore industries for our high tech aircraft or high tech defence materiel. The nucleus, the germ of it comes from offshore. I agree 100 per cent.

Therefore, if I agree with that and the contention that my hon. colleague brought forward, he must also agree that if we are getting that high tech initiative offshore we cannot also be getting it onshore. We cannot depend on both. The defence industry has been a high tech driver in Canada. Of that there is no question.

We look at the satellites and Canadarm and those kinds of things. They could be considered defence and defence oriented, but those things are not going to come to an end. We are still going to have satellites going up. We should all say a prayer for Anik E2 up there somewhere. God knows what it is doing. However, the whole high tech industry is not going to dry up and go away.

We need the vision of the people who are the shareholders of those companies that were in that business. That is what their job is. The job of the directors of those companies is to anticipate, to see where they should be putting their energies in the future. Perhaps it is in the environment. Perhaps it is in extracting minerals from difficult places.

• (1355)

My point is that it is not the role of government to decide what that initiative should be. It should be the role of industry and the owners of industry. They will do a far better job than we will. When we went through our orientation, no one said all of a

sudden when we passed through these doors that we would become venture capitalists with the ability to pick winners and losers in the marketplace. It did not happen.

Mrs. Georgette Sheridan (Saskatoon—Humboldt): Mr. Speaker, I appreciate the opportunity to speak on this topic which is so important to a large number of Quebecers. I would like to thank the hon. member opposite for focusing attention on the future of the defence industry. It is an industry which over the years has provided much employment in the province of Quebec and will continue to do so.

The future prosperity of the defence industry is vital to the future prosperity of Quebec. As a vibrant part of Canada and North America, Quebec and its industry can keep pace with global change and technological advancement.

I applaud the interest of the member in raising this question and I would like to speak for a few minutes on this important matter.

[*Translation*]

The Quebec defence industry is made up of many small companies and fewer than 20 medium to large ones, the vast majority of sales being made by the latter.

All these companies, small and large alike, have seen their defence sales dwindle over the past few years. In light of the falling business activity on the defence markets, it is reasonable to assume that this trend could well persist.

[*English*]

European markets for defence sales have dropped remarkably, leading to a loss of 150,000 jobs over the last three years. That is 10 per cent of the workforce in the aerospace and defence sector.

In America, the experience is similar, with large reductions in military procurement matched by significant job losses, more than 3,000 in the last three years. Both European and American industries have been faced with a serious industrial adjustment problem.

In various countries, government has responded in various ways. It is tempting to look to solutions such as those proposed in the United States for the problems facing Quebec's aerospace and defence industry.

I believe we can learn from others. I am confident that some of the lessons we might learn from others in defence industrial conversion are universally acceptable. For example, there are a number of internal and external obstacles to diversification and defence conversion.

These include a narrow client base, lack of experience in export and commercial markets, over-engineered products and small product runs. External obstacles include shrinking global defence markets, difficulty in attracting capital and market protectionism among others.

The various approaches adopted world-wide by governments to deal with their defence industrial conversion problem all address these common elements but the approaches are often tailored to the particular circumstances unique to their particular defence industries.

As a general rule, none of these programs envisage getting out of military markets. Instead the first goal of diversification is normally to retain a viable industrial base. Many governments have approached this question as a regional or community issue focusing their support accordingly.

Many have formed committees involving all of the stakeholders concerned including government, trade unions and industry. The so-called dual use technologies, commercial and military, are often a criterion for government R and D support.

One key objective of all these programs is to maintain knowledge, intensive industries and the high quality, high technology employment which is part of it.

The Speaker: The hon. member has just begun her statement and she will have priority when we resume debate.

It being 2 p.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

SPINAL HEALTH WEEK

Mr. Ted McWhinney (Vancouver Quadra): Mr. Speaker, the week of May 1 to May 7, 1994 is Spinal Health Week. The program was established in 1985 to initiate and maintain good spinal health habits in children.

It is sponsored annually by the Ontario Chiropractic Association, a voluntary membership organization that represents more than 1,350 Ontario chiropractors. Its objective is to provide public education and promote research to improve the quality of health care for the citizens of Ontario.

Eight out of ten Canadians suffer from back pain during their lifetime. The incidence is increasing. A healthy lifestyle including proper posture, exercise and good nutrition is the key to prevention.

Please join me in wishing the Ontario Chiropractic Association a very successful Spinal Health Week.

ORAL QUESTION PERIOD

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, one of the promises contained in the infamous red book pertains to accountability. However, when key questions of importance are asked in question period relating to federal overspending, health care, native self-government and criminal justice, the government consistently demonstrates an unwillingness or inability to answer.

The only time the government answers any questions is when one of its own members asks the Liberal question of the day.

We on this side of the House are asking legitimate questions affecting the lives of Canadians. Where is the accountability and when will question period become answer period? Canadians want and deserve straight, hard answers to these questions. Reformers will keep demanding the government fulfils its promise to be more open and accountable.

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[*Translation*]

PALESTINIAN SELF-GOVERNMENT

Mr. Philippe Paré (Louis-Hébert): Mr. Speaker, yesterday, Israel and the PLO signed in Cairo an historical agreement regarding Palestinian self-government.

Following several decades of political and military conflict, Yitzhak Rabin and Yasser Arafat have agreed on an action plan for the creation of a Palestinian territory in the Gaza Strip and in Jericho.

This agreement marks the begining of the end of a long and difficult armed occupation of Palestinian territories. Certainly apprehensions persist on both sides, but it is now up to the parties to show their good will and lay the foundations for co-operation between the Israeli and Palestinian people.

We congratulate negotiators on both sides on this truly remarkable achievement. This agreement goes a long way toward bringing lasting peace to the Middle East, and we hope it will be received favourably by all those who live in the region.

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[*English*]

NATIONAL FOREST WEEK

Mr. John Loney (Edmonton North): Mr. Speaker, the week of May 1 to May 7 marks this year's National Forest Week. Each year the Canadian Forestry Association bestows on a municipality the title of forestry capital of Canada.

I am proud to inform the House that the city of Edmonton was chosen as the 1994 forest capital. I am delighted that the people of Edmonton have been recognized for their commitment to promoting the contribution of urban and rural forests to the city's environment, economy and social development.

Edmonton is a green city, noted for having one of the largest urban parkland areas per capita in all North America. These forested areas are enjoyed by local residents and by numerous visitors. Edmonton is also the gateway to the huge northern forest lands of Alberta which are becoming increasingly important to the diversification of Alberta's economy and to Canada's forest sector as a whole.

Allow me to congratulate the people of Edmonton and all the forestry workers in my region whose contribution has made 1994 a memorable year for my city.

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BOSNIA

Mr. Reg Alcock (Winnipeg South): Mr. Speaker, last week I had an opportunity to attend an international meeting of parliamentarians concerned about the situation in Bosnia-Hercegovina.

I was proud as a Canadian of the work that Canada is doing there. I wish to commend the Minister of Foreign Affairs, the Minister of National Defence and the men and women who are on the ground in Bosnia-Hercegovina doing important work. I cannot help but wonder whether or not we can do more.

During World War II Canadians opened their hearts and their homes to the children who were caught in war zones. I would urge us to think about doing the same again to provide some relief for those people who are in such terrific danger and to get the children out of the way of the bullets.

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TRANSPORT

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton): Mr. Speaker, high licensing fees for taxis and limos at Pearson airport are forcing operators on to the unemployment lines.

Each year rising insurance rates, gas prices, vehicle maintenance and licence fees along with poor business have made it impossible for operators and their families to survive.

It is like the tobacco smuggling problem. High licensing fees are driving legal operators out of business and have opened a window of opportunity for non-licensed operators to illegally scoop fares.

I call upon the Minister of Transport to direct the airport authority to lower its licence fees. Lower fees would ease the financial pressures on the operators and put an end to illegal fare scooping.

• (1405)

[*Translation*]

BOSNIA

Mrs. Madeleine Dalphond-Guiral (Laval-Centre): Mr. Speaker, I would like to call the attention of the House to an intolerable reality that we have the power to alleviate. I am talking about the plight of children in Bosnia. More than anybody else, these children are innocent victims of an unbearable conflict.

A great many European countries are welcoming Bosnian children with open arms, but Canada's welcome remains discreet, too discreet, Mr. Speaker. Canada has a reputation of being a generous nation. Our involvement in peacekeeping activities is ample proof of that. But we can and must do more. We must welcome in our country these children held captive of a blind war which turns their lives into hell on earth. We cannot remain insensitive to their plight because by failing to act, we would in fact be condoning this war and its inhumane consequences.

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[*English*]

GAZA-JERICHO ACCORD

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, for the second time in a week the world has witnessed the peaceful conclusion of long and sometimes frustrating negotiations toward true democracy.

Like the South African election, the historic signing in Cairo yesterday of an agreement to end 27 years of Israeli occupation will bring to an end the senseless killing of so many innocent people.

In any successful negotiation there must be flexibility and an understanding on the part of both sides. The winners here are not those who sat at the bargaining table. The real winners are those millions whose lives and futures will be greatly improved.

Let us hope the actions taken here by these leaders will be an inspiration to those involved in conflicts in other parts of the world that there is a better way.

The world today is indeed a better and safer one as a result of the dedication and hard work of negotiators on both sides. I ask all members to join with me in an expression of gratitude to those whose efforts brought this difficult situation to a peaceful conclusion.

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[*Translation*]

PALESTINIAN SELF-GOVERNMENT

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, all Canadians were no doubt moved by the scenes from Cairo where representatives of Israel and the PLO finally signed an agreement on self-government for the Palestinians. It is important to mention the courage and vision of the architects of this peace, Yitzhak Rabin and Yasser Arafat.

We know that change will not come overnight. Much bitterness remains, but this first step is very significant. The parties have decided to settle their disputes through negotiation. We must continue to help the partners build mutual trust, which we hope will lead to a broader lasting peace that will extend to the whole region.

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[*English*]

CITIZENSHIP

Mr. Gar Knutson (Elgin—Norfolk): Mr. Speaker, I rise to comment on the recent announcement concerning citizen court judges.

On behalf of my riding I would like to express sincere thanks to the minister of immigration for this step. Not only does the minister's plan promise to save the government money and end a cycle of patronage, but it puts more meaning into the proceedings surrounding becoming a Canadian citizen.

Those who are concerned with the deficit or patronage should be well pleased with the minister of immigration for a job well done.

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GAZA-JERICHO ACCORD

Mr. Sarkis Assadourian (Don Valley North): Mr. Speaker, historical and joyous are two words which best describe the Gaza-Jericho accord, signed on Wednesday, May 4, between the PLO and Israel.

This unprecedented agreement offers new hope for a region which for many years was torn apart by bloodshed and religious differences. I wish to extend my warmest congratulations and best wishes for a lasting and progressive peace to all Palestinians and Israelis affected by the accord.

The true impact of the agreement can only be realized through honest and mutual co-operation from both sides.

It is my hope that the Government of Canada will continue to offer its support for lasting and constructive peace throughout the entire region of the Middle East.

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[*Translation*]

MULTIPLE SCLEROSIS

Mrs. Pauline Picard (Drummond): Mr. Speaker, it is an honour for me to announce in this House the official launching of the carnation campaign for multiple sclerosis, which will take place next weekend.

Multiple sclerosis is the most common neurological disease among young adults in Canada; it is estimated that over 50,000 Canadians and Quebecers have this disease, for which there is no treatment so far. We must also mention that Canada has one of the highest rates of multiple sclerosis of any country in the world. Given the seriousness of the situation, the Multiple Sclerosis Society of Canada hopes to raise $2 million in its national carnation campaign.

• (1410)

I am therefore pleased to join the Multiple Sclerosis Society of Canada in asking hon. members and all Quebecers and Canadians to support this worthy cause.

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[*English*]

BOSNIA

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, I rise today to bring to the attention of all Canadians the tragic plight of children in Bosnia.

None of us has been unaffected by the misery in Bosnia that we witness nightly. The children deserve a special degree of compassion. Untold thousands are homeless. Thousands have lost their parents. We do not know how many are languishing as refugees.

I urge Canadians to remember these innocent victims. I especially urge Canadians to support the work of Bosnian Children's Relief. I do not need to tell you, Mr. Speaker, that in your riding five Bosnian children are now safe and secure, having been granted a safe haven by Bosnian Children's Relief, but there are many more.

I call on the minister of immigration to review the guidelines relating to the granting of temporary safe haven visas for children.

With the help of the government, Bosnian Children's Relief could do much more in helping to preserve the innocence of children caught in an adult nightmare.

* * *

BOSNIA

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, the children of Bosnia are the greatest victims of the daily carnage occurring in that part of the world. Thousands of children have been deprived of their childhood. They have seen their fathers murdered and their mothers raped. They have had their homes burned and all too often been uprooted as their village has been "ethnically cleansed".

The deliberate shelling of schools, hospitals and other non-military targets has killed and permanently disabled many children of Bosnia. All the children of Bosnia will carry the psychological scars for many years to come.

Do those who have unleashed this madness in the name of some twisted notion of a greater nation not realize that the welfare and happiness of children is the future of their nation? Do they not realize that inflicting the suffering they have on children will only produce a sick nation whose citizens will have to live with the shame and guilt for generations to come?

I join my voice with all humanity in imploring, hoping and praying that the carnage will stop.

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BOSNIA

Mr. Julian Reed (Halton—Peel): Mr. Speaker, as a member of the Canada-Croatia parliamentary friendship group and as a member of the parliamentary committee on human rights, I rise in the House today with so many of my colleagues in a joint effort to honour the victims of the present war in Bosnia-Hercegovina.

From the selfish pursuit of territory and the inhuman drive known as ethnic cleansing, over 200,000 souls have lost their lives in what is today not the only but one of the bloodiest parts of the world.

Countless more have been physically injured, psychologically tormented and driven from their homes as refugees. Thousands of these deaths as well as refugees have been children on whose shoulders lie the only hope for a more tolerant world.

As parliamentarians, citizens and humanists, let us welcome refugees to Canada from this area of conflict in the world as from such other areas and let us celebrate their courage.

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OFFICIAL OPPOSITION

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, earlier this week I watched as the Leader of the Opposition explained on the CBC his reasons for separation. He said: "All we want to do is manage our own money; that's all". Not once did I hear the words language or culture.

If all Canada represents to the Official Opposition is dollars and cents then I urge the government to take the same tough stand it has taken with my own province, British Columbia, over medicare. All provinces would like more control of their own affairs but not at the expense of destroying our country.

If the true agenda of members of the official opposition is simply economic sovereignty let them say so and quit confusing the issue and their supporters with the pretence of a francophone homeland.

On behalf of all Canadians who love this country more than just the income they derive from it, I urge the government to fully explain the costs and ramifications of economic freedom to Her Majesty's Loyal Opposition.

• (1415)

MULTIPLE SCLEROSIS DAY

Mrs. Jean Payne (St. John's West): Mr. Speaker, all members know that today is Multiple Sclerosis Day and that is why we are all wearing carnations.

It is estimated that 50,000 Canadians have MS but the number of people affected goes far beyond those who actually have the disease. Family and friends deal with the associated health problems each and every day. I have seen up close the impact MS can have on people.

Medical research is needed to find the causes of MS, effective treatments and ultimately a cure for the disease. However research is expensive and requires a lot of money.

I urge the people of St. John's West to support the National Carnation Campaign for the MS Society of Canada in its efforts to raise $2 million for medical research. This Mother's Day please buy a carnation to help find a cure.

ORAL QUESTION PERIOD

[*Translation*]

RWANDA

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Deputy Prime Minister.

Violent fighting continues between the Rwandan army and the rebels. This massacre which has already killed at least 200,000 people must stop. However, the UN assistance mission to Rwanda, now reduced to some 449 soldiers, is completely overwhelmed. Faced with his humanitarian responsibilities, the UN Secretary General has asked the Security Council to send peacekeeping reinforcements to Rwanda.

Can the Deputy Prime Minister tell us whether Canada intends to support the request of the UN Secretary General and make a direct contribution to the reinforcements requested by Mr. Boutros Boutros-Ghali?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the Minister of Foreign Affairs clearly stated yesterday that Canada intended to call on the UN Secretary General to help find a solution to Rwanda's problems.

We are very, very concerned about the thousands of people now in refugee camps and also very, very disappointed with the continuing massacre. We are currently talking about the possibility of broader intervention.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, beyond concern and disappointment, I think that Quebecers and Canadians expect the government to indicate clearly what it intends to do, especially with regard to a very specific proposal from the UN Secretary General himself.

So what is Canada's position on this request: is it yes or no? In particular, I would ask the Deputy Prime Minister whether she admits that, without a UN intervention force, it is totally impossible to set up any medical or humanitarian operation that Rwandans so urgently need.

[*English*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, it is unfair of the Leader of the Opposition to characterize Canada's response as mere concern.

We have been on the ground. We are on the ground. We continue to be on the ground both with a physical presence and financial assistance. We are working very closely with the United Nations and the Security Council to ensure that the solution we find will meet with regional support, but more important, will reach out to those hundreds of thousands of people who have been left homeless as a result of this massacre.

[*Translation*]

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, while we are making speeches, while we are speaking and expressing our feelings, hundreds of thousands of people are being killed in that country, a country that is very close to Canada because of our international policies and aid programs. We have had a presence in that country for close to 100 years. What are we doing to prevent this slaughter? Some rivers are now jammed with the bodies of the people killed. We must go beyond words.

I ask the government whether the presence of an intervention force would prompt the rebels and the Rwandan army to negotiate a ceasefire that would end these barbarous events which require our intervention.

[*English*]

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, the Leader of the Opposition should understand that the commander of the UN forces in Rwanda is a Canadian and he is continuing to work under very difficult circumstances.

• (1420)

We have detailed an additional 10 personnel to take the place of the Belgians, who had to leave the country, for logistic and other support to keep the airport open. We have been putting in humanitarian aid on a daily basis. It has been Canada with its Hercules flights that has ferried out nearly 1,500 people and ferried in thousands of pounds of relief supplies.

This morning one of our planes was hit by three shots but no damage was done. The plane is being repaired in Nairobi. It had a BBC reporter on board.

I want to underline the fact that this is a very dangerous theatre of conflict. Whatever we decide to do in terms of incremental action has to be thought through very considerably.

* * *

[*Translation*]

TAXATION SYSTEM

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, the ruling by the Federal Court of Appeal on the taxation of child-support payments has reopened the debate on the inequities of the taxation system for families. The ruling said that the Income Tax Act was discriminatory, because it treated differently divorced parents and other individuals in similar circumstances.

My question is for the Deputy Prime Minister. Does she agree that we should review all the fiscal measures dealing with child support and custody?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, clearly we recognize the inequities of the present taxation system. This is why, in a large part at the request of the women's caucus of the Liberal Party, the Minister of Finance started a discussion of this in his budget.

It is equally obvious that this court ruling will have a very direct impact on the income of many families. We are studying the direct implications, and the Minister of Justice as well as the Minister of Finance indicated yesterday that we can expect a decision on this in the very near future.

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, a supplementary to the Deputy Prime Minister. Does she not agree that this ruling and its consequences show the need to proceed without further delay to an in-depth reform of the whole taxation system, a system which should be based on equity, fairness and the absence of loopholes?

[*English*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I repeat that the Minister of Finance recognized and understood the inequities in the tax system when in the budget he launched a process to review this very provision. In fact, he was encouraged to do so not only by the private member's bill launched by the member for Nepean, but also by the strong presentations he received from the membership of the women's caucus of the Liberal Party.

I can assure the hon. member that the Minister of Finance, the Minister of Justice and all members of the government are going to be working very hard to make sure that present inequities in the tax system are eliminated.

ABORIGINAL SELF-GOVERNMENT

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

I am sure that the minister will agree that the establishment of any genuine democratic government must rest on the consent of the governed. The minister has told the House that he is proceeding with the establishment of aboriginal self-government in Manitoba and that he has obtained the consent of the chiefs.

Would the minister tell the House clearly and explicitly whether he also intends to seek the consent of the aboriginal people of Manitoba for this new form of government?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am not sure if my friend is suggesting another referendum but I think he is.

Probably in the long run this is going to depend a lot on how the aboriginal people govern themselves. The way they govern themselves now is to always go back to the people. They go back to the people much more than we do. They have more self-government now. I see some of the hon. members nodding. Anybody who has done aboriginal work realizes that they are consulting all the time.

A short answer to the question is that there probably will be referendums at the band level if they go along on the same basis they are now.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I thank the minister for his reply. He knows that sometimes leaders will agree to constitutional arrangements which the people will not approve if they get a chance to vote, as in the case of the Charlottetown accord.

• (1425)

Will the minister tell the House what would be wrong with seeking the democratic consent of all the aboriginal people of Manitoba to this new form of government through a formal referendum mechanism?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, in answer to the leader of the Reform Party, the way it looks like it is playing out now is that the leadership after consultation with the membership has decided on dismantling, to take it subject matter by subject matter starting with capital, forestry and so on.

At some point they will take back what they think is an appropriate self-government arrangement to their people. I am hopeful that if the leadership is wise and does the job wisely, as perhaps we have not done on our side in the past, that the people will ratify the agreements.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I think the minister is saying that there may be a referendum on this issue in Manitoba. We would like more clarification.

The chances of securing the consent of the aboriginal people of Manitoba to self-government would be enhanced if it were made crystal clear that any such government would be legally required to respect the rights and freedoms guaranteed by the Canadian Charter of Rights and Freedoms.

Can the minister give the House an iron clad guarantee that any aboriginal self-government arrangement established in Manitoba will give aboriginal people full protection of their personal rights and freedoms under the charter?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, that is a good question. The rights and freedoms under the charter as they are now expressed apply to provincial and federal governments. I think we have to be cognizant that when we make these transfers that the Charter of Rights and Freedoms, about which I feel very strongly, should be transposed into the negotiations.

The Leader of the Opposition will be happy—not the opposition leader but the leader of the Reform Party, hopefully the opposition—

Some hon. members: Soon, soon.

Mr. Irwin: Perhaps some day the government. The leader of the Reform Party makes a valid point. The next legislation that will be before the House dealing with aboriginal people he will see clearly that the Charter of Rights and Freedoms will apply. That will be some time this month.

* * *

[*Translation*]

SOCIAL PROGRAM REFORM

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Deputy Prime Minister. Yesterday, in his press conference, the Prime Minister, far from being more sympathetic to the provinces' reluctance regarding the social program reform, said that he would go ahead with it.

Will the Deputy Prime Minister confirm that her government intends to proceed with the social program reform one way or another, as the Prime Minister said, and even without the provinces' support?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, what the Prime Minister said yesterday is exactly what he has been saying since the beginning of our mandate. We are negotiating in good faith to find a solution. Obviously, if we cannot come to a solution, we will proceed only in those fields which are under federal jurisdiction. This is exactly the position adopted by the Opposition leader when he disagreed with his government during certain negotiations, in 1989.

Mrs. Francine Lalonde (Mercier): Mr. Speaker, how can the Deputy Prime Minister reconcile her comments with the fact that, except for unemployment insurance, all the other areas which would be included in the reform are under provincial jurisdiction?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the Prime Minister said and keeps saying that he wants to find good solutions. What is most important to him, and what should be most important to all politicians, is to have jobs for workers. Unemployed people in Montreal, Shawinigan or Dolbeau are very interested in government projects but less interested in federal-provincial bickering. We are trying to use a fair and equitable approach and we are negotiating in good faith.

* * *

• (1430)

[*English*]

SELF-GOVERNMENT

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, my question is for the minister of aboriginal affairs. We seek the assistance of the minister in responding to written communications sent to us by our original peoples other than chiefs.

Will the minister tell us how he has responded to the fears and concerns expressed in these written letters about native self-government because his answers to these letters will help us in answering ours.

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, that is not a question.

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, I am very surprised.

Does the minister tell me that he has had no letters from these native people? I would ask him how he will respond to this. The members on the opposite side support self-government. We want the minister to realize that we as Reformers support the same self-government for native people. We have had genuine fears of concern addressed to us about this.

Would the minister explain why he refuses to open up the process to all Canadians to alleviate the concerns of those people not directly involved in the negotiations?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, in the words of Allan MacEachen, that's better, it's a question.

* * *

[*Translation*]

THE ECONOMY

Mr. Michel Gauthier (Roberval): Mr. Speaker, my question is for the Deputy Prime Minister.

Yesterday, the Prime Minister took stock of his government's first six months. The unemployment rate remains unacceptable, the economy is stagnant and no real government expenditure control or economic recovery measures have been implemented.

Can the Deputy Prime Minister confirm that the turnabout announced yesterday by the Prime Minister on the subject of his participation in the Quebec election can be explained by the fact he has nothing to show Quebecers except for the climate of confrontation his government has created on various issues?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the only confrontation climate created in this House is the one the member from the other side is generating by not striving to find real economic solutions; he just keeps ranting because he does not want Canada to succeed.

The Speaker: Order! I would appreciate it if members would refrain from using certain words they have been uttering during questions and answers and also if questions were not so loaded.

Mr. Michel Gauthier (Roberval): Mr. Speaker, how can the Deputy Prime Minister speak of government achievements when, since January 19 this year, the government has presented almost nothing to us and no important and significant bill on economic recovery and job creation has been tabled to date?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, as far as I know, a budget is an important document for job creation in this country. It just so happens we did present a budget. We have already approved millions and millions in Canadian investments for projects in Quebec which will give jobs to real workers and not to those who refuse to work and just keep bitching.

The Speaker: Order. The members should please consider their words before using them. As I said, some terms are slightly loaded. I will ponder upon terms like bitching and will come back to you on this.

• (1435)

[*English*]

CONTRACTING

Mr. Randy White (Fraser Valley West): Mr. Speaker, my question is for the President of the Treasury Board. I certainly expect an answer, not like that last outrage that my colleague got.

A recently released Treasury Board report indicated that the federal government spent $5.2 billion last year contracting out services. Talk about a place to cut in this budget. That report did not indicate who received the contracts, on what basis the contracts were issued, and how values for these contracts were established.

To clarify this situation I would like to ask the President of the Treasury Board to immediately table all information that his department has currently. Also, will he indicate from 1990 on what those contracts were?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, the information that the member refers to is part of the review of efficiency of programs that we are undertaking with the public sector employee representatives, the unions, in an effort to find savings in government spending so, as we said in the budget, we can help to shorten the period of the wage freeze. Information was provided to that extent.

We are still undergoing our review of contracting and contracting out. I might add that that $5 billion does not just include the kind of contracting out that the unions are concerned about but includes all contracting; everything from doctors for aboriginal communities in the north, for example, to the repairing of planes and ships for the Department of National Defence.

Certainly whatever information we can provide for the member and for other hon. members of the House we are quite willing to provide as part of the review of contracting out which will be dealt with not only by the Treasury Board but also by the government operations standing committee.

Mr. Randy White (Fraser Valley West): I thank the hon. minister for a decent answer, Mr. Speaker.

More than 36,000 of these contracts were issued in 1992–93 alone. Some suspect that the contracts were given to friends of government rather than being issued on the basis of merit. This report also indicates that contracts were granted without public scrutiny and almost half were issued without a tender process.

Will the President of the Treasury Board agree that all future government contracts must be subject to public tender process?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, the period of time we are referring to in the statistics is of the last government, not this current government.

This Liberal government is dedicated to cost efficiency, to spending the taxpayers' money wisely, doing so in a fair and open fashion, a transparent fashion, so that people can see how their money is being spent. We intend to bring about reforms and changes from what the last government did in terms of contracting.

* * *

[*Translation*]

CANADIAN MUSEUM OF NATURE

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, my question is for the Minister of Canadian Heritage.

There has been more troubling revelations regarding the Canadian Museum of Nature. This morning, at a press conference, representatives of the science community asked that the questionable lay-off of several scientists be investigated in view of the fact that it has far-reaching consequences. It gives a bad name to the museum and jeopardizes its research activities as a whole.

Given these new facts, is the Minister of Canadian Heritage willing to reconsider and, without delay, ask for a public inquiry with a view to hearing the testimony of all the people involved in this matter?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I have already had the opportunity to speak several times on the problems that have been brought to light regarding this museum.

The person I rely on in this matter is the Auditor General of Canada who has the trust not only of the government but also of this House. He said he would perform a special in-depth audit of the museum's operations and finances. I understand that the museum board of directors has requested that this audit be conducted without delay. Once we have all the facts and the Auditor General's conclusion, we will be able to pass judgement.

• (1440)

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, does the minister realize that this museum has a unique responsibility in Canada to perform basic, theoretical and applied research, and that any delay, given the time it will take the Auditor General to conduct an audit and elected representatives to hold a public inquiry, seriously jeopardizes the mission of the museum and its reputation in the scientific community?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, the hon. member's remarks, which are more a comment than a question, start from the premise that the museum is guilty as charged, even before we have the facts and know what is really going on. I am aware of the criticisms that have been levelled and I take them seriously. Soon we will know the facts.

[*English*]

SEA KING HELICOPTERS

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Minister of National Defence.

The future of the Canadian military Sea King fleet is once again before the public with the recent crash of a Sea King at the cost of two lives with two other airmen seriously injured.

Although meticulously maintained many of these aircraft are older than the pilots that fly them and there is a need for the government to make a decision soon to replace this fleet.

I ask the Minister of National Defence if he can assure this House of the airworthiness of the remaining Sea King fleet and indeed will he give a commitment that this government does intend to replace these aircraft?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, first I would like to acknowledge that we extend our sympathy to the families of the two airmen killed and the other two that were seriously injured in this particular crash.

I know it is of great concern to the hon. member because these helicopters are based at CFB Shearwater in the hon. member's constituency. These helicopters are well maintained, otherwise we would not fly them.

This party in the election campaigned against the EH-101 helicopter because we felt it was too expensive a solution for the helicopter needs of the government. We never denied that there would have to be some replacement at some point in time for the Sea Kings. The Sea Kings are airworthy until the year 2000.

I want to assure the hon. member and other colleagues in the House that we intend to fly them. They will do the search and rescue work and other naval reconnaissance and anti-submarine patrols. They will keep flying until the year 2000 because they will be well maintained.

I believe once the defence review is over later this year, we will have some answers as to the kind of equipment that we will need to discharge our future obligations.

* * *

EMPLOYMENT

Mr. Jim Silye (Calgary Centre): Mr. Speaker, my question is for the Deputy Prime Minister.

Ridiculous statements from senior cabinet ministers continue to plague the government, not only today but yesterday when the Minister of Human Resources Development said that if people with jobs would not work overtime there would be more jobs for unemployed Canadians.

Can the Deputy Prime Minister tell Canadians if legislation to limit the work week is currently under consideration by this government?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, in the month of February the Minister for Human Resources Development launched an analysis of the whole issue of how we work.

In fact not only limitations on overtime, but job sharing, flexible work hours and different ways of working are challenges that we have to face to meet the needs of the real workforce.

I happen to know in my own constituency at the steel company there are many people who would like to be called back to work, but unfortunately overtime sometimes prevents that. That is one of the things that the minister's panel is looking at but there is certainly no legislation proposed at this time.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, the minister's statement of yesterday implies that hard working people are the cause of unemployment.

Using the minister's logic, if the Deputy Prime Minister herself worked overtime she would be contributing to unemployment.

Will the Deputy Prime Minister not agree that her minister's logic and her own logic are flawed and do not address the real problem in this country, that high taxes are forcing people to work longer hours and high deficits and debt are causing unemployment?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I think what the Minister of Human Resources Development is recognizing is what many Canadians are recognizing and that is the workforce is changing drastically.

• (1445)

In the old days we could expect to work specific hours of the week but that does not always work in every particular occupation. What he is suggesting is something we should all be looking at. Is there a possibility for us to be examining flex time? Is it possible for us to look at job sharing so that for example women who may have home responsibilities could comfortably combine those with paid work outside the home?

These are all creative ideas that the minister is examining. I wish the member would open his heart and examine some of those positive solutions with us.

[*Translation*]

CANADIAN MUSEUM OF NATURE

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my question is for the Minister of Canadian Heritage. Despite the fact that we tried everything possible and imaginable to bring the minister to shed some light on the management of the Canadian Museum of Nature, he still refuses to hold a public inquiry. Yet, some troubling points remain and since the minister wants to know the facts, does he not think that the internal inquiry report should be made public and will he put pressure on the museum's board to make it release the conclusions of the report?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, this is an internal report commissioned by the management of the museum which has an arms-length relationship with the government. This does not mean that I do not care about what goes on there, and I will see how we could provide more information to our colleagues opposite.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, should I remind this House that the present director of financial services, who started at the beginning of 1994, was previously employed by the company hired by the board to prepare a report on the museum. Does the minister not think that this is a rather strange coincidence? Why does he not suspend immediately and without pay the director of the Canadian Museum of Nature until we know the conclusions of the inquiry presently conducted by the Auditor General's Office?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, the doubts raised by the hon. member regarding the management of this museum and its inquiry are precisely the reason why I will be relying on the job being done by the Auditor General's Office.

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[*English*]

NATIONAL PAROLE BOARD

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, my question is for the Solicitor General.

In 1972 Valmond Lebouthillier received a life sentence for second degree murder. During 19 years of incarceration he had a history of violence and unco-operative behaviour but he was still given full parole in September 1991. In June 1992 he exposed himself to women, but a suspension warrant was cancelled. Two months later he stabbed and sexually assaulted a woman.

Despite a number of internal inquiries critical of the board's decision, one of the board members involved in this decision

was given a job at the parole board's Ottawa headquarters evaluating the work of other board members.

Will the minister acknowledge to this House that problems with the National Parole Board go beyond just one or two isolated incidents and that the entire parole system must be re-examined?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the hon. member has indicated a number of concerns that arose before this government took office.

We are committed to working to improve and strengthen the parole and correction system. I have already said that I, on behalf of the government, intend to bring down legislation before too long to achieve this purpose. I look forward to the support and encouragement of the hon. member to achieve these objectives.

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, I am encouraged by the words, but this government has frequently congratulated itself for having the courage to cancel multi-billion dollar helicopter deals and Pearson airport deals to save taxpayers money.

Why does the Prime Minister find it so difficult to cancel some $100,000 governor in council appointments that may save taxpayers' lives?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, this Parliament has created the National Parole Board as an independent semi-judicial body, akin to a court.

• (1450)

I think it is a very serious matter and has to be proceeded with due care and attention if one is considering revoking an appointment. I do not think the hon. member would want to create a set up where there is political interference or the possibility of accusations of political interference in the decisions of the parole board.

As a result, I take the hon. member's point very seriously. We are looking into the concerns underlying her question. Certainly we will not shrink back from taking action that is justified by a serious consideration of all the facts.

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TRADE

Mr. David Iftody (Provencher): Mr. Speaker, my question is for the minister of agriculture.

The Americans are falsely accusing Canadian wheat farmers of dumping their product into U.S. markets and the U.S. has mounted trade sanction attacks against us.

Can the minister advise this House where Canada stands? Will the minister defend the legitimate rights of our Canadian grain producers?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food): Mr. Speaker, the short answer to the hon. member's question is an unequivocal yes.

As I have said on many occasions, we will not roll over and play dead. Canada will defend this country's vital interests, including those of Canadian grain producers. I have made that point on a number of occasions, as has the Prime Minister, the Deputy Prime Minister, the Minister of Finance, the Minister for International Trade, and the Minister of Foreign Affairs.

We want a negotiated settlement with the United States. We are prepared to negotiate fairly and in good faith for as long as it takes to get such an agreement. In the meantime we have made it absolutely clear that unilateral trade action by the United States against Canada will be met with vigorous and determined response by Canada.

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[*Translation*]

CUSTOMS TARIFFS

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, after the question asked by my hon. colleague, this one will probably be a little tougher.

In announcing its intention to raise its tariffs on Canadian durum wheat and barley, the United States apparently wants to import less Canadian grain and, in turn, to challenge under the NAFTA provisions the maintenance of the GATT-defined tariffs that Canada intends to impose on products subject to quotas such as poultry, eggs and milk, where Quebec accounts for over 40 per cent of Canadian production.

My question is for the Minister for International Trade. Can the minister state in this House that the government does not intend to cave in to American pressure on tariffs and that it will not strike any kind of bargain with the various agricultural sectors in order to facilitate negotiations with the U.S. on exports of durum wheat and barley?

[*English*]

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, we are not linking products in our discussions with the United States. We are not linking questions pertaining to the tariffication of dairy and poultry quotas with those of grain. We are not linking the rights of Canadian grain farmers to other issues. We are dealing with both issues quite separately.

[*Translation*]

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, can the minister tell this House which provisions will prevail in trade disputes between Canada and the U.S., that is whether or not

GATT will take precedence over NAFTA, and could he table in this House the legal opinions on which his answers are based?

[*English*]

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, I can assure the hon. member that Canada's position has been clearly conveyed to the United States on numerous occasions. That is that our belief, our conviction and our best legal advice without question is that the GATT rules take precedence over the NAFTA.

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NATIONAL DEFENCE

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

On two previous occasions, January 26 and February 15, I have asked the minister about the excessively high rates his department pays for the household moves of military personnel. I have never received a satisfactory answer.

I am well aware that the minister has managed to get a 10 per cent reduction in the last tender due to adverse publicity, but this has only scratched the surface of waste and mismanagement.

I ask the minister again today, what is he doing to bring more open and fair competition to defence department household moves?

• (1455)

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I think it depends on one's perspective. There are a number of moving companies in Canada, a couple of hundred I think, that are involved in the whole movement of household effects for national defence. We have to move a lot of employees around the country.

We are assured at the moment that we are getting the best deal and we are always trying to seek improvements. I know there are some members in the House, and the hon. member is one of them, who believes that we are not getting the best deal, but I have yet to see the proof. If he has the proof, I will certainly study it.

Mr. Charlie Penson (Peace River): Mr. Speaker, that seems to be a little bit more smoke and mirrors. The Prime Minister has stood in this House and repeatedly asked for ways to save money. It has been suggested that in this department there could be a $25 million saving.

The *Ottawa Citizen* and the member for Waterloo have both called for an inquiry into the wasteful way in which household moves are conducted. Will the minister come clean with taxpayers and order such an inquiry?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, we are not going to order an inquiry. We are looking into every aspect of spending in the department, as my colleagues are in their departments. If we think we can get a better deal for the taxpayers, we are not wedded to one particular solution.

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[*Translation*]

COLLÈGE MILITAIRE ROYAL DE SAINT-JEAN

Mr. Claude Bachand (Saint-Jean): Mr. Speaker, my question is for the minister responsible for federal-provincial relations.

Next week, the Quebec Minister of Education will meet with the minister responsible for federal-provincial relations in an effort to convince Ottawa to preserve the military vocation of the Collège militaire royal de Saint-Jean.

Can the minister tell us how the federal government intends to respond to the Quebec government's request to preserve the military vocation of the college in Saint-Jean, an essential condition for maintaining university level courses at this campus?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, I have already had the opportunity this week to discuss the future of the Collège militaire royal de Saint-Jean with Minister Chagnon. Obviously we are going to proceed with the measures announced in the budget and reduce the number of military colleges to one. However, negotiations are continuing and I think they could prove to be productive and satisfactory to both parties.

* * *

[*English*]

YOUNG OFFENDERS

Mr. Myron Thompson (Wild Rose): Mr. Speaker, my question is for the justice minister.

Today, if Scott Farion from Edmonton were alive, he would be celebrating his 18th birthday. Instead, his life was cut short when he became Edmonton's first murder victim of 1994. So today his parents are grieving their loss rather than enjoying his birthday.

The tragedy of this case is that Scott's murder could have been prevented. Scott's alleged killer is a 16-year old repeat offender who was out on probation for another crime at the time of the murder.

What can the minister tell Scott's parents today to assure them that this government plans to get tough with young offenders?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I believe that case may still be before the courts. Therefore I do not want to comment on the facts of the case apart from expressing my sorrow at the description of the tragedy that has been given by the hon. member.

The hon. member knows, and I have told the House, that I will be bringing forward legislation in June to change the Young Offenders Act to reflect longer maximum sentences for serious violent crimes among other things. I have made that clear.

Let me go on to say that in the face of such tragedies, it is important in my respectful view to bear in mind that the simple change of a statute or enacting another law is not going to change much unless at the same time we come to grips with the conditions that lead to this kind of offence.

This government is committed not only to the kind of effective legislation we need, and the member will see it soon, but also to an attack on the underlying causes of crime. That is what we intend to do.

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GOVERNMENT INFRASTRUCTURE

Mrs. Brenda Chamberlain (Guelph—Wellington): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Public Works and Government Services.

It is widely accepted that a sound electronic infrastructure will greatly improve the efficiency of government. How is public works and government services taking advantage of tomorrow's technology to increase efficiency, improve services and reduce costs for the Canadian taxpayer today?

• (1500)

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, this department, government services and public works, now provides 70 per cent of the telecommunications services for the government.

It is profiting from the new electronic infrastructure programs that are available. Let me give examples very quickly. We have a program, the Electronic Mail Network, which connects 120,000 public servants across the country. It saves Canadians $55 million per year. We have introduced an automated public service compensation system that saves Canadian taxpayers $44 million a year.

* * *

INFORMATION HIGHWAY

Mr. Simon de Jong (Regina—Qu'Appelle): Mr. Speaker, my question is directed to the Minister of Industry.

There is a growing concern that the information highway will be controlled by a few monopoly companies. I would like to ask the minister has the government defined what is in the public interest as it concerns the information highway? How should that public interest be implemented, protected and enforced?

Hon. John Manley (Minister of Industry): Mr. Speaker, the question is a very good one.

I am sure the member is aware that the advisory council on the information highway has its first meeting today. In the booklet we produced on Canada's information highway with the announcement of the advisory council, we set out our objectives, including competition, jobs, accessibility and affordability for all Canadians.

Those fundamental principles and objectives are the ones that we are seeking to define. The means by which we achieve them over the course of the deliberations of the council during the next few weeks and months will define our view of the policies that should be pursued. We will be seeking the input of members of the House as well as the broader Canadian community about the impact of the regulatory environment in which we are going to operate.

It is a very important file, one on which the government will act with great care and with great interest in what the hon. member has to say to us about it.

[*Translation*]

The Speaker: Order! The hon. member for Laurentides has the floor on a point of order and I believe, also has the unanimous consent of the House.

* * *

POINT OF ORDER

LEAVE TO WITHDRAW MOTION M-280

Mrs. Monique Guay (Laurentides): Mr. Speaker, I believe you will find that there is unanimous consent to move the following motion:

> That motion M-280, in the name of Mrs. Guay (Laurentides) in the Order of Precedence of Private Members' Business, be withdrawn and replaced by Motion M-294 in the name of Mrs. Guay (Laurentides), which is listed in today's *Notice Paper.*

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

(Motion withdrawn.)

* * *

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval): Mr. Speaker, could the Government House Leader please tell us what is on the agenda for the next few days?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I would be happy to make my statement, which is quite straightforward. I think the Deputy Prime Minister will agree with me on this.

Ms. Copps: Yes. Absolutely.

[*English*]

Mr. Gray: Anyway, tomorrow the House will resume consideration of Bill C-22 respecting Pearson airport. If this is completed at second reading, we will turn to Bill C-25 to amend the Canada Petroleum Resources Act. If there is time, we will have Bill C-26 regarding the National Library.

Monday the House will resume business where it left off on Friday. When this is completed, we will proceed to Bill C-27, the income tax technical bill. On Tuesday, the House will consider the motion in the name of the Minister of Agriculture and Agri-Food in order to debate matters of importance to Canadian farmers.

I understand that discussions are going on aimed at having the House sit into the evening to accommodate all those who wish to participate in this important debate.

In any event, the House will resume business from where it left off on Monday and Thursday will be an allotted day.

GOVERNMENT ORDERS

• (1505)

[*English*]

SUPPLY

ALLOTTED DAY—CONVERSION OF DEFENCE INDUSTRIES

The House resumed consideration of the motion.

Mrs. Georgette Sheridan (Saskatoon—Humboldt): Madam Speaker, one key objective of the government in introducing these programs is to maintain knowledge in intensive industries and the high technology employment which is part of it. This, of course, is also an objective of our efforts to assist in the conversion of the Quebec defence industry.

While many of the approaches which I have just outlined would be applicable to the Quebec defence industry, I believe it would be a mistake to try to impose, for example, a U.S. style solution to the Quebec situation.

[*Translation*]

A number of quite marked differences exist in terms of defence industry conversion between Quebec and the United States and even other parts of the world, like Europe.

Basically, the Quebec defence industry conversion is unique and different from any other. A fair number of defence industries in Quebec would be more appropriately referred to as aerospace and defence industries. I say this because, unlike many of its international competitors, the Quebec defence industry has already diversified its production considerably. It is producing a wide range of commercial and defence products.

[*English*]

Quebec's industry is unique in another important respect, one in which we should all take pride. Quebec's aerospace and defence sector sells a large proportion of its products and services in world markets. To do this successfully it must, and in fact do, produce world class products at competitive prices.

Like the rest of the Canadian aerospace and defence industry, Quebec firms focus on high technology market niches. They export subsystems and components sold primarily to aerospace and defence prime contractors in countries around the world.

This is a remarkable achievement. A country as small as Canada ranks sixth in the world in total aerospace and defence sales, with between 70 and 80 per cent of all production exported to other countries.

We should be proud of these companies and of the workers in these dynamic industries who make this significant contribution to the economies of Quebec and Canada.

As my comments indicate, Quebec's aerospace and defence industries are in many ways different from their counterparts in other areas of the world. I realize that many aerospace and defence firms face uncertain prospects in the years that lie ahead. But I am also confident that based on their past track record Quebec's aerospace and defence industries can and will rise to this challenge.

[*Translation*]

I hope I have demonstrated today the importance of recognizing how unique the Quebec aerospace and defence industries are. By building on their relative strength in relation with the majority of industries in the rest of the world, Quebec industries are well on the way to diversifying their production and converting their technologies.

As mentioned recently in the budget, the federal government intends to change the Defence Industry Productivity Program (DIPP) in support of changes in the Quebec aerospace and defence industry. I have good hope that all the support provided by both the federal and the provincial governments to the Quebec aerospace and defence industry will foster conditions favourable to the pursuit of changes.

As I said earlier, given the unique circumstances of Quebec, it may not be appropriate to consider applying in that case

solutions used in the United States or in Europe. We all recognize that product diversification in the defence industry presents multiple difficulties. As indicated earlier today, this is no small task and there is no quick fix.

But this does not mean that problems cannot be resolved. They can and will continue to be resolved. Major efforts are already being made by the private sector, efforts which are proving successful in the Quebec aerospace and defence industry.

• (1510)

[*English*]

The government will continue to be a full partner in these efforts to ensure that this industry continues to deal successfully with the challenges and the opportunities which will come to Quebec in the future.

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister): Madam Speaker, we have had much discussion on the commitment of the government to defence conversion. Indeed we have indicated in both the Liberal plan for Canada "Creating Opportunity" and the budget the important role that the defence industry productivity program will play in this commitment.

I would like to mention some of the principal aspects of the role which the defence industry productivity program, or DIPP, can play in defence conversion. We believe that the effective use of this tool can contribute to the continuing reduction of the industry's dependence on defence sales.

DIPP, created in 1959 under the auspices of the Canada–U.S.A. defence production sharing agreement, supports the federal policy of participating in international co–operative production sharing agreements. It also plays a major role in supporting Canadian high technology defence related industries like aerospace.

Today Canada's defence industries are characterized by the international scope, high risk and intense competition both in Canada and abroad from subsidized foreign firms.

Under the current program DIPP makes repayable investments to qualified firms for research and development, source establishment, buying against production machinery and for conducting market feasibility studies. The program is market driven and industry led.

The government considered these as essential and desirable features which will continue in any new conversion program. These features can ensure that Canada remains internationally competitive.

The defence industry productivity program has been instrumental in the success in building high technology industries and generating substantive exports and creating jobs across Canada. Since its inception 35 years ago the program has brought extraordinary benefits to Canada. I would like to mention a few.

Seventeen hundred projects have been completed. The Government of Canada has contributed $3.4 billion to those projects. The program has leveraged $280 million from other governments, primarily the U.S.A.

Canadian industry itself has invested $6.8 billion. These projects have generated sales for Canada of between $25 to $40 per DIPP dollar invested primarily to the export markets.

In total around 60,000 person years of employment, most of it high tech, have been maintained in Canada's aerospace and defence industry sectors.

The program has been reviewed by the industry and considers it extremely successful as well as essential for their future growth and development.

The introduction of a viable defence conversion diversification component under DIPP must take into account the global context within which the program is situated: the substantial reductions of defence expenditures by major industrialized countries; the worldwide restructuring of the aerospace and defence sectors; Canada's obligations toward the GATT and other agreements; Canada's fiscal constraints in industrial infrastructure.

The challenge therefore is to introduce a defence conversion and diversification component that will best help firms wishing to diversify while at the same time ensuring that the projects being supported will have a reasonable chance of success.

• (1515)

Although the program was not specifically designed for defence conversion, it has nevertheless reinforced the conversion of Canada's defence industry through its flexibility and responsiveness to market conditions.

For example, sales of the aerospace and defence sector are now 70 per cent commercial versus 30 per cent military. This is the reverse of the mix that we had in the 1960s. However, in view of the new global realities, we must intensify and focus our conversion efforts so that we can attain the new objectives.

Consultations so far have raised a number of important issues that we will have to resolve before we finalize the new component. We will have to recognize that some firms in successful niche markets may not wish to convert and that some may be inconvertible. We may have to modify standard existing DIPP performance criteria to accommodate defence conversions. Repayment options are also to be considered.

From the analysis to date the government is considering the following five activities as candidates eligible for support: defence conversion market feasibility studies, research and development assistance for new technologies, limited capital assistance for tooling and retooling on an exceptions basis, a

training component through Human Resources Canada, and change of corporate culture perhaps for such activities as total quality management.

At the moment low on the list of potentially eligible activities are such items as software development, joint ventures, acquisitions, strategic partnerships, and shutdown of a production line or facility.

Although the new components of contribution programs such as DIPP will continue to assist companies in identifying new opportunities and in developing dual use technologies and commercial products to meet new opportunities, we will have to be careful. As members on all sides of the House are very much aware, Canadians want governments to spend carefully and look for high value for money spent to ensure maximum benefits at least cost. They also want us to put our best efforts into long term job creation.

The defence industry productivity program has indeed been one of the most productive programs which the government provided to benefit companies, employees and communities across the country.

As we heard earlier in the debate, since DIPP came on stream 35 years ago the success stories have been many, varied and extraordinary. The program can be a most effective tool for reducing the dependence of our industries on defence sales and for expediting the conversion of companies from defence production into commercial success in the new global marketplace. We can look forward to the defence industry productivity program serving as a catalyst to help ensure our economic future.

In Etobicoke—Lakeshore we look forward to those programs in our midst. As Canadians we will share in the challenge, fulfilment and prosperity which await those who respond to the needs of our training partners around the world in the 21st century.

[*Translation*]

Mr. Claude Bachand (Saint-Jean): Madam Speaker, I listened carefully to the hon. member's speech. Now, in this debate on conversion, I could not help making a little aside on Oerlikon, of course, which is a major company in my riding, and I will have a question for the hon. member.

Oerlikon is a pathetic situation. I admit, I also have a confession to make. At the time, I was in the peace movement and when Oerlikon came to Saint-Jean, even if it provided 700 jobs, what we foresaw as a long-term scenario is happening.

• (1520)

When a company stops making military equipment, very often it just closes down and moves elsewhere. Even if attempts at diversification have been made, and I will come back to that, the apocalyptic scenario which we feared is taking place in Saint-Jean. Perhaps parts will continue to be made for another year, to be stored in warehouses for future supply needs, but once that is over, I think that Oerlikon is likely to close.

At one time, it maintained a certain level of employment. In the riding, 735 jobs depended on Oerlikon, and now it is down to 325. When the contract ends, none will be left.

I remind you that Oerlikon produces low-altitude air defence systems, that is guns which can hit planes invading a territory. With the changed international situation, of course, these contracts are worthless. Although Oerlikon has made a big effort to sell a lot elsewhere in the world, I think that this equipment is no longer needed today. Only $90 million is left for the final year of operation of a $1-billion contract. Then nothing will be left.

I want to point out that unfortunately the federal government did not do its share when Oerlikon wanted to diversify. I thought that there was an attractive opening at the time. They wanted to diversify 25 per cent of their production to laser treatment for environmental protection. That was an interesting approach to diversification. Unfortunately, the federal government did not support it.

I agree with my hon. colleague on DIPP, but would the solution not be an industrial conversion fund instead? Would the hon. member promise to defend within her party the idea of a military industrial conversion fund? That industry has tremendous brain power and human resources and also money invested in infrastructure, so there is surely a way to capitalize on this immense human potential and on that infrastructure.

Can she at least tell us if she can make her caucus realize that the way to diversify is really to have a military industrial conversion fund?

[*English*]

Ms. Augustine: Madam Speaker, I say to the member that maybe he has given us a bit of history and maybe that history predates the present government.

The company is currently pursuing export markets. There is support from the present minister to ensure that Oerlikon can diversify and look at all the options before it.

The government is providing full support for all marketing efforts. It will review all the proposals. It is working with everyone in terms of coming forward with as many proposals as possible to work toward diversification.

[*Translation*]

Mr. Antoine Dubé (Lévis): Madam Speaker, as the member for Lévis, I am pleased to participate in this special debate, which results from an Official Opposition motion, on the conversion of defence industries to civilian production.

In my riding, there is an extremely important company which is in jeopardy because of the existing situation. I am referring to the MIL Davie shipyard. In fact, until just a few years ago, this company was the largest shipyard in Canada.

The conversion of defence industries is undoubtedly an important issue for Quebec. As you know, military equipment industries have been experiencing difficulties since the end of the Cold War. It is estimated that, since 1987, the demand on the international market has dropped by close to ten per cent. According to international experts, this drop may very soon reach 25 per cent. In Quebec, since that same year, 11,000 of the 57,000 jobs in that sector have already disappeared.

• (1525)

If there is a company which illustrates the urgent need to convert military industries, it is the MIL Davie shipyard. One year ago, the company developed a business plan to switch from military to civilian production. This plan is not only designed to give back to MIL Davie its status of best shipyard in Canada, but also to make it a leader at the international level. The plan includes two transitional contracts. One concerns the construction of a ferry for the Magdalen Islands, for which there is a demonstrated need, while the other provides for the construction of a multi-purpose strategic ship for peacekeeping missions and environmental interventions, called "smart ship".

Unfortunately, the shipyard and the thousands of related jobs are in jeopardy because of this government's apathy. MIL Davie urgently needs to convert to civilian production, since this shipyard is among those Quebec industries which rely the most on military contracts.

Let me give you some interesting data compiled by the Groupe de recherche de l'industrie militaire et de reconversion, which is affiliated to the Université du Québec à Montréal. Until now, 91 per cent of MIL Davie's production has been related to military equipment contracts. MIL Davie is also in fourth place among the 16 companies identified by the UQAM group, after Oerlikon, which has so far been dependent on the military market for 100 per cent of its production, as well as Paramax and SNC Technologies, which depend on that market for 95 per cent of their production. Yet, the Liberal government only offers lame excuses to justify the delaying of its decision on the transitional contracts for the Magdalen Islands ferry and the "smart ship".

The latest of these excuses is the one provided by the Minister of Transport who, in early March, demanded a copy of MIL Davie's business plan before making a decision concerning the two contracts. But, as I said earlier, this business plan has been available for a year already.

Obviously, before making such a decision, the government must ensure that there is a real need for these ships. However, that need has been demonstrated in both cases.

Let us first look at the Magdalen Islands ferry. The useful life of the ferry which has been in use for over 28 years, the *Lucy Maud Montgomery*, will end in less than two years. After that, the ship will not be safe enough to get its certificate of seaworthiness, which is required by the federal government.

The Magdalen Islanders also consider that the *Lucy Maud Montgomery* is bad for business in their area, because the ship no longer meets the needs of the people. For example, the tweendeck is not high enough to accommodate some types of trailers and trucks.

On February 11, the mayors of the Magdalen Islands communities toured MIL Davie main dockyard, the only world-class dockyard in Quebec for now. All of them unanimously recognized the need to replace the *Lucy Maud Montgomery*. On February 22, these same mayors and representatives of the Coopérative de transport maritime et aérien, the company operating the ferry service, reached a consensus and all agreed that a new ferry was needed.

I am going over all of this because there seems to be some confusion created by the hon. member for Bonaventure, among others, about the possibility of replacing the ferry by a used ship. In January, and more specifically on January 18, the day after the opening of this session, the minister of Transport stated, in answer to questions put by our colleague, the hon. member for Beauport—Montmorency—Orléans and myself, that, where the Magdalen Islands ferry was concerned, an announcement would be made soon. Following pressures made by stakeholders, we were told that when the minister said soon, he really meant a couple of months. That was on January 18.

• (1530)

The only other time I heard the hon. member for Bonaventure—Îles-de-la-Madeleine comment on this very important issue for his constituents was in an article run by the local newspaper, *Le Radar*. The hon. member had nothing else to say but complain that the whole issue of the ferry service was his responsibility, not the responsibility of the Bloc Quebecois.

To tell the truth, he must have been outraged by one of the headlines in a previous issue of *Le Radar*, where it was said that never before had the Magdalen Islands been talked about so much since the arrival of the Bloc Quebecois in Ottawa. If I had been the hon. member for Bonaventure—Îles-de-la-Madeleine I would have felt piqued as well.

Nevertheless, March and April have come and gone. We are still waiting for an answer while the workers are being laid off by the hundreds and while Magdalen Islanders are wondering what their member and their government are doing.

If a decision is made shortly, the new ferry could be delivered in time, that is when the *Lucy Maud Montgomery* has to be replaced. I will take 9 to 10 months to prepare the final drawings. Then, construction will take 12 months and sea trials another month. The Liberal government has dragged its feet long enough, it must act now.

Let us now talk about the smart ship, a multi-purpose supply and general transport ship. The Canadian Armed Forces and the Department of Environment need that type of ship, the former for peacekeeping or humanitarian aid operations, the latter to intervene in case of a major spill. This project is by far the most important for the future of MIL Davie, because it would allow the development of a new organizational culture and new modes of production.

The concept was developed by the MIL Davie shipyards of Lévis. Plans, modelling and prototype development are done under the direction of an associated company, MIL Engineering System.

The construction of this type of ship would fit into the review of the Canadian defence policy, a review made necessary by the end of the cold war and the increase in the number of peacekeeping or humanitarian operations because of local conflicts.

The new international environment, a result of the end of the cold war, might very well increase the risk of such conflicts and Canadian Armed Forces have developed a sought after know-how in the area of peacekeeping. As matter of fact, the Canada 21 Council gave another boost to the smart ship project on March 16. This private council has been commissioned to review the Canadian defence policy in the new context of international relations. Its membership includes former politicians of various affiliations, some fairly well known like Donald MacDonald and Gérard Pelletier, both former Liberal ministers; former military officers like Admiral Robert H. Falls; and business people and economists of renown.

The Canada 21 Council recommends that the Canadian government cancel the planned purchase of three submarines and acquire instead three multi-purpose supply ships, or smart ships, to provide operational support to peacekeeping missions. These three ships proposed by the council would replace the AOR combat support ships, such as the *Protecteur*, which are nearing the end of their operational lives, and which are not multi-purpose and cannot transport vehicles nor launch small landing crafts or amphibious vehicles in great numbers. As a matter of fact, they are only used to supply navy ships at sea.

Moreover, the smart ship can be used for a whole range of logistic operations. It can be used as an aircraft-carrier and hold up to 24 transport helicopters and 600 troops for airborne operations. Such a capacity could be a real asset if, for example, Canadians or citizens of allied countries had to be evacuated on a moment's notice, as in Rwanda, for example.

• (1535)

At the present time, to transport the equipment of Canadian troops, we have to charter private ships, mainly foreign. And then it takes several weeks before our soldiers receive their heavy equipment and their combat vehicles. One smart ship could transport one battalion group with its equipment, armoured vehicles, tanks and artillery. It would have been very useful for our mission in the former Yugoslavia.

In the event of a natural disaster, the smart ship can be quickly transformed to carry a whole range of vehicles such as trucks and ambulances, building materials and equipment, water tanks, fuel tanks and bridgelayers.

Close to 200 containers holding food, clothing, tents and other supplies can be stored on the main deck. This feature would have been appreciated especially in Somalia and in Florida, after hurricane Andrew.

Moreover this ship can carry chemical dispersants, and devices to contain and absorb spills. It can accommodate a clean-up team of 600 and be used as a command, control and communications ship.

Recently, a director of MIL Davie told me that the Department of National Defence has enough information available to it this spring to convey its decision right away to government officials. A favourable decision would allow MIL Engineering System to proceed to build a model of the ship at a cost of only $6.5 million.

Time is of the essence here. It is highly probable that most of MIL Davie's competitors are now familiar with the smart ship concept. Rumours are swirling that other shipyards have taken up the idea and intend to have their own engineers take a look at the concept.

If we delay too long, someone will steal our idea, possibly foreign competitors who already possess the necessary technology to apply the concept developed by MIL Davie.

The smart ship project is the most important transitional contract, one which would allow MIL Davie to proceed with conversion. By building the smart ship, MIL Davie hopes to develop new production modes and to change the way shipyards in Canada operate.

The challenge ahead is a formidable one. The company hopes to be able to build this ship in 390,000 hours, instead of the normal 800,000 hours. The Danes have accomplished this feat and if a strategic agreement can be reached with them, MIL Davie could rely on help from a shipyard in Denmark, which currently ranks third in the world in this field.

MIL Davie would need new, more powerful cranes and its staff would have to be trained in computer-assisted design and production techniques and in the use of new procedures such as plasma welding.

The Quebec Minister of Industry and Trade has expressed his concern about the federal government's commitment to defence industry conversion and with good reason. However, the Quebec government is not alone in supporting conversion. The *Conseil du patronat du Québec*, not known as an advocate of sovereignty, also supports this process.

I would like to call to mind the resolution passed by *Rendez-vous économique 1993*, an economic summit meeting organized by the *Conseil du patronat* in Montreal. This resolution called on the federal government to extend adequate financial support for conversion to all industries that depend on military contracts. This financial support would continue for however long it took to complete the adaptation, conversion and diversification process.

In recommendation 1B, the *Conseil du patronat du Québec* also called on the federal government to award a $6.5 million design contract and three-year $200 million construction contract for the smart ship prototype. This would also be the prototype for a series of similar ships for the international market, a highly promising and expanding market.

• (1540)

With the expertise acquired in building the smart ship, MIL Davie wants to enter the international market for commercial ships between 40,000 and 70,000 tons. It is estimated that half the current fleet of oil tankers and bulk carriers should be scrapped and replaced in the next few years. Moreover, the rise in global demand due to the increase in international trade is estimated at 2.5 per cent until 2005.

Under these conditions, average demand should grow by 30 per cent from an average of 780 ships per year in the last ten years to an annual average of 1,025 ships until 2005, with peaks of 1,500 ships weighing over 2,000 tons. Since the average ship lasts 23 years and almost half the fleet is 15 years old or more, large orders are to be expected.

When they were in opposition, some influential members of this government's Cabinet, like the current Minister of Human Resources Development who was the critic on External Affairs, clearly stated that the Defence Industry Productivity Program had to be redesigned for the conversion of defence industries.

In a March 26, 1993 press release from the Office of the Leader of the Opposition, the current Minister of Human Resources Development noted: "Canada has a golden opportunity to stake out new market niches for the Canadian defence industry in peacekeeping and environmental technologies". We can only conclude that the Liberal government is suffering from amnesia today.

On April 19, I asked the Parliamentary Secretary to Minister of Defence whether the contract for building the smart ship would soon be awarded to MIL Davie. He told me it would not happen before 1995. This answer shows this government's lack of concern for the tens of thousands of defence workers whose jobs are threatened. At MIL Davie alone, excluding companies like CAE, Canadian Marconi, Oerlikon, Paramax and many others, nearly 2,800 jobs would be lost. The shipyard would probably have to close for an indeterminate period of time or even permanently. Another 8,000 indirect jobs would vanish in the Quebec City region. So it is very important.

While I have a few minutes left, so you will not feel that MIL Davie and Quebec complain or demand too much, I will quote some figures concerning contracts awarded since 1986 to various shipyards in Canada. The ferry *Smallwood*, $130 million to MIL Davie; destroyer modernization, $286 million to MIL Davie but $1.2 billion to Toronto-based Linton; frigate construction, $400 million to MIL Davie but $6.2 billion to Saint John Shipbuilding; defence contract adjustments, only $263 million to MIL Davie; the Pictou ferry, $50 million to the Pictou shipyard; minesweepers, $450 million to Fenco Halifax.

In conclusion, I would like to come back to the press release of March 26. Just before, I would like to say that I did not complete the list, but in all, $13 billion was invested in the marine sector, of which the MIL Davie shipyard got only $1.094 billion, or about one thirteenth.

I come back to the press release in which the Leader of the Opposition, who is now the Prime Minister, said this: "Canadians deserve a government that can lead the way, a government that brings new ideas and new strategies, a government that helps them adjust to change. Our defence conversion policy is an example of how a Liberal government would meet the needs of Canadians in years to come".

I have only this to say to this government in conclusion: "Prove to the workers of MIL Davie and the employees of the 649 other defence companies in Quebec that what you said, Mr. Prime Minister, when you were in opposition was not just empty words".

• (1545)

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I would like to address a brief comment to my colleague from Lévis. I know that he is familiar with the employer, MIL Davie, which is located in his riding. As the Minister of Industry and the Minister of Transport have already indicated in this House, the government is perfectly aware of the important role this company plays in the economy of the Quebec City region. The government has also received MIL Davie's

business plan, which has first to be approved by the government of Quebec as principal stockholder.

Why does his party insist on raising this issue today, when the hon. member and his colleagues know the government has the matter well in hand, is working on it, advancing it? The hon. member and his colleagues know full well that we are looking into the problem of industrial technology transfer for the benefit of employers in Quebec and elsewhere in Canada.

Mr. Dubé: Mr. Speaker, I thank the hon. member, whom I know well given that he chairs the parliamentary committee on Human Resources, of which I am a member myself, for his question. What is the cause of my concern? Simply the facts. We heard that a business plan was tabled recently. I was not only concerned, I was also disappointed to hear the Minister of Transport mention just recently that he was waiting for a business plan. He even said so in a letter to the City of Lévis, the City Council of Lévis.

Last August, a few weeks before the election was called, MIL Davie officials presented this famous business plan to the present chief of staff of the present Prime Minister, who was a candidate in Quebec City, and to all the Liberal candidates in the Quebec City region. Considering that the Prime Minister's chief of staff already knew about this business plan then, one cannot come and claim eight or ten months later never having heard of this plan.

Like many other people of Lévis who took part in the election campaign and all the workers, I can remember the Prime Minister visiting Lévis days before the election and saying he agreed with the business plan. The fact of the matter is that this plan he had been shown minutes earlier provided for two transition contracts, that is to say the Magdalen Islands ferry and the smart ship, as well as for some infrastructure assistance. All this has been known since last August.

Now, the government was elected a few months ago. It is understandable that it would take until January to settle in, but I will remind the hon. member that, when I rose in my place on January 18 to inquired about the ferry to the minister, his answer was: "Soon". Later we learned that for him, "soon" means two months. If I am not mistaken, two months from January 18, that would bring us to March 18. We are now in May. Two months may not seem like a very long time, but for workers loosing their jobs a hundred at a time every week—there were 3,000 of them this time last year, but at this rate there may soon be only 400 or 500 of them remaining; that is 2,500 jobs lost, and it will be 2,800 by the time December comes around—to hear the government answer it is looking into the matter is becoming unacceptable. Hundreds of workers are waiting for an answer.

• (1550)

That kind of situation worries me. That is the reason why I wanted, as the member for Lévis, to take part in this debate on the conversion of military industries to civilian production. I rise not only for my own riding, but also because for the whole Quebec City region the MIL Davie shipyard accounts for a total payroll of $150 million. If you count all indirect jobs created by sub-contracting, it represents for the 10 ridings of the Quebec City region an economic activity of $600 million.

As you know, that type of venture yields secondary benefits. Therefore it is extremely important. Besides, that issue has been recognized by the Conseil du patronat and by all economic organizations of Quebec as a top priority. The present Liberal government knew that when they were in opposition and during the election campaign. And they still know it today. We are now in the month of May 1994 and no answer has come yet.

Meanwhile, the rumour has it that the contract might be given by tender and that there would be other shipyards, in the region of the hon. member by the way. And there is the smart ship—a concept that belongs to and was developed by the MIL Davie. At the beginning, that original idea was presented in a business plan in private but today it is becoming more and more public. But as months go by nothing happens.

I am not the only one to be worried. The Minister of Industry and Commerce of Quebec, Mr. Tremblay—I guess I can call him by his title since he is not here—is also getting impatient. A few weeks ago, a coalition of all federal and provincial political parties, including the Quebec City members of the federal Liberal Party, supported the position of the MIL Davie. Despite that, there was no answer. This situation is indecent.

I am once more urging the government—and it may be the last time—to respond at last and to stop penalizing the region of Quebec City because it has not voted for the Liberal Party. If that is the reason, it is dangerous. I have warned the government that there will soon be, in a few weeks, in a few months, a provincial election that could have major consequences for the future of this country.

[*English*]

Mr. Barry Campbell (St. Paul's): Madam Speaker, I am pleased to participate in this debate. Let me reinforce the comments made earlier today by the Minister of Industry with reference to defence conversion.

The plan recognized that the time had come to help defence industries make the transition from high tech military production to high tech civilian production.

[*Translation*]

We are determined to reach that objective and we have already accomplished significant progress towards the development of an effective strategy.

[*English*]

Our defence conversion program has three major components: First, defining Canada's defence policy; second, rationalizing the military infrastructure; third, rationalizing the defence industrial base.

Later today in this debate my colleagues will describe the government's policy and program for expediting the first two components of our overall strategy. We will also discuss the nature and direction for defence conversion of the industrial base.

Conversion of defence production can be described as industrial adjustment with an added element of national security. To understand the scale and scope of the challenge which Canada faces one must appreciate the evolution of Canada's aerospace and defence industry.

We have followed a path quite different from that of almost every other nation in the western world. We have long maintained a relatively small domestic military procurement budget. In order to sustain themselves and indeed to grow Canadian defence firms pursue two avenues. The first has been to focus on export markets. The second has been diversification.

As I said the Canadian aerospace and defence industry pursued export markets as suppliers of components for the manufacturers of major military systems such as radar systems to detect low flying aircraft and military flight simulators. Their clients were generally not governments but defence companies world wide. Canadian manufacturers have designed, developed and sold world-class high tech products aimed at buyers of sophisticated, specialized equipment and our industries have produced these special components at competitive prices.

• (1555)

By contrast most of the western world's defence firms have relied on large domestic military sales. They have produced entire systems for a closed and essentially less competitive market. They have had little export focus and have sold almost exclusively to their national governments.

In many countries domestic military budgets were cut back severely at the end of the cold war. The shifts in geopolitical power required nations to re-evaluate their defence role.

Suppliers in other countries which focused on a domestic market for major weapon systems found themselves suddenly without a traditional market. Add to this equation the fiscal and budgetary problems facing all western governments and the result has been what might be described as a double whammy of radically different requirements and a rapidly shrinking market.

The inevitable results: Significant downsizing, rationalization and large layoffs, what we all too readily identify with defence conversion.

[*Translation*]

But here in Canada, defence industries are faced with a very different reality. Most have concentrated on export sales. The size of world markets, as well as the number of world suppliers, are diminishing.

The reduction of military spending at the international level could put out of business some competitors of Canadian companies and thereby create new market opportunities.

[*English*]

Canadian industry reliance on Canadian government procurement is already small by world standards and it is declining. In aerospace for example, 30 years ago defence products comprised 65 per cent of total sales. Today defence sales are less than 30 per cent of sales and projections indicate that by 1997 the percentage will fall to 25 per cent.

These figures indicate that in Canada defence conversion has been going on as a gradual process for almost 30 years.

The sudden and precipitous changes taking place in the United States and Europe in the defence industries will not occur in Canada to the same degree. For example, between 1991 and 1993 in the United States the aerospace and defence sectors lost almost 300,000 jobs. That is 10 per cent of their workforce. In Europe the experience has been similar. Over the same period, 150,000 people have lost their jobs in defence and in aerospace.

In Canada, in marked contrast, we have lost 5,000 jobs in this sector and forecasts indicate they will be regained by 1998.

Our successful Canadian manufacturers aim at small niche markets around the world. The export focus of Canadian manufacturers of subsystems and components has cushioned our industry from the worst of the fallout occurring in the United States and in Europe.

As I stated earlier, the other major factor in our success in avoiding severe contractions has been diversification.

[*Translation*]

A large number of defence industries have developed technology which can be sold for both military and commercial purposes. These companies have gained the necessary skills to successfully manage operations producing both military and commercial products.

The Canadian defence industry is in a good position to make the necessary transition from a high tech military production to a high tech civilian production, as illustrated by the changes which have occurred in recent years.

[*English*]

Canada's defence industry comprises more than 500 firms. The majority of them have already begun the diversification process both in commercial and military production and in domestic and export sales. On average 60 per cent of sales by Canadian defence firms are for the commercial market and only 40 per cent for the defence market. Many of these firms also have strong export sales. More than 80 per cent of all commercial sales are to export markets and 35 per cent of defence sales are abroad.

• (1600)

The only notable exceptions are the large shipbuilders in the Atlantic provinces and in Quebec and the munitions manufacturers in Quebec. In recent years they have depended almost entirely on defence production.

In United States, defence conversion has been quite different. The U.S. defence industry has been a domestic market nearly 40 times that of Canada. It produces large scale, fully integrated systems. These include, for example, military aircraft, submarines and sophisticated weapons systems.

[*Translation*]

Until now, a large number of American defence industries have been almost totally dependent on domestic military sales. These industries do not follow the Canadian tradition of either diversifying, being geared to operations, or relying on an important volume of commercial sales.

An American solution to a typically Canadian situation is a highly unlikely solution.

[*English*]

As I mentioned earlier, Canada's solution is threefold: first, a defence policy review which will of necessity take time to complete; second, the rationalization of bases and defence infrastructure, both of which elements will be addressed by the minister of defence; third, the rationalization of Canada's defence industry base, a complex question but one on which progress is being made.

In the Liberal plan for Canada "Creating Opportunity" the government made a commitment to expand the mandate of the defence industry productivity program to assist in the conversion and diversification of the industry.

I am pleased to say that earlier this year the government followed through with a provision in the budget to redesign, DIPP for 1996–97. This will help industry convert from defence to high technology civilian production. This is the first step in redirecting existing government programs and initiatives. We are also proceeding on other fronts and will be announcing further initiatives soon.

Some elements of the government's support program, however, must await the report of the defence policy review and therefore will not be fully developed for some time.

[*Translation*]

This type of measured response will be problematic if the Canadian context for the conversion of military industries is similar to that of Europe or the United States. As I pointed out, the situation is very different in Canada. Generally speaking, Canadian companies are in the unique position of being much less vulnerable to military world market slowdowns than their foreign competitors.

[*English*]

This is not to say that Canada does not face challenges in expediting a smooth transition. Rather the defence industry and therefore some Canadian workers face a unique situation.

Canadian companies are generally well positioned in international markets. They have strong order books. They have good employment prospects. They have solid, diversified international export markets for both their commercial and defence product lines.

There are some exception to the quite strong positions enjoyed by many companies in Canada. These exceptions include munitions and shipbuilding where a number of specific problems generally beyond the scope of a defence conversion program continue to cause concern. We will address these problems through a combination of defence conversion programs and other programs that can help provide solutions.

I have outlined the unique challenge facing us in the matter of conversion of defence industries. In some, while the defence conversion problem in Canada is similar in scope to that in other parts of the western world, it is not by any means of the same scale.

Sales and employment prospects vary by company: some positive, some neutral, sadly some negative. Specific problems affecting a particular firm require specific solutions. We do not need to embark on sweeping programs offering sweeping and expensive solutions. Programs that are carefully targeted require careful preparation.

Targeted programs take time to develop but in my view are the most effective in the medium term. It would be naive to assume that the defence conversion problem in Canada can be solved overnight.

[*Translation*]

The solution which the government is in the process of developing will be responsive to market forces, fiscally responsible, properly directed and effective.

• (1605)

[*English*]

As specific elements of the program take shape in the near future, the government will be providing information on the scope of its provisions.

The member who brought forth the motion also brought to the attention of the House a most important question. As I pointed out, companies in the Canadian defence industry have long diversified their products and their markets. They have been carrying out, some of them for as long as 30 years, what the defence industry in other countries is just beginning to try, that is to produce other products and to market in other markets.

[*Translation*]

The government is determined to continue on the path to success with policies and programs which meet the needs of all the Canadians who are part of the industry.

[*English*]

Those companies in sectors where the challenges have been more demanding and more difficult are to receive the attention and assistance of this government which understands the problems and intends to contribute to the solutions.

Mr. Darrel Stinson (Okanagan—Shuswap): Madam Speaker, I rise today to oppose the motion put forward by the Bloc. However I want to say at the start that I am personally concerned for the jobs of some 137,915 persons who the 1986 census showed were employed by the defence services sector. Their employment is threatened by the Liberal strategy of slashing defence spending before it has completed a full study of Canada's defence needs.

The Reform Party caucus believes that announced cuts of $7 billion to the Department of National Defence over the next five years prejudged and pre-empted the outcome of the defence review and should not have been made until Parliament, together with the Canadian people, had determined the mission of the Canadian Armed Forces for the 21st century.

Once the mission is determined we can make careful and well planned decisions on the military's main functions and organizational structure and on Canada's long term needs for hardware, bases and personnel.

The cuts announced by the government are already having impact on the defence industry. As I have said I strongly object to the government's action of cutting defence first and asking questions later.

I strongly oppose any suggestion that the government should fund the changeover of defence companies to civilian production. I oppose using Canadian tax dollars for this purpose for several reasons, not least of which is that half these firms are foreign owned.

I would also oppose using Canadian tax dollars for this purpose because as a Reformer I do not think on general principle we achieve anything good by providing grants to private industry. On the contrary, it goes against the grain that taxpayers should on the one hand be trying to operate their own companies while on the other hand competing with a company their own tax dollars may be propping up.

For instance, over recent years it has been a tactic of the old line political parties to spend some $160 million per year through the defence industry productivity program, which is almost like a regional development program, to dole out tax dollars to the military industry concentrated mainly in southern Ontario and southern Quebec. Such grants should be quickly phased out.

To understand this particular motion we must first define what we are talking about when we discuss Canada's defence industry. I note that figures being quoted in the House today have varied greatly so it is hard to know whose figures are correct.

Despite the discrepancy in figures we need to try to get to a general understanding of what the defence industry produces and how it compares on the world scale. In analysing world-wide arms production, nations are generally divided into three tiers or levels of production. The first includes nations like the U.S., which basically produces and sells anything it or its allies need. The first tier accounts for some 60 per cent of the arms transferred in the past decade.

Canada is in tier two with such countries as France, Italy and Spain, which together account for some 25 per cent of annual global arms exports. These countries do not have a big enough home market to benefit from economies of scale and must depend on exports to be competitive. Canada exports in large measure to the United States with which we jointly produce many weapons.

• (1610)

There is a third tier of wild card arms producers like China, India and Israel that can produce large amounts of less sophisticated, functional but cheap weapons on short notice. Among global arms producers Canada ranks about eighth, producing some $3 billion worth of military goods per year or about one per cent of the world total. Regarding more conventional weapons, according to the Stockholm International Peace Research Institute and for the period 1986 to 1990, Canada was the 14th largest exporter of major conventional weapons in the world.

Concentrated in southern Ontario and Quebec, the Canadian defence industry involves about 1,000 companies with special experience in what is called the new knowledge based industry, specifically aerospace electronics and communications.

Robert Gillespie, former assistant deputy minister in the Department of National Defence, gave the following description of the defence industry:

> Our industry is composed of only a few large companies with sales in excess of $100 million per year. The vast majority of firms are in fact quite small and very few of those produce purely military products. The industry is over 50 per cent foreign owned with U.S. companies dominating the group and is very heavily dependent on the export market.

There has been great fluctuation in Canadian military exports over the period 1959 to 1991. For example, 1974 and 1975 were low years, each at $280 million. In 1985 the industry hit its recent peak at $1.9 billion in exports, with a similar amount in 1991 during the gulf war build-up and actual combat.

Research was based on three factors: first, public domain listings of unclassified prime military contracts awarded by the Department of National Defence; second, military export contracts arranged by the Canadian Commercial Corporation on behalf of foreign governments, primarily the United States; third, Pentagon contracts placed directly with Canadian companies, together totalling about 80 per cent of all Canadian military production.

According to research covering those three factors the top six Canadian military prime contractors are: SNC Industrial Technologies Incorporated and Bombardier, both of Montreal; Computing Devices Company of Ottawa; Standard Aero Limited of Winnipeg; Allied Signal Aerospace of Rexdale, Ontario; and Bristol Aerospace of Winnipeg. All six companies had total value reported prime contracts during fiscal year 1990-91 in excess of $100 million. For three of the six, their estimated or reported military sales were less than half of total sales.

Of the top 20 Canadian military prime contractors, accounting for some 60 per cent of reported military prime contracts in Canada, according to the same three factors which I listed earlier, 11 companies of the top 20 had estimated or reported military sales of less than half of total sales. Incidentally eight of those top 20 companies are located in Quebec. I believe we can see the source of the Bloc's concern with this issue.

What kinds of things do these companies produce? Although Canada does rank 14th in world-wide production of conventional weapons, the Library of Parliament has provided me with a list of some 180 companies engaged in producing defence electronics and avionics. These folks produce a whole lot of things that most people cannot even pronounce, let alone manufacture. Many of them are part of the new knowledge based economy, their employers being well educated, not to say out and out brilliant.

Because of the brilliance of these people and the highly specialized nature of what they produce, I seriously doubt that a notoriously inefficient federal government could do anything really helpful for these industries and would only end up throwing tax dollars at them, an approach which I strongly oppose.

• (1615)

Moreover, as I have shown, a large number of defence industry companies have less than 50 per cent of their production going into military purposes. Hopefully they can convert a greater percentage of their operations to non-military purposes. Because of the talents of the employees of these particular high tech companies, it would be a great loss to Canada if the employers were to shut down and the employees moved to the United States. Remember, we are talking about an industry that is already half foreign owned.

However, I am certain the sales and marketing offices of the bigger companies and probably the presidents of the smaller companies have long since smelled the coffee in so far as the end of the cold war is concerned. Certainly they have been hard at work tracing and developing new markets which could increase their non-military sales.

Even the average man or woman on the street is well aware of the remarkable growth in the knowledge based industry for such things as fax machines, personal computers and the transportation industry. Given the great land mass of Canada, we truly have become a world leader in communications, a technology needed all over the world for everything from moving information, people and goods to distributing TV signals or predicting the weather. I have great faith that Canada's technological leadership in this sector of the world economy cannot only be maintained but will grow steadily.

In conclusion it is high time for the government to smarten up its own overall defence planning. I also believe one of the worst things any of us could do to a given industry would be to encourage the government to increase its involvement and further upset the functioning of a free market economy.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I listened with some interest to the remarks on this motion by the hon. member for Okanagan—Shuswap.

I found it somewhat strange that he would mention a concern on behalf of his party for the defence cuts which the government introduced in the budget. At the same time as saying that these cuts were premature he argued that we should not support the conversion of our defence industry to civilian purposes and to help in the redirection of that technology into areas of greater demand.

Perhaps the member could elaborate on what seems to be a paradoxical position from his party's perspective. Why is he opposing cuts? Is that not what is party has been calling for? Why is he opposing economies which have been made with great difficulty and after much soul searching by this government? What other cuts is he proposing in order to keep the defence budget higher than this government has recommended?

Mr. Stinson: Madam Speaker, we have always stated that there have to be cuts in military spending, but we have also stated that the studies should be done before and not after the cuts. It is rather foolish to make the cuts and then say they have to put them back in place again. The studies should be done before the cuts are made. That is what we are saying on that level.

As far as subsidizing an industry that was subsidized coming in is concerned, remember this industry was subsidized coming in and now government wants to subsidize it going out.

If the government is looking at subsidization levels what becomes more important here? Private enterprise tries to compete. It pays taxes but those tax dollars are being used in many cases to form a company that it has to compete against. It is pretty tough when a company is not being subsidized to compete against a subsidized company. They do not have the same worries, many times not even the same responsibilities.

• (1620)

I would like to raise another fact when talking about subsidization. We have to have priorities. Can anyone in this House answer this question: Why are we subsidizing companies in direct competition with companies in private enterprise when we are shutting down hospitals? This absolutely makes no sense to me, nor to anybody else in the House, but I am willing to listen.

Mr. John Harvard (Winnipeg St. James): Madam Speaker, I am very pleased to take part in this debate because major aerospace firms and Canadian Forces Base Winnipeg are located in my riding of Winnipeg St. James.

In the red book this government identified the world-wide restructuring of the defence industry as a major issue for maintaining high technology jobs in Canada.

In speaking to the government's commitment to defence conversion, I must first be clear that it is not a passing fancy or for that matter a platform for simplistic grandstanding. The global market for the defence industry is already in the process of restructuring. This government will encourage a sound and structured response that will hold up for the long run, that will meet the needs of industry and the highly skilled workers in that industry.

The need to change is being driven by global markets for Canada's defence industry is particularly vulnerable to change. This cannot be otherwise when 50 per cent of the Canadian defence industry is foreign owned, mostly by U.S. companies. That has already been pointed out in this debate. The majority of Canadian defence firms supply subsystems and components and carry out subcontracted manufacturing for prime U.S. contractors. Indeed, most Canadian exports go to the United States.

The global giants, the American prime contractors, have been rationalizing their organizations and just as important for Canadian suppliers, their manufacturing processes. They are starting to drive this process down their supply chain, down to the suppliers of subsystems and components where Canada has developed its edge.

Furthermore the giants are diversifying into commercially advanced technology markets, squeezing our smaller and more diversified companies. The aerospace and advanced electronics industries in Canada could be vulnerable and they must be ready to adapt. This government is preparing to assist positively and in concert with industry.

I can assure members of this House and in particular the member for Nanaimo—Cowichan who suggested this morning that the government should talk to the industry leaders in the west that this government has been doing just that.

On March 3 of this year the hon. Minister of Western Economic Diversification, the parliamentary secretary for finance and I all met with the chief executive officers of 10 leading western aerospace and defence companies. We discussed the sector's views on defence conversion in the context of science and technology policy and the new long term space plan.

This broad focus is part of the western economic diversification's new direction to work with industry and the provinces through strategic initiatives, that is to deal with structural economic issues at their root and on a co-operative basis rather than treating the symptoms as they appear in individual companies.

The March meeting was the first of what will be a series of meetings on the subject and which will include an expanded list of companies right across the west. The next meeting will be later this spring at which time the private sector will present a broad strategy along with recommendations for specific activities required to facilitate defence conversion in western Canada.

We are listening to the leaders of industry and working closely with them as part of a broad concern for the health of the aerospace and electronics industries in the west. For instance we are fully sensitive to the immediate impact that can be felt from the defence cuts. We have worked closely with industry to ensure a smooth transition to new requirements.

• (1625)

This has been done with specific companies such as Bristol Aerospace which is located in my riding. We have also worked with Bristol and other companies in the west to help as they pursue opportunities in international markets.

All of this is part of the national issue of restructuring the Canadian defence industry. It is done to safeguard the positive contributions the industry has made and continues to make to Canada's economic well-being, while building something viable and sustainable for the long term future without side-swiping in the process the advanced technology companies that have already diversified and have already taken action for the future.

The blueprint for defence conversion contained in the red book sets out a program to pursue strategic and fiscally sound alternatives for high tech job creation. The program is to focus on alternative military requirements, dual use products and sustaining research and development.

Two major objectives were set, namely conversion of military bases to alternative uses, and economic conversion and diversification of the defence industry toward alternative military and civilian goods, including the development of peacekeeping technologies.

This government has already started down the defence conversion road. Those base closures that were long overdue have been announced as part of the recent budget. An example of the concrete conversion action being taken as a result of the base closures is the activity surrounding Defence Research Establishment Pacific in Victoria, sometimes referred to as DREP.

Defence Research Establishment Pacific is to close on March 31, 1995 as part of the reduction of defence infrastructure. However, there is tremendous potential here to build upon the critical mass of ocean industry and science which is resident in Victoria and centred at DREP.

For example, there are many companies both large, such as MacDonald Dettwiler and Associates, and small, such as Barrodale Computing with just 10 employees, which have transformed the science contracts they have undertaken with DREP in the past into major commercial opportunities.

To maintain this flow from research into a commercial business, western economic diversification in the next few days will commission a study of the opportunities open to the ocean industry based upon the critical mass existing in both the private and public sectors in Victoria. Science does exist at Defence Research Establishment Pacific. Highly competitive, high technology companies, world-class firms are already in place.

The Department of National Defence wishes to see the technology transferred to industry and the academic community, such as the University of Victoria, and is anxious to build further momentum. What better ingredients could be found for converting a defence establishment into a sound commercial enterprise than this one which is focused upon a growing, vital ocean industry?

Our defence conversion blueprint also set out the objective of diversification toward alternative military and civilian goods. This too is already getting under way with a number of alternate use concepts being actively examined by industry itself and government. This goes beyond program and policy responses on a broad sectoral front to the specific activities of individual companies which are right now pursuing the opportunities that are presenting themselves.

An example of government support to a winning defence conversion strategy is EDO Canada Ltd. of Calgary. This company has been manufacturing fuel tanks for the CF-18 fighter jets using composite materials.

In January of this year it won its first major commercial contract by which it will supply lightweight natural gas fuel tanks for General Motors 1994 Chevrolet Caprice and Corsica models. This contract will be worth $2.5 million to $5 million annually. To quote company president Doug Moore from a Calgary *Herald* article of January 12, 1994: "The contract is the result of the commercialization of our aerospace technology". It is also the result of this government's application of the industrial and regional benefits policy to defence conversion.

• (1630)

General Motors as part of its contractual commitment to the federal government for the sale of light armoured vehicles has agreed to undertake millions of dollars of industrial benefits in Canada.

The agreement of the government to allow IRB credit for GM or to GM for the EDO sale helped to cement for EDO a strategic alliance that it had been working on for some time. This is part of an ongoing government program with continuing discussions which could lead to a similar kind of contract for another growing western high technology manufacturer. Again IRB credits from the light armoured vehicle purchase could be an incentive to solidify the deal.

I want to conclude by saying that this government knows what defence conversion does not mean. It is not moving defence companies into mature commercial markets. It is not intended to be done in isolation from other economic activity and it cannot happen instantly. It most certainly cannot mean wiping out the existing defence industrial base.

I have described what defence conversion is or is not. This government has an equally clear understanding of what it should be and can be with a carefully planned program. Defence conversion can help defence dependent companies reduce their dependency on limited products and customers. It can be a co-operative effort between industry, labour and government to foster strategic alliances for pursuing international markets.

It can be an opportunity to work with our counterparts in the U.S. especially in fostering the development of dual use technologies. I assure members that it will broaden the industrial base for overall economic growth.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, the Bloc Quebecois has introduced a motion saying:

> That this House condemn the government for its unacceptable delays in developing and implementing a genuine strategy for the conversion of defence industries to civilian production, which would save and create new jobs in high-technology sectors.

I congratulate the hon. members from the Bloc Quebecois for thinking about jobs. I hope they will raise, in Canada and in Quebec, concern for Canadian jobs. When I refer to Canada and Canadians, I mean all provinces, including Quebec. Their objective of separation is certainly not the ideal recipe for job creation. We need to belong to a strong community, a strong family, large and co-operative enough to develop its own industries.

We were informed today of the policies and programs which would guarantee the success of the conversion of defence equipment manufacturers into companies active on international markets. However, it is not simply a question of policies and programs. The main factors are the entrepreneurial spirit, the measures taken and the results achieved.

There are many examples of success. One of them is Securiplex Technologies of Montreal. This is the story of a successful conversion by a company which was well-known for its defence equipment. Recently, they had the good fortune of getting a $26 million contract from Bombardier BN, in Bruges, Belgium, for the production of a control system.

This system will electronically detect and extinguish fires in the 254 shuttle-cars that will be used in the Chunnel.

It is based on the system designed by Securiplex for damage control on warships and presently installed on 12 new Canadian frigates and ships of the British Royal Navy.

This system uses microprocessors to monitor and control the sensors and fire-extinction devices, as well as other security systems. It was developed under a procurement contract negotiated with the Government of Canada through the Defence Industry Productivity Program.

• (1635)

Since the completion of this project, and with the help of Industry Canada, Securiplex marketing has been targeting commercial companies. This firm is actively pursuing the industrial security market, especially in North America, Europe and the Middle East.

Among its achievements are the contracts it won to supply sophisticated fire detection and extinction systems for the headquarters of the European Economic Community in Brussels, the Alba power plant in Bahrain, in the Middle East, and the Hibernia drilling platform off Newfoundland.

ATS is a rather impressing example. It was created on the Montreal South shore in 1979. Originally, it was a small company specialised in ammunition testing. Aware of the limitations of this activity, it sought to put its considerable expertise to good use by creating software for new markets.

Today, this company has nearly entirely changed its field of activity. Its future lies now in completely new opportunities it created, namely air control tower and room simulators. Training air controllers is of the utmost importance, and yet nothing has been done to update training methods.

Presently, ATS is executing major contracts awarded by international customers. DIPP played a crucial role in the development of this firm's technological capacity. ATS was awarded its last contract in January 1992, and since then it has not asked for another loan.

The common denominator to these success stories is the fact that these manufacturers of defence equipment were able to adapt to the new reality and meet the demand of a new market. It is also our government's commitment to help these industries diversify. The pessimistic outlook of some concerning the future of our aerospace and defence industries does not reflect reality. As a whole, the news regarding defence industries is rather good.

For example, many members know that one of the leading Canadian aerospace and defence electronics firms is CAE Electronics Limited of Montreal. This company is a world-class operation in every respect. It is the main supplier of commercial aircraft flight simulators and records important sales to similar defence markets.

CAE Electronics employs more than 3,000 people, with scientists, engineers and technicians accounting for half of the workforce. Annual sales of nearly $350 million are made by the Montreal offices and the figure is expected to increase next year. The company has been experiencing tremendous growth and expansion for the past three decades. Annual sales now in excess of one billion derive primarily from exports.

The company is now busy expanding its facilities in order to welcome clients from around the world who will attend courses focusing on some of the most advanced technologies in the world, from aircrafts to ships. Several years ago, CAE Electronics acquired a major U.S. competitor called Link. This company is now truly world class with a diverse client base. Nevertheless, it continues to manage the electronics side of the business from its offices in Montreal.

However, CAE Electronics still needs the support of the government. This is especially true in the case of the project which it is carrying out with the American National Aerospace Administration and which involves exploring the application of virtual reality in the cockpit. Without the support of the Defence Industry Productivity Program, projects like this which are vitally important to the future of CAE Electronics would be impossible to carry out.

• (1640)

That is why the federal government has indicated in the red book it was determined to maintain this important program. CAE also takes an active part in other defence conversion projects, some of which in sectors far removed from traditional defence activities. It is currently involved in a marketing project for an artificial heart designed at the Heart Institute in Ottawa.

However, CAE still considers defence as an important part of the corporate strategy in its business plans. Defence contracts do account for the best part of its commercial activity and offer unique opportunities to explore the limits of technology applied to training and simulation.

The federal government plans on continuing its partnership with CAE as well as with a number of other innovative, creative and flourishing companies. The Canadian taxpayers' investments in companies such as this one have never been more important. CAE and the Montreal area can expect to prosper thanks to these investments. CAE has undertaken to design, develop and market new products and new services to meet the needs of the population in the 21st century.

There are many more success stories in the defence industry, stories of companies that have expanded their lines of activity and prospered by identifying a need and meeting it commercially.

Defence conversion is nothing new for many Canadian companies, and their success is envied by their competitors.

[*English*]

The Acting Speaker (Mrs. Maheu): It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Manicouagan, Labour Relations; the hon. member for Rosedale, Rwanda; the hon. member for Laurentides, Anti-flu Vaccines; the hon. member for Lévis, the Olympic Games of 2002.

[*Translation*]

Mr. Jean H. Leroux (Shefford): Madam Speaker, it is always for me an honour, a pleasure and a privilege to speak in this House on behalf of the people of Shefford who elected me.

As you know, Madam Speaker, my region of Granby has been hit hard by the unemployment problem plaguing the country. In this speech, I want to express my support for the defence industry conversion program. I strongly support the motion of my colleague from Hochelaga—Maisonneuve, which condemns the government for its inaction in this vital sector with the potential to create high-tech jobs.

How can the government sit on its hands on such an important issue after making firm commitments in this regard in the last election campaign? As you know and since they talk about it all the time, these commitments can be found in the Liberal Party's red book and in a March 26, 1993 press release.

What is now left of these moral commitments? To impress upon the government the meaning of the words "active", "alert" and "enterprising", I will quote the motion of my colleague from Hochelaga—Maisonneuve:

> That this House condemn the government for its unacceptable delays in developing and implementing a genuine strategy for the conversion of defence industries to civilian production, which would save and create new jobs in high-technology sectors.

• (1645)

I think this motion clearly expresses the goal we want to achieve, namely to convert defence industries to civilian production and create high-tech jobs. In the light of this information, I remind the government that it must honour its commitments and quickly develop a genuine strategy for the conversion of defence industries.

The main reason underlying my position is that, with the collapse of the Soviet Union and the end of the cold war, spending on defence industries is no longer based on the initial strategic foundation. Thus, as a member of the Joint Committee on Defence, I still maintain that the amount spent on military defence is quite high and we need a moratorium to stop the waste of public funds. However, in making cuts in military spending, we must act fairly to the provinces and the various components of the defence industry.

Although the EH-101 helicopter project promised economic benefits for Quebec, we in the Bloc Quebecois were opposed to this program, but we insisted on the need to ensure economic and industrial benefits for Quebec through a project like the high-speed train, and these benefits are not yet forthcoming.

In fact, the government is dragging its feet on several issues that are important for economic recovery. They often quote the red book but they do very, very little. Nevertheless, the companies that were penalized when this helicopter contract was cancelled urgently need government support to convert their defence activities. Since the new world order began, military industries have had a rough time, as everyone here will agree.

The arms production market, estimated at over $450 billion worldwide, has dropped significantly since 1987, by almost 10 per cent. International experts say that it could drop another 25 per cent in the next few years. The main exporting countries, including Canada, are thus directly affected by this problem.

As you probably know, Canada exports about 70 per cent of its production to international markets, of which 80 per cent goes to the United States. Under Canada–U.S. agreements, we are thus tied to this market. Since the late 1980s, the U.S. defence budget has steadily declined. What will the impact be on our local industries?

In this specific sector, the most conservative estimates are that more than 1.6 million jobs will be lost throughout the world by the year 2000. That is a lot. This prognosis is hardly promising for Canada's military industry. In Quebec alone, more than 650 companies of all sizes work directly or indirectly in military production.

In Quebec, the most dynamic sectors are communication electronics, aerospace, shipbuilding and munitions. More than 11,000 jobs in Quebec's military industry have been lost since 1987. The impact is considerable.

• (1650)

Here are some specific examples of layoffs between 1990 and 1994 in Quebec companies that produced weapons or components: Marconi, 1,480 layoffs; MIL Davie, 2,740 layoffs since 1990; Oerlikon, 410 layoffs; Paramax, 1,000 layoffs; Pratt & Whitney, 200 layoffs; Triplex, 200 layoffs; Vickers, 350 layoffs; and there are others. This is scary! It is unbelievable! Just compiling these figures is an exacting process. Between 1990 and 1994, no less than 7,391 jobs have disappeared in those Quebec companies which are formally identified as producing systems or subsystems for military use.

These figures, which merely represent the tip of the iceberg, confirm the dramatic drop in military production for Quebec alone. You can imagine what the figures are for all of Canada.

This illustrates why the need to convert military industries is so urgent and vital for the survival of our manufacturing and high tech industries.

We must act quickly to ensure the conversion of defence industries to civilian production. The elected government has a fundamental role to play in this sector of the economy. So far, federal government support to our defence industry has essentially taken the form of procurement contracts and direct assistance to industries.

This support is mainly given through the Defence Industry Productivity Program, or DIPP. It seems that it is through this program that support for the conversion of defence industries will come.

The program aims at helping military industries remain competitive on international and Canadian markets. Considering the collapse of world and domestic markets for military equipment, a thorough review of the program is a logical and necessary step.

The most appropriate solution to help our defence industries is undoubtedly the implementation of a conversion program funded with DIPP's budget.

In fact, the House of Commons Sub-committee on Arms Export asked, in its recommendation 18, that the DIPP be extended so as to include assistance for conversion and diversification. The Liberal members who sat on that sub-committee signed the report, thus confirming their party's position when they formed the opposition. Is it possible that such a change could occur when you change sides in this House? This is incredible! It is unacceptable!

Considering that stand from the Liberals, and given the need to implement a conversion program to help defence industries, it is important that the DIPP plays an accessory role in this transition from military to civilian production.

While ideas seemed to have been developing for some time, and while consultations seemed to support a quick transformation of this program into a conversion program, it now seems that the Liberal Party is hesitant to launch such a support program. The Liberals are now undecided. What happened to them since they took office? It is hard to tell. What happened to those nice promises made on every platform by the Liberals during the election campaign?

Even the leader of the Liberal Party, the current Prime Minister, tried to outmatch everyone else in a press release dated March 26, 1993, where he said: "Canadians deserve a government which can show them the way, come up with new ideas and new strategies, and help them to adapt to change. Our defence conversion policy is a good example of how a Liberal government", as he put it, "would meet the needs of Canadians during the 1990s."

• (1655)

Unfortunately, I must say that all these promises went unheeded, so much so that, in his budget, the Minister of Finance kept quiet about all the new programs the Liberals had promised.

If the government does not develop a defence conversion policy for the years to come, Quebec and the rest of Canada stand to lose tens of thousands of jobs in technological indus-

tries. Our capacity to create jobs will keep eroding, and the government is very much aware of the situation.

Recently, when questioned by my colleague, the hon. member for Hochelaga—Maisonneuve, the Minister of Industry was rather smug and cynical. He said that the federal government already has all the tools needed to promote conversion and that the existing programs were enough to help them fill their mandate. Is this the new tactic the Liberals are going to use?

The Minister of Industry probably confused the support provided to military production within the DIPP program with a conversion program that the government has yet to develop.

The Minister of Industry should, as soon as possible, review the existing programs. He would notice a difference between what he thinks is out there and the conversion program we are proposing.

By the way, I urge my colleagues opposite to read the statement released, on March 26, 1993, by the office of the then leader of the opposition, now the Prime Minister of Canada.

With the help of the current Minister of Human Resources Development and others, they came up with these proposals, while they were sitting in the opposition. People say life is easier when you are in the opposition, but still, if you are serious, when you are in office you try to do what you said you would do. At the time, the government promised Canadians jobs and now all it is talking about is the deficit. It was the Conservatives who talked about the deficit during the election campaign, not the Liberals. The Liberals promised us jobs. What happened?

The Liberal government has fallen into the trap. Caught without any conversion policy, the government must, once again, trust the market forces. Can you imagine? They keep telling us: "Wait and see. Wait and see." That is exactly what we are doing. We are waiting.

For its part, the Bloc Quebecois firmly believes that the government must take initiatives that can provide jobs for our fellow citizens.

A plan to encourage manufacturers of military equipment to move away from this type of production and export and onto other fields. A well-defined strategy is the key to success for the conversion of high-technology defence industries to civilian production.

Defence industries are a pillar of the high-technology, research and development sector, and our competitiveness and our future depend in part on high technology. That is very important.

A strong industrial fabric is essential to economic prosperity and job creation. High technology offers high-paying jobs and, furthermore, it uses our natural resources as well as products and services from our enterprises.

I want to enunciate the three main recommendations of the strategy we advocate. First, the government should create a conversion fund as part of its comprehensive industrial conversion strategy.

• (1700)

The main mission of this fund would be to improve and add to the assistance provided within existing programs, with the objective of ensuring defence facilities and businesses an adequate and long-term support in their conversion and diversification undertakings.

Second, the government will have to create conversion advisory committees at local and regional levels. Finally, the government will have to form an independent committee to examine the different existing programs that could be used.

Needless to say that this strategy must be aimed first and foremost at completely reforming the DIPP.

The federal government must assume a part of the responsibilities. When you are elected, you must assume responsibility for these businesses' dependency towards arms production.

My intervention today indicates well that we will continue our representations, and I hope that the federal government will respond as soon as possible to the legitimate expectations of businesses from Quebec and Canada.

Mrs. Eleni Bakopanos (Saint-Denis): Madam Speaker, I am very pleased to know that the member opposite has read our red book and is now aware of this government's priority which is job creation.

It is what we have been trying to achieve over the last six months, since we came to power. I think we have been quite successful.

Not to mention all the programs we have created, the infrastructure program has been implemented to help the small and medium-sized businesses that need our support.

I also want to stress that the Minister of National Defence has stated that the whole defence policy is now under review, including the industries that need to diversify their activities and produce other goods than nuclear equipment. We all agree that Canadians do not want any more production in that area.

The member mentioned that between 1990 and 1994 there has been a great number of layoffs. Why have we been elected? Because the previous government did not have a job creation program. Nor dit it have a Canadian vision for this country. There has been a problem in the area of job creation. We have been elected on that platform. Job creation is in the red book.

As far as Quebec is concerned, as a member coming from that province I can say that on this side of the House we are not concerned only with Quebec but with all of Canada and the unity of this country. If members opposite want to help job creation, they have to help us first with the programs aimed at creating jobs all over Canada and stop talking only about the Constitution or splitting up this country.

We have not changed our minds even if we are not sitting on the same side of the House. We are true federalists. Job creation has always been one of our priorities.

Could the member tell me why the current program does not meet the needs of businesses in Quebec or elsewhere in Canada?

Mr. Jean H. Leroux (Shefford): Madam Speaker, I would like to thank my colleague for her statement which seems very honest.

Let me deal first with the infrastructure program. It is true that program was implemented by the new government and it is an excellent program. You all know that what we need now in Canada is job creation.

That program will create jobs, but there are conditions.

• (1705)

First, there are small municipalities, in my riding and elsewhere, which cannot respect all of the program's requirements and have problems obtaining a program because of that.

Second, the infrastructure program will not develop high technology for the future of Canada and Quebec; let me say I am happy to mention the two together because the Bloc Quebecois is a sovereignist party, yes it does want sovereignty, but not a brutal and independent one. We wish to maintain relations with the rest of Canada. Since you are also from Quebec, my province, Madam Speaker, you know there will always be close relationships between Quebec and the rest of Canada.

However, Quebec is different. Everybody knows it. We hear it all the time. Just listen to the people sitting next to us, that is what they say. We are different. The day it will be accepted as a fact, everything will be easier. There is one important thing for the government, for the party in office. The Liberals are in office now, so they are able to consult the most intelligent and most competent persons in Canada and in Quebec and ask them what to do. If the government does not know what to do, it holds the necessary authority to at least do that.

I think the problem with our government is that it consulted a lot without presenting us with a legislative agenda equal to our expectations. As for the DIPP, all I can say is that we are experiencing delays. It is not functioning. Funds are frozen. We have the funds; now we should invest them the right way.

I think if the government is serious, it must consider the motion of the Bloc Quebecois and act upon it.

Mr. Eugène Bellemare (Carleton—Gloucester): Madam Speaker, I find it amusing to see the hon. member for Shefford panic and think that things are going from bad to worse in Quebec. That would be true if the sovereigntist government were to go off to sulk in a corner and to do as it pleased. The hon. member did not do his homework. When he did his research, he forgot to read the budget. If he had done so, he would know that the Liberal government will broaden the DIPP criteria to include more industries.

I would like to remind him what Paul D. Manson, a former Canadian Forces Chief of Staff and now the president of Paramax, said about his company: "Nearly two years ago, we created a task force to explore business opportunities in the civilian sector. We identified four or five very promising areas. Our parent company also extended its support and increased our budget for research and development. We answered some calls for tenders and, before the end of the year, we should have good contracts."

The hon. member, who is a sovereigntist and a separatist, should be trying to create a Canadian industrial family, instead of sulking and trying to leave us. He should be doing something constructive and positive, such as creating interactive jobs throughout Canada.

Mr. Leroux (Shefford): Madam Speaker, I listened to the remarks of my colleague and I found them quite cynical. I think both sides of the House will agree that this hon. member's attitude was rather carefree in the past. Contrary to the hon. member, I think that the best that can happen is for Quebec to finally opt for self-determination.

• (1710)

On the other hand, you can quote all the letters from all the company presidents in the world, this will not change the fact that 11,000 jobs were lost in Quebec. Each and every person who was laid off did not necessarily write a letter, but the fact remains that 11,000 jobs were lost. What we want is for the government which was elected to create jobs to roll up its sleeves and finally get things going for the benefit of our country.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I am pleased to take part in this debate today, for a few minutes, and particularly so as a member of the government party.

Since the election, last October, the Liberal government has taken to heart the commitments in our red book, the commitments that had been presented to Canadians after much reflection and debate within our political party.

For this government, jobs are the priority. Since its very first day in office, the new government began to keep its promises and implement policy initiatives designed to create jobs, to revive the economy, to spur economic growth, all things that Canadians had been deprived of during the last years of the Conservative government.

The February 24 budget we presented to the Canadian public was a continuation of the initiatives the government had begun to put implement. There was the infrastructure program that will create jobs directly, renew the infrastructure across Canada and kick-start the much needed economic growth. In the last budget, the government put the emphasis on small and medium-sized businesses as the engine of the economy, with several initiatives designed to sustain them across Canada, so that they can create jobs.

We also put the emphasis on the electronic and high tech sectors, which in our opinion are other engines of the Canadian economy. We have started to examine several areas of government policy and activity through in-depth reviews of foreign policy, defence and social security, a field I am involved in as chairman of a House committee.

We have taken measures to build up the confidence of Canadians in political and governmental institutions. Canadians have responded, as can be seen in the polls and in the decreased contempt they feel for politicians and the government. These measures have been taken under the guidance of a Prime Minister who is a man of experience, who feels a strong and sincere passion for Canada and the future of Canada, and who sees how this country can become one of the guiding lights of the 21st century.

• (1715)

Quebecers have benefitted from federal programs and initiatives. The recent budget included measures to promote job creation in Quebec. That province was largely spared when severe cuts were made in Atlantic Canada, for whom defence spending is very important. It is not easy for those provinces.

The federal government took part in many joint programs with the Quebec government and Quebec firms to create jobs, particularly in the defence and high technology industries in Montreal, Quebec City and elsewhere.

It seems strange that the official opposition, which wants to take Quebec out of Canada, should always be saying, through this motion and its remarks today, that the federal government does not give enough money to Quebec and does not give enough contracts to Quebec firms. This is ironic and even inconsistent for a party dedicated to Quebec separation.

When the official opposition talks that way, it should think about the benefits for Quebecers of the presence of Quebec in the Canadian federation, and it should try to co-operate with the government in order to create jobs that will keep the economy going. It should strive to build a better Canada instead of breaking up this great country.

Mr. Antoine Dubé (Lévis): Madam Speaker, the member for Cape Breton Highlands—Canso, whom I know well since he is chairman of the human resources committee, of which I am a member, today criticizes the role of the Official Opposition and links it to sovereignty. Before doing that, however, he talked about a few things, and I would like to refresh his memory on certain facts. He said that Quebec was spared by the Budget in terms of cuts.

I would like to ask him, after the many demonstrations made not only by the Official Opposition, but the Government of Quebec as well, if he really believes that the federal government spared Quebec when it closed the Collège militaire royal in Saint-Jean, the only francophone military college.

I will not restart the debate held earlier, but I am still anxiously waiting for the government to take action in the MIL Davie case. There was no response, as we said a little earlier. I do not want to restart the debate, but we had no answer whatever on this subject.

As for the helicopters, the government speedily cancelled the contracts that the Conservatives had made. However, unlike Bill C-22 on Toronto's Pearson Airport, which we are now discussing, there was no compensation.

Formerly, when the federal government withdrew from certain projects, it created a regional development fund, as in the case of Laprade. But in this case, there was nothing of the sort. Yet, the jobs on the line were very high-tech ones.

In this respect, you know, the member should share his concerns with us because his region is having problems with unemployment and fishing. He should himself be worried about the situation. I understand that this afternoon, he is on the other side, he is a member of the government, he does not dare to express his concerns. According to what I heard, I do not think a lot of progress was made in his province, Nova Scotia, since the Liberal Party's election, because unemployment is still very high. Quebecers are preoccupied because they lost 11,000 hich-tech jobs. It is up to the government to respond.

• (1720)

We, in the opposition, proposed this debate today because we feel that the conversion from military to civilian use is extremely important. Maybe it is not the most important issue, but it is one of the most important. Therefore, instead of accusing us of debating on the Constitution, the member should stick to today's issue, which is the problem of defence industry conversion.

Mr. LeBlanc (Cap-Breton Highlands—Canso): Madam Speaker, first of all, I wish to thank the hon. member opposite for his question and also for his participation in the Human Resources Development Committee, where he made a very useful contribution on behalf of his party. But in responding to some points that he has raised, I said that Quebec had been considerably spared by the defence cuts in the budget. I say this because it is true and because other parts of Canada have suffered much deeper cuts in terms of funds, dollars and jobs.

If we had followed his party's guidelines, the cuts would have been much deeper in Quebec and elsewhere. But I think that what the hon. member must remember is that, for example, on the MIL Davie issue, I am not an expert on that, but from what I understand, it is under discussion by both levels of government. There is a plan and both governments are discussing it, and that is what they have to do in a country such as ours. And that is what we need in order to find solutions to our problems. With that, I think the hon. member should, as he has been doing on the committee, and his party also should participate constructively in solutions that we must all bring to the problems, not only in Quebec, but in other areas of this country as well.

[*English*]

Ms. Margaret Bridgman (Surrey North): Madam Speaker, I would like to ask the hon. member this. The motion relates to the unacceptable delays in converting the national defence industry to civilian production, but minimum reference was made to that actual approach in his presentation.

I would like him to expand on that theme a little bit, if indeed there is a program along this line and if there is some delay in this that could possibly be speeded up.

Mr. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I thank the hon. member for her question. To my knowledge the process of defence conversion is well under way, as has been mentioned by previous speakers. The government is assisting this process.

I did not feel the need to go into a great deal of detail since those points have already been made by those closer to the issue than myself.

• (1725)

We are well aware that parallel to a restructuring in the defence sector, which is proceeding and which will be informed by the debate and by the review on defence policy now taking place, as well as other initiatives which the government is taking to promote the high technology and information sectors of our economy, that we will assist and support the conversion of industries currently developed to focus mainly on military production, into other activities.

It is not something that takes place overnight. It is a process in which the government is assisting. We are not following the Reform Party's approach which would have been, as I understood it, not to cut defence and not to support conversion, which I find rather contradictory certainly in the light of the changes that are taking place not only in Canada but around the world in this very important sector of our economy.

The Acting Speaker (Mrs. Maheu): Seeing no further members rising—

[*Translation*]

Since the debate is over, under Section 81(19) of the Standing Orders, the proceedings on the motion before the House are terminated.

SUSPENSION OF SITTING

[*English*]

The Acting Speaker (Mrs. Maheu): We will suspend temporarily to the call of the Chair when we will take the proceedings on the adjournment motion.

(The sitting of the House was suspended at 5.25 p.m.)

SITTING RESUMED

The House resumed at 5.32 p.m.

ADJOURNMENT PROCEEDINGS

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

LABOUR RELATIONS

Mr. Bernard St-Laurent (Manicouagan): Madam Speaker, my question would probably be for the Parliamentary Secretary to the Development of Human resources.

Since February 20, 400 employees of the QNS & L of Sept-Îles in my riding of Manicouagan are locked out. Federal law does not forbid the employer, the IOC mining company, to hire scabs, which naturally makes the situation extremely tense and even ready to explode.

Since nothing hinders its activities, the company refuses to negotiate with its employees even if they want to work.

• (1735)

I would like to ask the Liberal government if they agree that the absence of a federal anti-scab law is the reason for the deterioration of negotiations between QNS & L and local 9344 of the steel workers' union. I would also ask the government if they intend to intervene in that labour dispute and thus help the workers?

[*English*]

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs): Madam Speaker, I am pleased to respond on behalf of the government to the hon. member's question and I

thank him for taking such an interest in the workers in his constituency.

The question of restricting the use of replacement workers during legal work stoppages raises a number of complex issues, including the need to ensure that necessary services are provided to the Canadian public. Protecting the public interest is of particular relevance in the federal jurisdiction as the Canada Labour Code governs many industries which provide necessary services.

While the code does not prohibit the use of replacement workers, it does provide protection for workers engaged in legal work stoppages. The code prohibits an employer from disciplining an employee for engaging in a legal work stoppage. As well, an employer cannot discipline an employee for refusing to perform the duties of another employee who is involved in a legal work stoppage.

Once a work stoppage is terminated, employees are entitled to return to their employment in preference to any persons hired to replace them.

Despite the complex nature of labour relations within federal jurisdiction, the existing system generally works as intended. Most collective bargaining negotiations are settled by the parties in direct negotiations. Of those that do require conciliation officer assistance, more than 90 per cent—many people do not realize this, Madam Speaker—are settled without a work stoppage.

Part I of the Canada Labour Code has been designed to balance the rights and responsibilities of labour and management. This careful balance ensures that the collective bargaining system functions effectively in the vast majority of cases. For this reason it is important to consider the issue of restricting the use of replacement workers during work stoppages only in the context of a comprehensive review of the code.

At a future date in the context of the full review, extensive consultations will be held and full consideration will be given to all representations on this subject.

I hope this answers the hon. member's concerns.

[*Translation*]

RWANDA

Mr. Bill Graham (Rosedale): Madam Speaker, it is a bit reluctantly and a bit, if I may say, obscenely, that I would ask the following question to the Parliamentary Secretary to Minister of Foreign Affairs, because of the horror and the deep sadness of the intolerable events that are occurring in Rwanda. It is really hard for us, here, in this House, to imagine the situation out there. Let us just think about the 1,500 Rwanda nationals who live here, in Canada, and fear for the life of their families and friends.

[*English*]

I know the Canadian government is taking action in this very difficult situation. I asked the minister the other day if it was not possible to conceive of a surgical strike, a surgical operation whereby someone could go into Kigali and at least allow the innocent civilians who are trapped there in this incredible situation an escape route.

I asked the minister to use his best efforts to see whether through the United Nations this could be done. We have heard on the news that the United Nations is talking about this. Well, the talking is going on and the killing is going on.

We know that this situation requires a regional solution. We know that the Organization for African Unity is there. The Organization of African Unity needs some political will behind it. The Canadian government has earned a great deal of respect and goodwill in Africa. It can provide a political impetus to the process. It can also provide logistical support to the process.

• (1740)

What is being done at this time to try to resolve this situation? I have spoken of a surgical operation and providing the logistical and political motivation to the Organization of African Unity so it is able to step forward. We can give it the strength, give it the ability to carry out an operation which only it can achieve.

[*Translation*]

I would like to end my question, Madam Speaker, the way I started it. Africa is far away, but I believe that what we will do in this situation will determine how that Canada will respond in similar situations that are likely to occur in this more and more unstable and troubled world.

[*English*]

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs): Madam Speaker, unfortunately the civil war continues to claim numerous lives in Rwanda. We are in contact with the UN, the Organization of African Unity, friendly countries and other NGOs in order to determine how best to come to the aid of the Rwandan people.

Next week the Prime Minister will be meeting with the president of the international committee of the Red Cross to exchange views on the provision of humanitarian assistance.

CIDA has already provided $3 million in emergency aid since April's outbreak of violence. General Dallaire I must point out again continues to play a key role in leading the United Nations assistance mission to Rwanda. As an intermediary between the warring factions and as a participant in the humanitarian operations he has done his utmost to attempt to obtain a ceasefire with the assistance of the other seven Canadian soldiers.

Before deciding what action to take, the Security Council is awaiting a reply from the African countries to the Secretary-General's request for assistance. Canada's eventual contribution will be considered in light of the Security Council's decision.

The Security Council is apparently leaning toward a regional solution with OAU participation funded by the United Nations. The RPF and representatives of the government have travelled to Tanzania to negotiate a ceasefire but are not talking to one another. However, they talk separately to the Tanzanian facilitator.

The Department of Foreign Affairs received the Rwandan ambassador earlier this week to encourage his government to negotiate in good faith and end the killing once and for all. A similar message has been transmitted to the RPF via his representative in New York. Politicians of both sides were told that Canada will have a long memory toward those who exert responsibilities and do not use their power to put an end to these massacres.

The Canadian Forces Hercules operating out of Nairobi into Kigali was shot at this morning after landing in Kigali. There were no injuries and damage was superficial. Flying has temporarily ceased until the situation at the airport has stabilized.

I thank the hon. member for Rosedale for bringing this crisis to the attention of Canada's Parliament. I also want to congratulate him on the excellent work he is doing in the whole area of foreign affairs.

[*Translation*]

FLU VACCINE

Mrs. Monique Guay (Laurentides): Madam Speaker, last April 26, I questioned the Minister of Public Works and Government Services about the purchase of flu vaccine. His answer reflected his decision on that issue. However, everything was not said about the purchase of that vaccine. There are still some questions left concerning the role of the minister as buy broker for 4 million units of vaccine for the benefit of the provinces and territories. I would like to state a few disturbing and somewhat troubling facts about the process which led to the federal government's decision on that issue.

In 1993, the contract for the supply of the flu vaccine was awarded entirely to Bio Vac. The call for tenders for 1994 was issued on December 8, 1993. The tender closing date was January 7, 1994 at 2 p.m.

Two bids were received; Bio Vac from Laval was offering the vaccine at $1.70 per unit and Connaught from Toronto was offering a made in the U.S.A. vaccine at $1.46 per unit.

• (1745)

Connaught's bid being lower, the federal minister who bought the vaccine seemed to prefer its American vaccine. That is when dumping allegations were made to the effect that Connaught was selling this very vaccine for close to $3 in the United States, but charging us $1.46 for it. Faced with this dumping issue the minister extended the bidding period from January 7 to 18. At that time, we were well aware the government was hesitant and delaying its decision. We knew the situation was rather tricky considering that jobs were at stake, as well as a large investment in biotechnology, proposed by Bio Vac in Laval.

Another extension was announced, from January 18 to February 3. All this time, the Minister was under pressure to rapidly award the contract to BioVac. In a letter dated January 27, the Quebec Minister of Industry, Commerce and Technology asked Minister Dingwall to decide quickly in favour of BioVac.

On March 25, the minister told the House that he was looking for a Canadian solution to a serious Canadian problem. On April 20, the minister announced that he had decided to split the difference and that his Canadian solution was to buy two million American vaccines. The minister, as a Canadian broker, was responsible for the lay-off of 26 employees with his Canadian solution, jeopardising at the same time a $32 million investment in biotechnology in Laval.

This unacceptable decision raises some questions. What explanation can the minister give for the fact that his negotiations increased the average cost of the vaccine from $1.58 to $1.77, causing an additional expense of more than $750,000 to taxpayers?

Second, given that the minister will now pay $1.77 per dose, why did he refuse, on January 7, 1994, at the close of the first call for tenders, to award the full contract to BioVac at $1.70 per dose?

Third, can the minister tell us why, as a Canadian broker, he buys American vaccines at a cost of $1.69 per dose while BioVac's initial bid was $1.70? How can he explain such a cheeseparing saving of 1 cent on two million doses of vaccine, or $20,000, compared to 26 jobs lost? Has the minister analyzed the economic cost of these 26 job losses? Finally, why is he buying vaccines made in the U.S.A. when they could be entirely produced in Canada? The minister's Canadian solution is a bad joke.

To add a final touch to this already gloomy picture, rumour has it that the minister asked BioVac to sign a letter stating its satisfaction with the deal. What unmitigated nerve on the part of the minister!

The federal broker-minister is not transparent in this case. He acted in such a way that he penalized a Canadian firm and disregarded the taxpayers' interests. His decision is senseless and thoughtless. We ask the minister to disclose all the facts and to table, if he has the courage to, all documents pertaining to this case.

The Acting Speaker (Mrs. Maheu): Before recognizing the hon. parliamentary secretary, I just want to remind the hon. member for Laurentides that she should not use the name of a minister but his or her title instead.

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Madam Speaker, I am very pleased to be able to respond to the hon. member and clarify yet again the federal government's role in this important matter.

All members will surely agree that the availability of influenza vaccine for school children and the elderly across Canada is an issue which should be far removed from partisan political considerations. The health and safety of Canada's children and the elderly is this government's first priority. I hope the same is true for my friend across the floor.

I am proud of the role that the department of the minister to whom I am parliamentary secretary and the federal government have played for the past twenty-one years on behalf of the provinces and territories.

With Public Works and Government Services acting as the purchasing agent of the vaccine on behalf of a joint federal-provincial-territorial committee, we have been able to achieve the economies of scale which bulk purchases represent. The price per dose for one large national order is lower than if a number of smaller purchases are made by the different jurisdictions.

The result is a sterling demonstration of joint federal-provincial-territorial cooperation and efficient use of taxpayers' dollars.

• (1750)

Members should note that the value of these purchases is now approximately $7 million per year, of which 99 per cent is paid for by the provinces and territories. The federal government uses and pays for less than 1 per cent of the vaccine.

As has been announced in this House on several occasions, and following a competitive process, an agreement in principle was concluded on April 13, 1994, between the federal-provincial-territorial committee and two Canadian drug manufacturers. The contracts will be split 50/50 between IAF BioVac in Laval, Quebec, and Connaught Laboratories in Willowdale, Ontario. These contracts are scheduled to be signed later this month. I should point out to the House that the hon. member mentioned that there was a significant reduction in one particular year, but if we look at the average for the last three years, the proportion has gone from 38 per cent then to 50 per cent now. That is 12 per cent more.

Prices are lower than in past years, and they are going down. This year's price of $1.77 per dose is lower than the 1992 and 1993 prices.

To reiterate, both companies, the provinces and territories have agreed to this arrangement. In questioning the government on this issue, the member and her party have made a number of factual errors. If one did not know better, one might conclude that there is a deliberate attempt to mislead members of this House and the Canadians we represent.

I sincerely hope that this is not the case.

2002 OLYMPIC GAMES

Mr. Antoine Dubé (Lévis): Madam Speaker, on April 22, I asked the Deputy Prime Minister a question about the federal contribution to Quebec 2002. That was a two-part question. First, I asked her when her government would appoint a negotiator to determine with Quebec 2002 the amount of funding needed.

"Soon", answered the Deputy Prime minister. On this issue, I am quite satisfied, since the daily newspaper *Le Soleil* reported, on April 30, that the federal government had appointed, a day or two before, Mr. Laurent Tremblay, executive director of the Quebec office of the Department of Canadian Heritage, to act as spokesperson for the federal government. One week is not that bad a delay and we are satisfied with this part of the answer.

But we fail to see why it took six months and a question in the House for the federal government to reply to an organization's request. Six months is a long time. Will we need to press the government in the House on all issues so that they finally reply to organizations' requests?

We were satisfied with the answer we got this time. A negotiator was appointed within a week. Unfortunately, negotiations have not started yet and the deadline for Quebec 2002 has not been changed. Indeed, the final bids must be in by August 18. They would like a definite answer from the federal government within the next month, by the middle of June.

That was the second part of my question. I asked the Deputy Prime Minister if she was prepared to give a mandate to a negotiator modelled on what was done for Calgary in terms of federal assistance when it bid on the 1988 Winter Games. I have not received an answer to my question, either from the government or from the negotiator.

I would like to remind this government that although governments do come and go, it does have some responsibility since in 1992, the former prime minister did make a verbal commitment. However, since a new government is in office, this commitment needs to be reaffirmed and confirmed, since we are dealing with relatively tight deadlines.

Calgary received $240 million in financing guarantees. I cannot understand why the federal government is so reluctant to commit to a similar amount when a study has shown that this project would generate in the neighbourhood of $200 million in terms of direct and indirect jobs, the GST and so on. Why is the government taking so long to decide when it could earn these

kinds of revenues? Quebec is asking for equal consideration for the 2002 Games, that is $240 million in financing guarantees, without any indexation.

This financial guarantee is extremely important to the residents of the Quebec City region in terms of helping them prepare and present their bid for the Olympic Games. They need some assurance that federal assistance will be forthcoming. A great many concerns are being expressed at the local level. Without assurances of the usual government assistance, people are getting worried.

I hope that I will receive a clearer answer today than I did last time.

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Madam Speaker, on several occasions in the past few months, the government of Canada has expressed support for the group of Quebec residents promoting Quebec City's bid to host the 2002 Olympic Games. This is a very important issue which must be considered carefully to ensure the success of the entire operation.

[*English*]

The federal government has already committed $2.8 million toward supporting Quebec's international bid efforts before the International Olympic Committee. The Minister of Canadian Heritage led a Canadian delegation in February to Lillehammer while promoting Quebec's bid for the winter games.

[*Translation*]

The federal government's financial commitment could add up to several hundred million dollars. You will agree this is a substantial amount. That is why this commitment has to be considered carefully beforehand. Not only has the Minister of National Heritage asked his officials to work diligently on this, but before a final answer can be given to the organizing committee, he will have to consult with his Cabinet colleagues whose departments will be involved.

Hosting the Olympic Games in Quebec City in 2002 requires major financial support from the various levels of government, but this project must also receive unequivocal support from the local people; without this support, holding a sports event of that magnitude would be unthinkable.

[*English*]

IOC will make its final decision in Budapest in June 1995, after making a preselection in January 1995 when it will invite four finalists to pursue their bids.

The member can rest assured that the minister is taking the August 18, 1994 deadline for the preselection applications into account. An answer will be announced as soon as possible.

The Acting Speaker (Mrs. Maheu): It being 5.59 p.m. this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 5.59 p.m.)